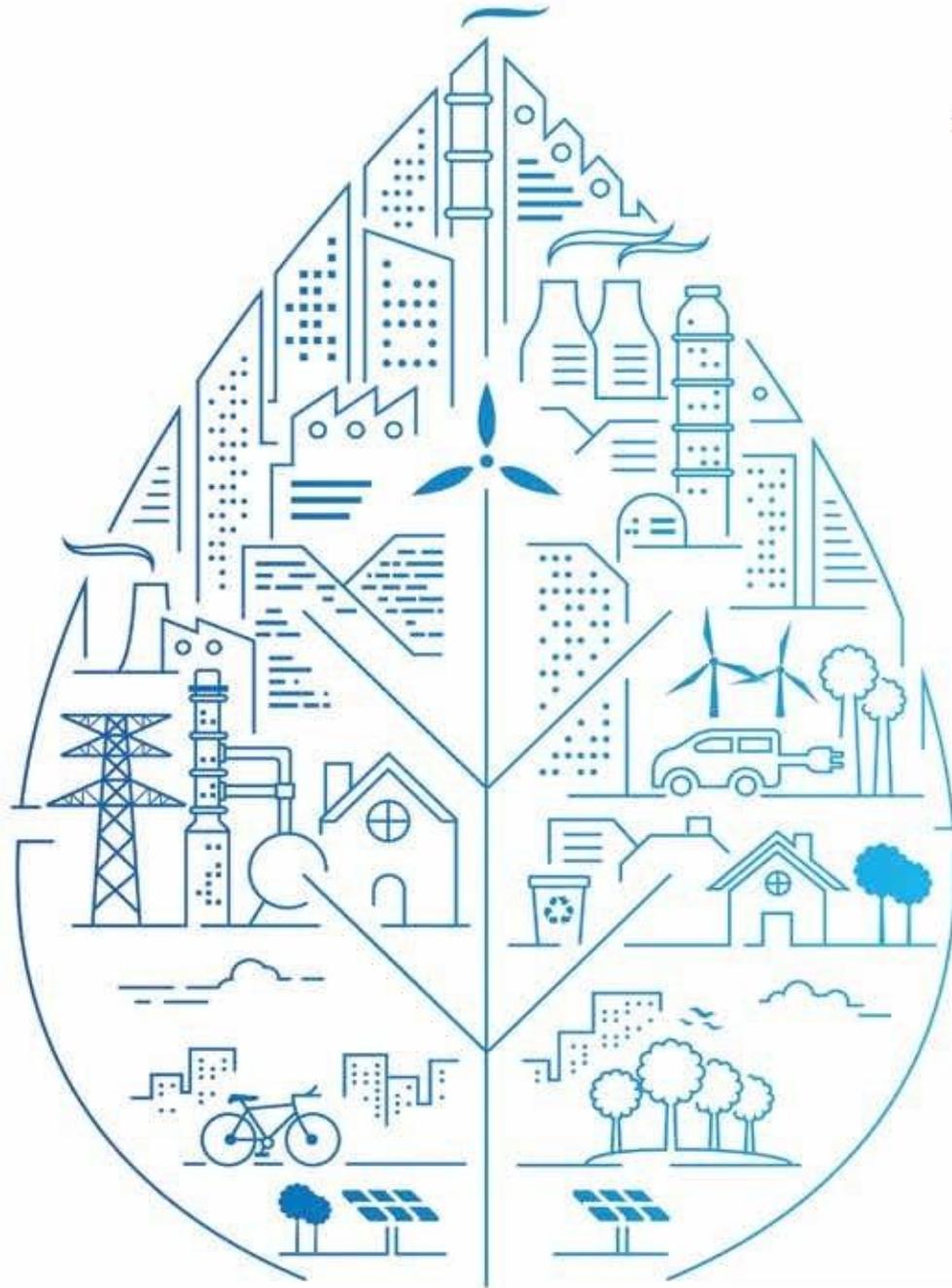




Crescent Steel and
Allied Products Limited



BUILDING SUSTAINABLE VALUE

Half Yearly Report 2023

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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 line 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 five divisions and two wholly owned subsidiaries.

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

The Company's Steel Division operates two Helical Seam Submerged Arc Welded steel pipe manufacturing lines and an external coating application line at Nooriabad and, a fabrication facility - Shakarganj Engineering – in Dalawal, Faisalabad. The pipe manufacturing facility produces Submerged Arc Welded Helical seam carbon steel pipes in diameters ranging from 8 to 120 inches (219mm - 3,048mm), thickness up to 1 inch and in steel grade up to API 5L X-100 or equivalent. The unit has authorization to use API monogram of the American Petroleum Institute (API) - the highest international standard accredited for quality of steel line pipe in the Oil and Gas Sector and also continues to retain the ISO 9001 certification.

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

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

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

The unit also has the capability to fabricate and erect machinery used in the secondary steel sector and it was leveraged for partial fabrication of a continuous caster machine structure, girders for overhead cranes and a vibratory scrap feeder for the billet manufacturing units of the steel industry.

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. As a division, it is registered with the Ministry of Textile Industry Pakistan and All Pakistan Textile Mills Association (APTMA). It produces quality cotton/synthetic yarn with value addition of slub, siro and compact attachments.

CCP is equipped with modern high-tech European and Japanese machinery ensuring a high-quality yarn making process, producing various counts from 10s to 31s and has a notional capacity (based on 20s) of 6.36 million kilograms per annum.

The brand is known for its high quality and hence demands a premium.

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

The division manages an investment portfolio in securities (shares, bonds and other securities), across diversified sectors and investment properties in order to meet specified investment goals at a given risk appetite, to maximize returns.

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.

CS ENERGY DIVISION

The primary function of this unit is to provide electricity internally to Crescent Hadeed Division - Billet Manufacturing Unit and generate, accumulate, distribute, sell and supply electricity to distribution companies, as permitted.

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

CRESCENT HADEED DIVISION – BILLET MANUFACTURING UNIT

The principal activity of the unit is to manufacture and sale Steel Billet through a Steel Melting plant which is located at Bhone, District Jhang, Punjab. It commenced commercial operations in January 2016.

The unit operates a melt shop (equipped with two induction melting furnaces and a continuous casting machine) with an annual production capacity of 85,000 MT of steel billets in sizes ranging from 100mm X 100mm to 150mm X 150mm and a standard length of 6 meters. Billets manufactured by the unit are used by re-rolling mills to manufacture bars and other steel long products for use in the construction and engineering sectors.

SUBSIDIARY COMPANIES

CS CAPITAL (PRIVATE) LIMITED

CS Capital (Private) Limited is a fully owned subsidiary of Crescent Steel. The principal activity of the subsidiary is to manage and organically grow investment portfolios in stocks, commodities and other securities, both strategic and short term.

SOLUTION DE ENERGY (PRIVATE) LIMITED

Solution de Energy which was previously operating as a fully owned subsidiary of CS Energy (Private) Limited, now operates as a fully owned subsidiary of Crescent Steel, post amalgamation of CS Energy (Private) Limited and Crescent Steel.

The company was incorporated in October 2013, its principal activity being to build, own, operate and maintain a 100 MW solar power project.

COMPANY INFORMATION

BOARD OF DIRECTORS

Ahmad Waqar

Chairman, Non-Executive Director

Ahsan M. Saleem

Chief Executive Officer

Farah Ayub Tarin

Non-Executive Director (Independent)

Farrukh V. Junaidy

Non-Executive Director (Independent)

Muhammad Kamran Saleem

Non-Executive Director (Independent)

Nadeem Maqbool

Non-Executive Director (Independent)

Nasir Shafi

Non-Executive Director

S.M. Ehtishamullah

Non-Executive Director

ACTING COMPANY SECRETARY

Muhammad Saad Thaniana

AUDIT COMMITTEE

Farrukh V. Junaidy

Chairman, Non-Executive Director (Independent)

Nadeem Maqbool

Member, Non-Executive Director (Independent)

Nasir Shafi

Member, Non-Executive Director

S.M. Ehtishamullah

Member, Non-Executive Director

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Nadeem Maqbool

Chairman, Non-Executive Director (Independent)

Ahmad Waqar

Member, Non-Executive Director

Farah Ayub Tarin

Member, Non-Executive Director (Independent)

Nasir Shafi

Member, Non-Executive Director

GOVERNANCE AND NOMINATION COMMITTEE

Ahmad Waqar

Chairman, Non-Executive Director

Ahsan M. Saleem

Member, Chief Executive Officer

Farrukh V. Junaidy

Member, Non-Executive Director (Independent)

RISK MANAGEMENT COMMITTEE

S.M. Ehtishamullah

Chairman, Non-Executive Director

Farah Ayub Tarin

Member, Non-Executive Director (Independent)

Muhammad Kamran Saleem

Member, Non-Executive Director (Independent)

MANAGEMENT TEAM

Ahsan M. Saleem - 1983*

Chief Executive Officer

Muhammad Saad Thaniana - 2007*

Chief Financial Officer and CEO Solution De Energy (Private) Limited

Abdul Rouf - 2000*

Business Unit Head - Cotton Division

Arif Raza - 1985*

Business Unit Head - Steel Division

Hajerah A. Saleem - 2012*

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

Hasan Altaf Saleem - 2010*

Business Unit Head – Crescent Hadeed

Abdullah A. Saleem – 2017*

Head of Supply Chain

Iqbal Abdulla - 2014*

IT Advisor

Mushtaque Ahmed - 1985*

Head of Manufacturing - Steel Division

HEAD OF INTERNAL AUDIT

Azeem Sarwar - 2018*

AUDITORS

External Auditors

A.F. Ferguson & Co
Chartered Accountants

Internal Auditors

BDO Ebrahim & Co
Chartered Accountants

LEGAL ADVISOR

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

BANKERS

Conventional

Allied Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Summit Bank Limited

Shariah Compliant

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

* Year of Joining

SUBSIDIARIES**

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

REGISTERED OFFICE

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

LIAISON OFFICE LAHORE

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

PRINCIPAL OFFICE

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

PRODUCTION SITES

STEEL DIVISION PIPE AND COATING PLANTS

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

ENGINEERING UNIT

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

COTTON DIVISION CRESCENT COTTON PRODUCTS

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

CRESCENT HADEED DIVISION BILLET MANUFACTURING UNIT

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

CS ENERGY DIVISION POWER GENERATION UNIT

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

PUBLIC INFORMATION

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

Mr. Muhammad Saad Thaniana

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

SHARE REGISTRAR

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

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

CORPORATE WEBSITE

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



FINANCIAL STATEMENT

For 1st Quarterly Report 2023 go to:
https://crescent.com.pk/wp-content/uploads/2023/03/Half-Yearly-Report-2023_R.pdf



DIRECTORS' REPORT

The Directors of the Company are pleased to submit their report together with unaudited condensed interim unconsolidated and consolidated financial statements of the Company and the Group, respectively, for the half year ended 31 December 2022.

ECONOMIC OUTLOOK

To recap, Pakistan closed FY22 at a GDP growth rate of 5.97% with consensus for growth forecasts for FY23 at 3.5% (World Bank) and FY23 average inflation at 20%. YoY inflation in June stood at 21.3% and the PKR was at 204.85/USD – amidst a commodity upcycle and twin deficits with current account deficit (CAD) at USD 17.41 billion and fiscal deficit of PKR 8 billion. Pakistan successfully resumed the IMF program against which a USD 1.1 billion grant was released in August 2022.

As it stands today, Pakistan is recovering from a climate catastrophe which left more than 33 million people displaced and caused damages that are estimated to be north of USD 30 billion; the PKR/USD parity stands at 230.40 with a growing arbitrage between interbank and kerb market rates, representative of both state interventions as well as demand from a neighbouring country. Inflation clocked in at 24.5% YoY in December 2022 – an increase of 12% during the first six months of this fiscal year. The country's FX reserves have now depleted to USD 10.85 billion from 15.45 billion on 30 June 2022. However, owing to import contractionary policies in place, CAD shrank by 59.66% to USD 3.67 billion.

Inflationary pressures prevailed throughout the first half of FY23 with average inflation clocking in at 25.05%. Food and energy sectors representing 58.21% weightage in the National CPI Index (Dec 22) have been the main drivers of the cost push inflation showing an increase of 35.5% and 7% on a Year-on-Year basis, respectively.

In continued monetary tightening, the SBP raised rates by 100 bps in November 2022, and 100 bps in January 2023 to 17% – cumulative increase of 375bps to date in FY23. Global supply chain bottlenecks and a depreciating currency coupled with post mitigation effects of floods are expected to keep the inflationary readings on the higher end.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overall Unconsolidated Financial Performance

During half year ended 31 December 2022 (HYFY23) the Company's after tax loss amounted to Rs. 202.3 million mainly as compared to after tax profit of Rs. 882.5 million in HYFY22 which was mainly due to dividend from Altern Energy Limited. Loss per share (LPS) for HYFY22 was Rs. 2.61 per share as compared to Earnings per share (EPS) of Rs. 11.37 in HYFY22.

Company's sales revenue for the HYFY23 stood at Rs. 2,216.5 million (HYFY22: Rs. 2,640.7 million) generating a gross profit (GP) of Rs. 10.6 million (HYFY22: GP of Rs. 80.1 million) which was 0.5 percent of sales as compared to 3.03 percent in HYFY22.

Steel division and Cotton division generated 63.4 percent, 35.4 percent of the total sales respectively. Turnover of Steel division was Rs. 1,405.0 million (HYFY22: Rs. 1,170.9 million). Cotton Division posted a turnover of Rs. 784.8 million (HYFY22: Rs. 1,258.8 million), a decrease of 37.7 percent due to reduce shifts during Q2FY23 because of non-availability of cotton.

During HYFY23, GP of the Steel division amounted to Rs. 130.1 million (HYFY22: Gross loss of Rs. 73.9 million), whereas Cotton Division reported a Gross loss of Rs. 50.8 million i.e. 6.5% of sales (HYFY22: GP of Rs. 203.7 million).

The Steel Division reported loss before tax (LBT) of Rs. 107.1 million (HYFY22 LBT: Rs. 274.2 million). Cotton Division reported LBT of Rs. 79.5 million [HYFY22 Profit before tax (PBT): Rs. 168.2 million]. IID Division reported a LBT of Rs. 6.1 million (HYFY22 PBT: Rs. 1,099.2 million).

The Company's LBT for HYFY23 was Rs. 279.3 million as compared to PBT of Rs. 909.5 million in HYFY22. Tax reversal during HYFY23 amounted to Rs. 77.1 million (current and prior year tax charge of Rs. 29.7 million while deferred tax reversal of Rs. 106.8 million).

Summary of operating results as per unconsolidated condensed interim financial statements of the company

- Sales revenue decreased to Rs. 2,216.5 million as compared to Rs. 2,640.7 million in HYFY22.
- Income from Investment amounted to Rs. 3.1 million as compared to Rs. 1,107.6 million in HYFY22.
- Gross profit of Rs. 10.6 million as compared to a gross profit of Rs. 80.1 million in HYFY22.
- Other income decreased to Rs. 29.8 million as compared to Rs. 32.4 million in HYFY22.
- Loss before interest and tax for HYFY23 was Rs. 133.6 million as compared Earnings before interest and tax of Rs. 1,028.5 million in HYFY22.
- Earnings before interest, tax, depreciation, and amortization was Rs. 19.6 million as compared to Rs. 1,131.7 million in HYFY22.
- LPS for HYFY23 was Rs. 2.61, as compared to EPS of Rs. 11.37 for HYFY22.
- Return on average capital employed (annualized) was negative 5.3 percent for HYFY23 as compared to 20.3 percent in corresponding period last year.

BUSINESS SEGMENTS

Steel Segment

Steel Division revenue for the HYFY23 stood at Rs. 1,405.0 million as compared to Rs. 1,170.9 million in the corresponding period last year. Total GP during the HYFY23 was recorded at Rs. 130.1 million (i.e. 9.2%), as compared to gross loss of Rs. 73.9 million (i.e. -6.3%) in HYFY22.

Consequently, LBT for the HYFY23 stood at Rs. 107.1 million as compared to LBT of Rs. 274.2 million in corresponding period last year.

Cotton Segment

Cotton Division net sales revenue for HYFY23 stood at Rs. 784.8 million as compared to Rs. 1,258.8 million in HYFY22. Division posted gross loss of Rs. 50.8 million i.e. -6.5% of sales as compared to GP of Rs. 203.7 million i.e. 16.2% in HYFY22.

IID Segment

Market Review

To recap, having lost 12.28% during FY22, the KSE-100 opened the fiscal year 2023 at 41,540.83 points, losing 1,120.38 points or 2.70% during HYFY23 to close at 40,420.45 points on 31 December 2022. On a CY basis the benchmark has lost 4,175.62 points or 10.33% from its opening of 44,596.07 points on 01 January 2022.

The KSE-100 swung between a low-hi of 39,026 – 43,888 points or -6.05% to +5.65% from its fiscal year opening, respectively. The Index, deeply affected by the prevailing political and economic uncertainties, tested the 39,000 mark twice during the start and tail end of the 1HFY23 – a trend line that was last witnessed back in November 2020.

On a calendar year basis, we saw volumes drying up with average traded volumes for all-share index during H2CY22 at 219.26 million shares traded/day down 8.9% when compared to H1CY22. On a Calendar year/YoY basis volumes shrank 35.68% during H1FY23 when compared to H1FY22 – indicating weak investor confidence. It is expected that going forward, higher money market yields and expectations of dampened corporate earnings will discourage short-term investors from participating in the market, resulting in low volumes.

Segment Performance

The portfolio's accumulated LBT for the HYFY23 stood at Rs. 6.0 million, as against PBT of Rs. 1,099.2 million in the corresponding period last year.

The LBT includes unrealised losses and realised gains of Rs. 25.8 million and Rs. 5.00 million, respectively. Dividend income for the period stood at Rs. 21.8 million.

During the HYFY23, the Division's trading investments recorded negative ROI of -1.96% on weighted average investments of Rs. 255.9 million whereas the benchmark KSE-100 index decreased by 2.7%.

UNCONSOLIDATED BALANCE SHEET

Balance sheet footing stood at Rs. 9,744.1 million as of 30 December 2022, compared to Rs 8,445.1 million on 30 June 2022. Break-up value per share decreased to Rs. 75.9 from Rs. 78.6 as at 30 June 2022.

Current ratio decreased to 1.31, as compared to 1.38 as at 30 June 2022. Gearing ratio (including short-term borrowings) increased to 27.4% as compared to 14.8% as at 30 June 2022. Interest cover for HYFY23 was -0.9 times (HYFY22: 8.6 times).

Overall Consolidated Financial Performance

On a consolidated basis, operating loss before finance costs and share of profit in equity accounted investees amounted to Rs. 144.3 million (HYFY22: loss of Rs. 109.1 million). Consolidated loss after tax for the Group for HYFY23 was Rs. 10.4 million as compared to loss after tax of Rs. 133.2 million in HYFY22. Net share of profit from equity-accounted associates amounted to Rs. 221.5 million (HYFY22: Rs. 41.4 million).

Consolidated LPS of the Group for HYFY23 was Rs. 0.13 per share as compared to LPS of Rs. 1.72 per share respectively in the corresponding period last year.

CONSOLIDATED BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 10,901.1 million, compared to Rs. 9,469.0 million as at 30 June 2022. Total shareholders' fund decreased to Rs. 6,978.2 million from Rs. 7,024.6 million as at 30 June 2022.

FUTURE OUTLOOK

As we are stepping into H2FY23, the economic policy seems to have taken a shift – the USD/PKR parity seems to be controlled, costing us a competitive advantage in export markets and creating long-term pressures on the local industry in an environment where it is already extremely difficult to operate. Today, it has become virtually impossible for industry to open letter of credits for import of critical raw material / spares. This had resulted temporary shutdowns of many industrial units.

The country's FX cover is barely enough for one month worth of imports as against a 3-year average of a 3-month cover. Faced with shortfalls in meeting external debt obligations, we are likely to see debt restructuring to avoid an otherwise inevitable default. This will come with further monetary tightening and steep PKR devaluation (PKR/USD projections stand at PKR 270/USD in the near term representing a devaluation of 18.4% from current official rate of PKR 228/USD).

For Crescent Steel, with core business dependent on infrastructure projects – in particular energy and water infrastructure – FY23 is marred with uncertainty. Our order book in the line pipe segment is linked with infrastructure projects of national importance and led by State Owned Enterprises and as such they are susceptible to delays – particularly given continued fiscal constraints.

As reported earlier, the Greater Karachi Bulk Water Supply project K-IV has been awarded to an international contractor. We got contract for pipe conversion (from client supplied HRC) and line pipe coating business for part of the project. Manufacturing against the said contract commenced in December 2022 with expected completion by Q2FY24.

We have also seen some line pipe demand in the Oil and Gas segment, bidding and awards against these projects are expected in due course of time and in case we are successful in our bids, these may be executed in FY24.

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

For and behalf of Board of Directors.



Ahsan M. Saleem
Chief Executive Officer



Nadeem Maqbool
Director

31 January 2023

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ بالترتیب کمپنی اور گروپ کی غیر مربوط اور مربوط مرکز عبوری مالیاتی دستاویزات بابت ششماہی اختتامیہ 31 دسمبر 2022 آپ کی خدمت میں پیش کر رہے ہیں۔

معاشی منظر نامہ

برائے یاد دہانی عرض ہے کہ پاکستان میں مالی سال 2022 کا اختتام %97.5 جی ڈی پی اور اس بات پر اتفاق تھا کہ مالی سال 2023 کے دوران جی ڈی پی کی شرح (عالمی بینک کے مطابق) %3.5 رہنے کی توقع تھی اور اس کے ساتھ ساتھ افراط زر کی شرح %20 پر رہنے کی توقع ظاہر کی گئی تھی۔ سال بہ سال کی بنیاد پر جون کے مہینے میں ایشیا کے اسپانیکل، کرنٹ اکاؤنٹ کے ڈبل ڈیٹ 17.41 بلین ڈالر اور 8 بلین ڈالر کے مالیاتی خسارے کے مابین افراط زر کی شرح %21.3 درج کی گئی تھی اور پاکستانی روپے کی قدر ڈالر کے مقابلے میں 204.85 روپے فی ڈالر درج کی گئی تھی۔ پاکستان نے آئی ایم ایف کے پروگرام کو کامیابی کے ساتھ آگے بڑھایا اور اگست 2022 میں آئی ایم ایف کی جانب سے پاکستان کو 1.1 بلین ڈالر قسط بھی جاری کی گئی۔

آج صورتحال کے مطابق پاکستان ایک بہترین قدرتی آفت کی تباہ کاریوں سے خود کو سنبھال رہا ہے جس میں 33 بلین لوگ بے گھر ہوئے اور بڑے پیمانے پر تباہی پھیلی جس کا تخمینہ 30 بلین ڈالر اور روپوں میں 230.40 بلین روپے لگایا گیا ہے۔ اسی دوران ڈالر کے انٹرنیشنل اور مارکیٹ ریٹس کا فرق بھی بڑھتا رہا جس کی وجہ حکومت کی جانب سے مداخلت اور پڑوسی ملک میں ڈالروں کی بڑھتی ہوئی طلب تھی۔ سال بہ سال کی بنیاد پر دسمبر 2022 میں افراط زر کی شرح %24.5 درج کی گئی یعنی کہ مالی سال کی ایک ہی ششماہی کے دوران افراط زر میں %12 کا اضافہ ہوا۔ ملک کے زرمبادلہ کے ذخائر 15.45 بلین ڈالر سے کم ہو کر 30 جون 2022 تک 10.85 بلین ڈالر کی حد تک گر چکے تھے۔ تاہم درآمدات مخالف پالیسی کو اپنایا گیا اور اس وجہ سے کرنٹ اکاؤنٹ خسارہ %59.66 تک کم ہو گیا اور اس طرح 3.67 بلین ڈالر کو روک رکھا گیا۔

مالی سال 2023 کی پہلی ششماہی کے دوران بھی افراط زر کا دباؤ اپنی جگہ موجود رہا جس کا اوسط %25.05 درج کیا گیا ہے۔ جبکہ مہنگائی کی قومی اشاریہ ICPI انڈیکس (دسمبر 2022) کے مطابق غذا اور توانائی کے شعبے میں افراط زر کی شرح نسبتاً %58.21 درج کی گئی جس کے باعث پیداواری لاگت میں بہت اضافہ ہوا اور سال بہ سال کی بنیاد پر بالترتیب ان ہونے والا اضافہ %35.5 اور %7 درج کیا گیا۔

سخت زرعی پالیسی کے تسلسل کے تناظر میں اسٹیٹ بینک آف پاکستان کی جانب سے نومبر 2022 میں ریٹس میں 100 پیسے پوائنٹس کا اضافہ کر دیا گیا اور جنوری 2023 میں 100 پیسے پوائنٹس کی بنیاد پر پھر اضافہ کیا گیا اور شرح سود %17 ہو گئی، اس مالی سال 2023 میں اب تک مجموعی طور پر 375 پوائنٹس پیسے کا اضافہ کیا جا چکا ہے۔ عالمی سطح پر سلائی چین میں آئی وائی رکاوٹیں، روپے کی قدر میں آنے والی کمی اور سیلاب کی تباہ کاریوں کے مالیاتی اثرات کی وجہ سے اس بات کی توقع کی جا رہی ہے کہ افراط زر کی شرح اسی طرح بلند رہے گی۔

مالیاتی و کاروباری کارکردگی

مجموعی غیر مربوط معاشی کارکردگی

زیر نظر 31 دسمبر 2022 کو ختم ہونے والی ششماہی (2023) کے دوران کمپنی کا بعد از ٹیکس نقصان 202.3 ملین روپے رہا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران کمپنی کو 882.5 ملین روپے کا منافع ہوا تھا جس کا سہرا بنیادی طور پر آلٹرن انرجی لمیٹڈ سے حاصل ہونے والے ڈیویڈنڈ کا جانا ہے۔ مالی سال 2023 کی ششماہی کے دوران فی حصص نقصان 2.61 روپے درج کیا گیا ہے جبکہ مالی سال 2022 کی ششماہی کے دوران 11.37 روپے فی حصص آمدن درج کی گئی تھی۔

مالی سال 2023 کی ششماہی کے دوران آمدن از فروخت 2,216.5 ملین روپے رہی (بمطابق ششماہی 2022 یہ آمدن 2,640.7 ملین روپے تھی) جس میں سے 10.6 ملین خام منافع (بمطابق ششماہی 2022 یہ منافع 80.1 ملین روپے تھا) کمایا گیا جو فروخت کا 0.5% تھا جبکہ مالی سال 2022 کی ششماہی کے دوران خام منافع فروخت کا 3.03% درج کیا گیا تھا۔

مجموعی فروخت میں اسٹیل اور کاٹن کے شعبوں کا حصہ بالترتیب %63.4 اور %35.4 فیصد بنتا ہے۔ اسٹیل کے شعبے کا کاروباری حجم 1,405.0 ملین روپے (1,170.9 ملین روپے بمطابق ششماہی 2022) درج کیا گیا ہے، جبکہ کاٹن کے شعبے کا کاروباری حجم 784.8 ملین روپے (1,258.8 ملین روپے بمطابق ششماہی 2022) درج کیا گیا ہے یعنی %37.7 کی کمی واقع ہوئی ہے جس کی کاٹن کی عدم دستیابی کے باعث ششماہی میں کمی تھی۔

ششماہی 2023 کے دوران اسٹیل کے شعبے کا خام منافع 130.1 ملین روپے رہا (73.9 ملین روپے بمطابق ششماہی 2022) جبکہ کاٹن کے شعبے کا خام منافع 50.8 ملین روپے درج کیا گیا جو فروخت کا %6.5 بنتا ہے (203.7 ملین روپے بمطابق ششماہی 2022)۔

اسٹیل کے شعبے کو قبل از ٹیکس 107.1 ملین روپے کا نقصان ہوا (274.2 ملین روپے کا نقصان قبل از ٹیکس بمطابق ششماہی 2022)۔ کاٹن کے شعبے کا نقصان قبل از ٹیکس 79.5 ملین روپے درج کیا گیا ہے (168.2 ملین روپے کا منافع قبل از ٹیکس بمطابق ششماہی 2022)۔ آئی آئی ڈی کے شعبے کی جانب سے قبل از ٹیکس 6.1 ملین روپے کا نقصان درج کیا گیا ہے (1,099.2 ملین روپے منافع قبل از ٹیکس بمطابق ششماہی 2022)۔

ششماہی 2023 کے دوران کمپنی کا نقصان قبل از ٹیکس 279.3 ملین روپے درج کیا گیا ہے جبکہ ششماہی 2022 کے دوران 909.5 ملین روپے منافع قبل از ٹیکس درج کیا گیا تھا۔ ششماہی 2023 کے دوران ٹیکس ریورسل کی رقم 77.1 ملین روپے رہی (رواں اور گزشتہ سال کیلئے ٹیکس چارجز 29.7 ملین روپے جبکہ مؤخر ٹیکس ریورسل کی رقم 106.8 ملین روپے بنتی ہیں)۔

کمپنی کی غیر مربوط مرکز عبوری مالیاتی دستاویزات کے مطابق کاروباری نتائج

☆ آمدن از فروخت گزشتہ مالی سال کی ششماہی 2022 کی آمدن از فروخت 2,640.7 ملین روپے کے مقابلے میں کم ہو کر 2,216.5 ملین روپے ہو چکی ہے۔

☆ آمدن از سرمایہ کاری 3.1 ملین روپے درج کی گئی ہے جبکہ ششماہی 2022 کے اختتام پر 1,107.6 ملین روپے کی آمدن درج کی گئی تھی۔

☆ خام منافع 10.6 ملین روپے درج کیا گیا ہے جبکہ ششماہی 2022 کے اختتام پر 80.1 ملین روپے کا خام منافع درج کیا گیا تھا۔

☆ دیگر آمدن کمی کے بعد 29.8 ملین روپے رہی جبکہ مالی سال 2022 کی ششماہی کے دوران یہ آمدن 32.4 ملین روپے درج کی گئی تھی۔

☆ ششماہی 2023 کے اختتام پر نقصان قبل از سود و ٹیکس 133.6 ملین روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال کی ششماہی 2022 کے دوران قبل از سود و ٹیکس آمدن 1,028.5 ملین روپے درج کی گئی تھی۔

☆ آمدن قبل از سود و ٹیکس فرسودگی 19.6 ملین روپے درج کی گئی ہے جبکہ ششماہی 2022 کے اختتام پر یہ آمدن 1,131.7 ملین روپے درج کی گئی تھی۔

☆ مالی سال 2023 کی ششماہی کے دوران نقصان فی حصص 2.61 روپے درج کیا گیا ہے جبکہ مالی سال 2022 کی ششماہی کے دوران فی حصص 11.37 روپے کی آمدن درج کی گئی تھی۔

☆ اوسط ٹاگائے گئے سرمائے (سالانہ) پر ششماہی 2023 کے اختتام پر منفی 5.3 فیصد منافع حاصل ہوا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران منافع 20.3 فیصد منافع درج کیا گیا تھا۔

کاروباری شعبے

اسٹیل کا شعبہ

ششماہی 2023 کے اختتام پر اسٹیل کے شعبے کی آمدن گزشتہ مالی سال کے مقابلے میں بڑھ کر 1405.0 ملین روپے ہو گئی ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ آمدن 1,170.9 ملین روپے درج کی گئی تھی۔ زیر نظر ششماہی کے اختتام پر خام منافع 130.1 ملین روپے درج کیا گیا ہے (یعنی کہ 9.2%)، جبکہ گزشتہ مالی سال کی ششماہی 2022 کے دوران 73.9 ملین روپے کا نقصان درج کیا گیا تھا (یعنی منفی 6.3)۔

نتیجہً، ششماہی 2023 کے دوران نقصان قبل از ٹیکس 107.1 ملین روپے درج کیا گیا ہے جبکہ ششماہی 2022 کے اختتام پر نقصان قبل از ٹیکس 274.2 ملین روپے درج کیا گیا

تھا۔

کاشن کا شعبہ

کاشن کے شعبے کی صافی آمدن افزہ و خست 784.8 ملین روپے رہی جبکہ ششماہی 2022 کا اختتام پر آمدن افزہ و خست 1,258.8 ملین روپے تھی۔ کاشن کے شعبے کا خام نقصان 508 ملین روپے یعنی فروخت کا %6.5 رہا جبکہ ششماہی 2022 کے اختتام پر خام منافع 203.7 ملین روپے یعنی فروخت کا %16.2 تھا۔

آئی آئی ڈی کا شعبہ

مارکیٹ کا جائزہ

یاد دہانی کی غرض سے عرض ہے کہ مالی سال 2022 کے دوران %12.28 نقصان اٹھانے کے بعد KSE-100 نے مالی سال 2023 کا آغاز 41,540.83 پوائنٹس کے ساتھ کیا، اور ششماہی 2023 تا تاریخ دسمبر 2022 تک 1,120.38 پوائنٹس یا %2.70 کے نقصان کے بعد مارکیٹ 40,420.45 پوائنٹس پر بند ہوئی۔ یکم جنوری 2022 کو اپنے آغاز 44,596.07 پوائنٹس کے تناسب سے سی وائی کی بنیاد پر نیشنل مارک نے 4,175.62 پوائنٹس کا یعنی %10.33 کا نقصان کیا۔

اس طرح مالی سال کے آغاز سے KSE-100 بالترتیب 43,888 - 39,026 پوائنٹس کی بلند اور پست سطح کے درمیان جھومتا رہا یعنی کہ یہ حد %6.05 سے %5.65 کے درمیان رہی۔ موجودہ اتر سیاسی اور معاشی صورتحال کے باعث انڈیکس پر گہرے منفی اثرات مرتب ہوئے، مارکیٹ 39,000 مارک کو دو مرتبہ تجربہ ہوا جو کہ ششماہی 2023 کے آغاز اور پھر اخیر میں جا کر ہوا اور ایک ایسی ٹریڈنگ لائن نے جنم لیا جیسی کہ نومبر 2020 میں دیکھی گئی تھی۔

کلینڈر کے سال کی بنیاد پر، یہ دیکھا گیا ہے کہ H2CY22 کے دوران تمام شمیر انڈیکس میں اوسطاً کمی واقع ہوئی ہے اور 219.26 ملین شمیر زکی تجارت یومیہ ہوئی جو کہ H1CY22 کے مقابلے میں %8.9 کم ہے۔ سال بہ سال کلینڈر کی بنیاد پر اگر H1FY23 میں دیکھا جائے تو H1FY22 کے مقابلے میں %35.68 کمی حجم میں واقع ہوئی ہے۔ جس سے سرمایہ کار کے دیم اعتماد کا اظہار ہوتا ہے۔ امید کی جاتی ہے کہ آئندہ زری مارکیٹ کے منافع کی بلند شرح اور کارپوریٹ سیکٹرز کے خفیف منافع کی توقعات کے پیش نظر قلیل المدتی سرمایہ کاروں کی مارکیٹ میں انٹری کی حوصلہ شکنی کی جائے گی، جس کے باعث کاروباری حجم کم ہو سکتا ہے۔

شعبے کی کارکردگی

مالی سال 2023 کی ششماہی کا اختتام پر پورٹ فولیو کا جمع شدہ نقصان قبل از ٹیکس 6.0 ملین روپے درج کیا گیا ہے، جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران منافع قبل از ٹیکس 1,099.2 ملین روپے درج کیا گیا تھا۔

نقصان قبل از ٹیکس میں ڈیویڈنڈ سے حاصل ہونے والی آمدن 21.8 ملین روپے، نقصان برعکس تخمینہ 5.00 ملین روپے اور حاصل شدہ نفع 25.8 ملین روپے بھی شامل ہیں۔

ششماہی 2023 کے دوران شعبے کی جانب سے کی گئی سرمایہ کاری پر حاصل ہونے والے ROI کی شرح %1.96- درج کی گئی ہے جو کہ وینڈا پورٹج 255.9 ملین روپے کی سرمایہ پر ہے جبکہ KSE-100 انڈیکس میں %2.7 کے تناسب سے گراؤ آئی ہے۔

غیر مربوط بیلنس شیٹ

تاریخ 30 دسمبر 2022 بیلنس شیٹ کا میزانیہ 9,744.1 ملین روپے تھا جبکہ 30 جون 2022 کو بیلنس شیٹ کا میزانیہ 8,445.1 ملین روپے تھا۔ فی حصص بریک اپ ویلیو برائے حصص کم ہو کر 75.9 روپے ہو گئی جو کہ 30 جون 2022 کو 78.6 روپے تھی۔

کرنٹ ریٹھکم ہو کر 1.31 ہو گیا ہے کہ 30 جون 2022 کو 1.38 تھا۔ گنیرنگ ریٹھ (بشمول قلیل المیعاد قرضے) بڑھ کر 27.4% تک آ گیا جو کہ 30 جون 2022 کو 14.8% تھا۔ انٹرسٹ کو ریٹھوششماہی 2023 کا اختتام پر 0.9- گنا تھا (ششماہی 2022 کا اختتام پر یہ ریٹھوش 8.6 گنا تھا)۔

مجموعی مربوط مالیاتی کارکردگی

مربوط بنیادوں پر تمویلی لاگت سے قبل کاروباری نقصان اور اکیویٹی سے حاصل ہونے والا حصص منافع 144.3 ملین روپے درج کیا گیا ہے (بمطابق ششماہی 2022 یہ نقصان 109.1 ملین روپے تھا)۔ گروپ کا مربوط نقصان بعد از ٹیکس برائے ششماہی 2023 کے اختتام پر 10.4 ملین روپے درج کیا گیا تھا جبکہ ششماہی 2022 کے اختتام پر بعد از ٹیکس نقصان 133.2 ملین روپے درج کیا گیا تھا۔ اکیویٹی کا ہینڈ ایسوسی ایٹس کی جانب سے ملنے والا ڈیویڈنڈ 221.5 ملین روپے درج کیا گیا ہے (بمطابق ششماہی 2022 یہ ڈیویڈنڈ 41.4 ملین روپے تھا)۔

مربوط نقصان فی حصص برائے گروپ ششماہی 2023 کے اختتام پر 0.13 روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال اسی عرصے کے دوران نقصان فی حصص 1.72 روپے درج کیا گیا تھا۔

مربوط بیلنس شیٹ

گروپ کی بنیاد پر مربوط بیلنس شیٹ کا میزانیہ 10,901.1 ملین روپے رہا جبکہ 30 جون 2022 کو یہ میزانیہ 9,469.0 ملین روپے تھا۔ حصص داران کا کل فنڈ 30 جون 2022 کو 7,024.6 ملین روپے سے کم ہو کر 6,978.2 ملین روپے ہو چکا ہے۔

مستقبل پر نظر

جیسا کہ ہم مالی سال 2023 میں داخل ہو رہے ہیں، یوں لگتا ہے کہ معاشی پالیسی میں ایک تبدیلی واقع ہوئی ہے، ڈالر بمقابلہ روپے کی قدر کو کنٹرول کیا جا رہا ہے، جس کے باعث بین الاقوامی مارکیٹس میں ہماری مسابقت کی قوت پر منفی اثرات مرتب ہو رہے ہیں، مقامی طور پر ایک ایسی مارکیٹ میں کاروبار پر طویل المدتی دباؤ بڑھتا جا رہا ہے جو کہ پہلے ہی کئی لحاظ سے دباؤ کا شکار ہے۔ آج انڈسٹری کے لئے واقعتاً اپنے لیڈرز آف کریڈٹ کھلوانا انتہائی مشکل ہو چکا ہے جس کے باعث انتہائی ضروری خام مال اور پرزہ جات کی درآمد بھی ناممکن ہو چکی ہے۔ ان حالات کے باعث عارضی طور پر کئی صنعتی یونٹس کنٹالے لگانے پٹ گئے ہیں۔

ملک میں زرمبادلہ کے ذخائر اب ایک ماہ کی ضرورت سے بھی کم سطح پر آچکے ہیں، اب ان سے اتنی درآمدات ہو سکتی ہیں کہ تین سال کے مقابلے میں محض تین ماہ کا کور حاصل ہو سکتا ہے۔ ملک اپنے بیرونی قرضے واپس کرنے میں شدید دشواریوں کا شکار ہے اور اب اس بات کی اشد ضرورت ہے کہ اپنے قرضوں کو از سر نو مرتب کیا جائے وگرنہ کچھ شک نہیں کہ ملک دیوالیہ قرار دے دیا جائے گا۔ اس اقدام سے مزید سخت مالی پالیسیوں کا سامنا کرنا پڑ سکتا ہے اور ڈالر کے مقابلے میں روپے کی قدر میں مزید کمی آ سکتی ہے اور مستقبل قریب میں 270 روپے فی ڈالر فروخت ہونے کی توقع ہے جس کے بعد روپے کی قدر میں حالیہ سرکاری ریٹ 228 روپے فی ڈالر کے مقابلے میں %18.4 تک کمی کا سامنا ہوگا۔

جہاں تک کریسنٹ اسٹیل کا تعلق ہے، ہمارا کاروبار بنیادی طور پر انفراسٹرکچر پروجیکٹس سے منسلک ہے۔ بالخصوص پانی پیکلی کے پروجیکٹس کے ساتھ۔ مالی سال 2023 غیر یقینی صورتحال سے بھرپور ہے۔ ہمارے پاس پانچ لاکھ روپے کے آرڈرز قومی سطح کے پروجیکٹس سے منسلک ہیں جو ریاستی پروجیکٹس ہیں اور ان کے مؤخر ہونے کے خدشات کا امکان موجود ہے بالخصوص موجودہ مالی بحران کے نتیجے میں۔

جیسا کہ پہلے ذکر کیا جا چکا ہے، کراچی کو بڑے پیمانے پر پانی سپلائی کرنے کیلئے بنایا جانے والا منصوبہ K-IV کا کام ایک بین الاقوامی کنٹریکٹرز کو دیا گیا ہے۔ ہمیں پانچ کنورژن کنٹریکٹ (کلائنٹ سپلائر ایچ آری) سے ملا ہے اور اس پروجیکٹ کے ایک حصے کیلئے پانچ کنٹریکٹرز کا کام بھی ہمیں دیا گیا ہے۔ مزکورہ کنٹریکٹ کا آغاز دسمبر 2022 میں کیا گیا تھا اور امید ہے کہ مالی سال 2024 کی دوسری سہ ماہی میں اسے مکمل کر لیا جائے گا۔

آئل اور گیس کی فیلڈ میں بھی پانچ لاکھ روپے کی طلب ہماری نظر میں ہے، آنے والے دنوں میں اس سلسلے میں بھی بولی لگائے جانے اور کام دیئے جانے کی توقع ہے، اگر ہم اس بولی میں کامیاب ہو جاتے ہیں تو ان پر مالی سال 2024 میں عمل درآمد شروع کر دیا جائے گا۔

آخر میں، میں تمام شراکت داروں کا تہ دل سے مشکور ہوں اور امید کرتا ہوں کہ آئندہ بھی ان حمایت ہمارے شامل حال رہے گی۔

برائے و منجانب بورڈ آف ڈائریکٹرز

ندیم مقبول

ڈائریکٹر

احسان ایملیم

چیف ایگزیکٹو

مؤرخہ 31 جنوری 2023

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Crescent Steel and Allied Products Limited as at 31 December 2022, the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six months period then ended (here-in-after referred to as the 'condensed interim unconsolidated financial statements'). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review.

The figures of the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months ended 31 December 2022.

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 the condensed interim unconsolidated financial statements 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 statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Khurshid Hasan.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: 13 February 2023

UDIN: RR202210160p4IHe6yoU

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Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)
As at 31 December 2022

	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,135,506	2,107,200
Right-of-use assets		95,318	109,556
Intangible assets		2,496	3,580
Investment properties		55,680	56,330
Long term investments	6	2,359,714	2,362,604
Long term deposits	7	34,580	29,100
Deferred taxation - net		911,450	804,662
		<u>5,594,744</u>	<u>5,473,032</u>
Current assets			
Stores, spares and loose tools		207,993	170,716
Stock-in-trade	8	1,582,304	1,190,096
Trade debts	9	225,759	175,214
Loans and advances	10	265,005	165,202
Trade deposits and short term prepayments		40,526	25,235
Short term investments	11	510,751	419,233
Mark-up accrued		1,665	-
Other receivables	12	573,021	128,525
Taxation - net		721,236	691,183
Cash and bank balances		21,106	6,670
		<u>4,149,366</u>	<u>2,972,104</u>
Total assets		<u><u>9,744,110</u></u>	<u><u>8,445,136</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,020,908	1,020,908
Revenue reserves		<u>4,096,006</u>	<u>4,301,178</u>
		<u>5,893,239</u>	<u>6,098,411</u>
LIABILITIES			
Non-current liabilities			
Long-term loans	13	557,986	50,382
Lease liabilities		58,298	66,759
Deferred income		4,200	686
Deferred liability - staff retirement benefits		73,562	73,562
		<u>694,046</u>	<u>191,389</u>
Current liabilities			
Trade and other payables	14	1,429,084	1,136,892
Unclaimed dividend		25,571	25,614
Mark-up accrued		70,367	37,134
Short term borrowings	15	1,292,535	812,647
Current portion of long-term loans	13	325,430	112,785
Current portion of lease liabilities		13,109	22,222
Current portion of deferred income		729	8,042
		<u>3,156,825</u>	<u>2,155,336</u>
		<u>3,850,871</u>	<u>2,346,725</u>
Contingencies and commitments	16		
Total equity and liabilities		<u><u>9,744,110</u></u>	<u><u>8,445,136</u></u>

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


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited
 Condensed Interim Unconsolidated Statement of Profit or Loss and
 Other Comprehensive Income (Unaudited)
 For the quarter and six months ended 31 December 2022

	Note	Quarter ended		Six months ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
----- (Rupees in '000) -----					
Sales		1,398,238	1,394,862	2,575,024	3,091,032
Less: Sales tax		187,431	203,131	358,544	450,335
Cost of sales	17	1,210,807	1,191,731	2,216,480	2,640,697
Gross profit		1,105,511	1,171,650	2,205,831	2,560,562
Income from investments - net	18	1,972	1,123,464	3,062	1,107,950
		107,268	1,143,545	13,711	1,188,085
Distribution and selling expenses		8,711	3,443	13,311	7,110
Administrative expenses		85,585	82,963	163,898	144,541
Other operating expenses	19	(2,928)	16,799	-	40,335
		91,368	103,205	177,209	191,986
		15,900	1,040,340	(163,498)	996,099
Other income		1,178	12,224	29,850	32,384
Operating profit / (loss) before finance costs		17,078	1,052,564	(133,648)	1,028,483
Finance costs	20	86,457	67,770	145,663	118,995
(Loss) / profit before taxation		(69,379)	984,794	(279,311)	909,488
Taxation					
- Current for the period		(17,172)	(97,171)	(30,511)	(119,726)
- Prior year		782	-	782	-
- Deferred		27,246	44,440	106,786	92,759
(Loss) / profit for the period		10,856	(52,731)	77,057	(26,967)
		(58,523)	932,063	(202,254)	882,521
Other Comprehensive Loss					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		(2,307)	(1,776)	(2,918)	(3,775)
Total comprehensive (loss) / income for the period		(60,830)	930,287	(205,172)	878,746
----- (Rupees) -----					
Basic and diluted - (loss) / earnings per share	21	(0.75)	12.01	(2.61)	11.37

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


 Chief Executive


 Director


 Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the six months ended 31 December 2022

	Note	Six months ended	
		31 December 2022	31 December 2021
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash used in operations	22	(776,775)	(524,110)
Taxes paid		(59,782)	(54,981)
Finance costs paid		(108,274)	(97,665)
Contribution to gratuity and pension funds		(13,434)	(12,291)
Long term deposits - net		(4,512)	(2,140)
Net cash used in operating activities		(962,777)	(691,187)
Cash flows from investing activities			
Capital expenditure		(136,086)	(19,035)
Proceeds from disposal of operating fixed assets		16,509	11,239
Investments - net		(187,345)	(32,527)
Dividend income received		21,825	15,515
Interest income received		8,947	37
Net cash used in investing activities		(276,150)	(24,771)
Cash flows from financing activities			
Proceeds from / (repayments of) long term loans - net		720,249	(40,870)
Payments against finance lease obligations		(21,730)	(20,335)
Proceeds from short term loans - net		454,738	664,561
Dividends paid		(43)	(6)
Net cash generated from financing activities		1,153,214	603,350
Net decrease in cash and cash equivalents		(85,713)	(112,608)
Cash and cash equivalents at beginning of the period		(334,661)	(659,533)
Cash and cash equivalents at end of the period	23	(420,375)	(772,141)

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


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited
 Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)
 For the six months ended 31 December 2022

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Fair value reserve	General reserve	Unappropriated profit / (loss)		
------(Rupees in '000)-----							
Balance as at 30 June 2021	776,325	1,020,908	8,966	3,642,000	522,625	4,173,591	5,970,824
Total comprehensive income for the period							
Profit after taxation for the period	-	-	-	-	882,521	882,521	882,521
Other comprehensive loss for the period	-	-	(3,775)	-	-	(3,775)	(3,775)
Total comprehensive income for the period	-	-	(3,775)	-	882,521	878,746	878,746
Balance as at 31 December 2021	<u>776,325</u>	<u>1,020,908</u>	<u>5,191</u>	<u>3,642,000</u>	<u>1,405,146</u>	<u>5,052,337</u>	<u>6,849,570</u>
Balance as at 30 June 2022	776,325	1,020,908	3,913	3,642,000	655,265	4,301,178	6,098,411
Total comprehensive loss for the period							
Loss after taxation for the period	-	-	-	-	(202,254)	(202,254)	(202,254)
Other comprehensive loss for the period	-	-	(2,918)	-	-	(2,918)	(2,918)
Total comprehensive loss for the period	-	-	(2,918)	-	(202,254)	(205,172)	(205,172)
Balance as at 31 December 2022	<u>776,325</u>	<u>1,020,908</u>	<u>995</u>	<u>3,642,000</u>	<u>453,011</u>	<u>4,096,006</u>	<u>5,893,239</u>

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

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Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months ended 31 December 2022

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 the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Company is located at E-floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore, whereas its principal office is situated at 9th floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi.

The Company operates five segments namely Steel, Cotton, Investment and Infrastructure Development (IID), Energy and Hadeed (Billet) segment as disclosed in note 24 to these condensed interim unconsolidated financial statements.

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim unconsolidated financial statements of the Company do not include all of the information required for annual unconsolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2022. However, selected explanatory notes are included in these condensed interim unconsolidated financial statements to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last audited annual unconsolidated financial statements.

2.3 The figures included in the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the six months ended 31 December 2022.

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

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3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the audited annual unconsolidated financial statements for the year ended 30 June 2022.

3.2 New Standards, Interpretations And Amendments Adopted By The Company

3.2.1 There were certain amendments to accounting and reporting standards which became effective during the period but they do not have a material effect on these condensed interim unconsolidated financial statements and therefore details have not been disclosed.

3.3 Standards, Interpretations And Amendments To Accounting And Reporting Standards That Are Not Yet Effective

There are certain new standards and amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2023. However, currently management considers that these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2022.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited 31 December 2022 ----- (Rupees in '000) -----	Audited 30 June 2022
Operating fixed assets	5.1	1,951,708	1,921,861
Capital work-in-progress	5.2	183,798	185,339
		<u>2,135,506</u>	<u>2,107,200</u>

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

	Unaudited Six months ended 31 December 2022		Unaudited Six months ended 31 December 2021	
	Additions / Transfers	Disposals / Transfers (cost)	Additions / Transfers	Disposals / Transfers (cost)
----- (Rupees in '000) -----				
Buildings on freehold land	4,472	-	-	-
Plant and machinery - owned	64,085	1,903	365	12,000
Plant and machinery - leased	-	14,995	15,934	-
Furniture and fittings	-	-	336	-
Electrical / office equipments and installation	1,690	-	745	3,960
Computers and accessories	2,252	783	1,762	372
Motor vehicles - owned	74,686	20,482	60	4,002
Motor vehicles - leased	-	1,985	5,670	-
	<u>147,185</u>	<u>40,148</u>	<u>24,872</u>	<u>20,334</u>

- 5.2 Net movement in capital work-in-progress during the six months period ended 31 December 2022 amounted to net transfer of Rs. 1.541 million (31 December 2021 (net additions of) : Rs. 21.264 million).

6. LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
Subsidiary companies - at cost	6.1	555,001	555,001
Associated companies - at cost	6.2	1,286,401	1,286,401
Other long term investments	6.3	518,312	521,202
		<u>2,359,714</u>	<u>2,362,604</u>

6.1 Subsidiary companies - at cost

Unaudited 31 December 2022	Audited 30 June 2022	Unquoted	Note	Unaudited 31 December 2022	Audited 30 June 2022
(Number of shares)		----- (Rupees in '000) -----			
55,500,000	55,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.1	555,000	555,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.2	-	-
100	100	Solution de Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.3	1	1
				<u>555,001</u>	<u>555,001</u>

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- 6.1.1 This represents the Company's investment in 100% ordinary shares of CS Capital (Private) Limited. The Company acquired CS Capital (Private) Limited on 26 September 2011.
- 6.1.2 This represents investment in subsidiary of Rs. 90 only. The subsidiary company has not commenced operation and accordingly no financial statements have been prepared.
- 6.1.3 This represents the Company's investment in 100% ordinary shares of Solution de Energy (Private) Limited that was acquired through amalgamation on 30 June 2019.

6.2 Associated companies - at cost

Unaudited 31 December 2022 (Number of shares)	Audited 30 June 2022	Note	Unaudited 31 December 2022 ----- (Rupees in '000) -----	Audited 30 June 2022
		Quoted		
60,663,775	60,663,775	6.2.1	595,293	595,293
		(Chief Executive Officer - Mr. Umer Shehzad Sheikh)		
27,409,075	27,409,075	6.2.2	691,108	691,108
		(Chief Executive Officer - Mr. Anjum M. Saleem)		
			<u>1,286,401</u>	<u>1,286,401</u>

- 6.2.1 The Company holds 16.69% (30 June 2022: 16.69%) shareholding in Altern Energy Limited and has representation on its Board of Directors. 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% (30 June 2022: 21.93%) shareholding in Shakarganj Limited and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates', therefore it has been treated as an associate as per IAS 28.
- 6.2.3 The fair value of investments in associated companies as at 31 December 2022 is Rs. 2,169.505 million (30 June 2022: Rs. 2,054.244 million).

6.3 Other long term investments

	Note	Unaudited 31 December 2022 ----- (Rupees in '000) -----	Audited 30 June 2022
Fair value through other comprehensive income (FVOCI)	6.3.1	7,283	10,173
Fair value through profit or loss (FVTPL)	6.3.2 & 6.3.3	511,029	511,029
		<u>518,312</u>	<u>521,202</u>

- 6.3.1 This represents investment in the Crescent Textile Mills Limited and the Company has irrevocably designated at initial application of IFRS 9 to recognize in this category. This is strategic investment and management considers this classification to be more relevant. The accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

6.3.2 This includes investments in Crescent Industrial Chemicals Limited and Crescent Bahuman Limited amounting to Rs. 10.470 million and Rs. 24.037 million (30 June 2022: Rs. 10.470 million and Rs. 24.037 million), respectively, which had been fully charged to profit or loss in earlier periods.

6.3.3 This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 304.779 million and Rs. 206.25 million (30 June 2022: Rs. 304.779 million and Rs 206.25 million) respectively.

7. LONG TERM DEPOSITS

These include security deposit amounting to Rs. 18.789 million (30 June 2022: Rs. 18.119 million) to leasing companies.

8. STOCK-IN-TRADE

		Unaudited 31 December 2022	Audited 30 June 2022
	Note	----- (Rupees in '000) -----	
Raw materials			
Hot rolled steel coils (HR Coils)		291,309	261,583
Coating materials		714,806	46,205
Steel scrap		53,705	43,308
Others		244,754	132,806
Raw cotton		54,775	230,531
Stock-in-transit		1,021	280,917
		<u>1,360,370</u>	<u>995,350</u>
Work-in-process		36,763	19,076
Finished goods - net	8.1	183,321	167,556
Scrap / cotton waste		1,850	8,114
		<u>221,934</u>	<u>194,746</u>
		<u>1,582,304</u>	<u>1,190,096</u>

8.1 Stock in trade as at 31 December 2022 includes certain items valued at net realisable value (NRV). Charge in respect of stock written down to NRV was amounting to Rs. 7.296 million (30 June 2022: Reversal of Rs. 14.897 million) which has been recognized in cost of sales.

9. TRADE DEBTS

		Unaudited 31 December 2022	Audited 30 June 2022
		----- (Rupees in '000) -----	
Secured			
Considered good		-	40,867
Unsecured			
Considered good		225,759	134,347
Considered doubtful		19,553	19,553
		245,312	153,900
Impairment loss on trade debts		(19,553)	(19,553)
		<u>225,759</u>	<u>175,214</u>

10. LOANS AND ADVANCES	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
10.1	These include loan to:		
	Solution de Energy (Private) Limited	10.1.1	99,800 96,793
10.1.1	The Company has provided short term interest free loan to the wholly owned subsidiary Company in order to meet its requirements for the purposes of feasibility, legal approvals and other related activities in respect of its project of 100 MW Solar Power Plant in Solar Power Park being established by the Government of Punjab in the Cholistan desert. The loan is repayable on demand.		
11. SHORT TERM INVESTMENTS	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
	At amortized cost	11.1	84,360 159,360
	At fair value through profit or loss (FVTPL)	11.2 & 11.3	426,391 259,873
		<u>510,751</u>	<u>419,233</u>
11.1	This represents investment in term deposit receipts having markup rate ranging from 12.67% to 12.89% per annum and maturing upto 23 February 2023.		
11.2	This represents investments in ordinary shares of listed companies and units of mutual funds.		
11.3	Investments having an aggregate market value of Rs. 1,063.141 million (30 June 2022: Rs. 1,398.026 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which amount of Rs. 890.238 million (30 June 2022: Rs. 947.912 million) relates to long term investments.		
12. OTHER RECEIVABLES	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
	Dividend receivable	886	886
	Provision there against	(886)	(886)
		-	-
	Receivable against sale of investments	106	-
	Claim receivable	461	461
	Due from related parties	12.1	21,665 21,906
	Sales tax refundable	281,003	75,589
	Margin on letters of guarantee	255,345	15,350
	Receivable from staff retirement benefits funds	12,282	12,242
	Others	2,159	2,977
		<u>573,021</u>	<u>128,525</u>

	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
12.1 Due from related parties			
CS Capital (Private) Limited		5,734	4,780
Solution de Energy (Private) Limited		11,995	11,947
The Crescent Textile Mills Limited		538	386
Shakarganj Food Products Limited		3,371	3,893
Crescent Socks (Private) Limited		-	900
Premier Insurance Limited		27	-
		<u>21,665</u>	<u>21,906</u>
13. LONG TERM LOANS			
Secured - shariah arrangement			
Sukuk certificates	13.1	800,000	-
Less: Transaction cost	13.1.1	(5,451)	-
		<u>794,549</u>	-
Secured - Under non-shariah arrangement			
Allied Bank Limited	13.2	36,175	72,350
Habib Metropolitan Bank Limited	13.3	19,006	55,945
JS Bank Limited	13.4	33,686	34,872
		<u>883,416</u>	<u>163,167</u>
Less: Current portion shown under current liabilities		<u>325,430</u>	<u>112,785</u>
		<u>557,986</u>	<u>50,382</u>

13.1 During the period, the Company issued 8,000 unlisted, privately placed & secured Sukuk certificates (SUKUK-Al-Istisna) on 11 October 2022, having face value of Rs. 100,000 each, amounting to Rs. 800 million. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk-al-istisna were received on 11 October 2022. The Sukuk certificates carry profit at the rate of 6-months KIBOR + 2% per annum with semi-annual rental payments having tenure of three years from the issue date on arrear basis. Principal repayment installment will commence from April 2023.

13.1.1 This represents the cost incurred with respect to issuance of SUKUK certificates, amortized using effective interest rate.

13.2 During year ended 30 June 2018, the Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till date. The term of the loan is 4 years from the date of disbursement with a grace period of one year; however, due to COVID-19 the bank has allowed one additional year as grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, the Company has made repayment of Rs. 36.175 million (31 December 2021: Rs. 36.175 million).

During the period ended 31 December 2022, the mark-up on such arrangements ranged from 16.66% to 17.27% (31 December 2021: 8.88% to 9.86%) per annum. These facilities are secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

- 13.3 During the year ended 30 June 2020, the Company entered into new loan arrangement with Habib Metropolitan Bank Limited under the State Bank of Pakistan's (SBP) "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concern". The Company has obtained the said loan at subsidized rate in six tranches, during May 2020 to October 2020. The term of the loan is 2.5 years from the date of disbursement with a grace period of 6 months, repayable in 8 equal quarterly installments starting from March 2021. Mark-up is payable at the concessional rate of 2.5% per annum.

The effective interest on such arrangements ranged from 8.68% to 10.16% per annum (31 December 2021: 8.68% to 10.16% per annum).

- 13.4 During the year ended 30 June 2021, the Company entered into a new loan arrangement with JS Bank Limited which was received in 5 tranches and all tranches were converted into the State Bank of Pakistan's (SBP) "SBP Financing scheme for Renewable Energy" during the year ended 30 June 2022. The term of the loan is 10 years from the date of disbursement with a grace period of 3 months, repayable in monthly installments starting from June 2021. Mark-up is payable at the rate of 1 month KIBOR plus 1% per annum till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.

The effective interest on this arrangement is 8.47% to 11.35% (31 December 2021: 8.49%) per annum.

14.	TRADE AND OTHER PAYABLES	Note	Unaudited	Audited
			31 December 2022	30 June 2022
			----- (Rupees in '000) -----	
	Trade creditors		85,491	90,943
	Bills payable		3,821	288,726
	Commission payable		2,518	1,922
	Accrued liabilities		365,374	388,704
	Advances from customers		608,500	22,433
	Infrastructure fee, sales tax and damages		283,295	272,530
	Due to related parties	14.1	17,180	9,739
	Payable to provident fund		2,605	2,313
	Payable to staff retirement benefit funds		2,732	2,296
	Retention money		110	111
	Withholding tax payable		1,664	1,733
	Workers' Profit Participation Fund		2,395	2,395
	Workers' Welfare Fund		6,944	6,944
	Others		46,455	46,103
			<u>1,429,084</u>	<u>1,136,892</u>
14.1	Due to related parties			
	Premier Insurance Limited		-	454
	Staff Benevolent Fund		-	2
	Shakarganj Limited		17,180	9,283
			<u>17,180</u>	<u>9,739</u>
15.	SHORT TERM BORROWINGS			
	Secured from banking companies			
	Running finances under mark-up arrangements	15.1	441,481	416,331
	Short term loans	15.2 & 15.4	851,054	396,316
			<u>1,292,535</u>	<u>812,647</u>

- 15.1** Running finances / money market facilities available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,100 million (30 June 2022: Rs. 1,100 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million), Rs. 100 million (30 June 2022: Rs. 100 million) and Rs. 300 million (30 June 2022: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 15.91% to 18.81% (31 December 2021: 9.14% to 9.98%) per annum.
- 15.2** Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,950 million (30 June 2022: Rs. 3,950 million) out of which Rs. 3,150 million (30 June 2022: Rs. 3,150 million), Rs. 205 million (30 June 2022: Rs. 205 million) and Rs. 350 million (30 June 2022: Rs. 350 million) are interchangeable with letters of credit, letters of guarantee and running finance facilities, respectively. During the period, the mark-up on such arrangements ranged from 15.91% to 18.81% (31 December 2021: 9.14% to 9.98%) per annum.
- 15.3** The facilities for opening letters of credit amounted to Rs. 4,750 million (30 June 2022: Rs. 4,750 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million), Rs. 3,150 million (30 June 2022: Rs. 3,150 million) and Rs. 205 million (30 June 2022: Rs. 205 million) are interchangeable with short term running finance, short term loans and letters of guarantee respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 31 December 2022 amounted to Rs. 2,292.6 million (30 June 2022: Rs. 2,010.9 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2022 were Rs. 4,171.6 million and Rs. 147.6 million (30 June 2022: Rs. 4,507.62 million and Rs. 468.48 million), respectively.
- 15.4** This includes an amount of Rs. 418.689 million (30 June 2022: Rs. 396.316 million) outstanding against Islamic mode of financing. The Company is currently availing Islamic mode of financing from the Al Baraka Bank, Dubai Islamic Bank, and Bank Islami Pakistan Limited. Facilities availed include letters of credit, bank guarantees, Wakala, Morabaha, Istisna and Ijarah financing.
- 15.5** The above facilities are expiring on various dates with maturity periods upto 31 March 2023. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 11.3); and lien over import / export documents. Further, these facilities (refer notes 15.1 to 15.3) are also secured against pledge of shares owned by CS Capital (Private) Limited (subsidiary company).

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no significant change in the status of the matters as set out in note 15, 28.2 and 29.1 to the Company's annual unconsolidated financial statements for the year ended 30 June 2022.

16.2 Commitments

- 16.2.1** Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 2,145 million (30 June 2022: Rs. 1,542.418 million). These include guarantees issued by Islamic banks amounting to Rs. 235.34 million (30 June 2022: Rs. 214.586 million).
- 16.2.2** Commitments in respect of capital expenditure contracted for as at 31 December 2022 amounted to Rs. 25.493 million (30 June 2022: Rs. 14.619 million).
- 16.2.3** Commitments under letters of credit (L/C) as at 31 December 2022 amounted to Rs. 578.357 million (30 June 2022: Rs. 242.385 million).

17. SALES

	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		----- (Rupees in '000) -----			
Local sales					
Bare pipes	17.1	916,461	238,683	1,414,567	1,108,381
Steel billets		-	147,088	-	149,187
Pipe coating		16,331	50,920	16,331	50,920
Pre coated pipes		33,565	2,555	41,219	76,488
Cotton yarn / raw cotton		305,618	763,213	897,361	1,457,138
Electricity sales		-	36,321	-	36,321
Steam sales		-	58,342	-	58,342
Others		54,295	54,150	118,828	102,196
Scrap / waste		71,968	43,590	86,718	52,059
		<u>1,398,238</u>	<u>1,394,862</u>	<u>2,575,024</u>	<u>3,091,032</u>
Sales tax		<u>(187,431)</u>	<u>(203,131)</u>	<u>(358,544)</u>	<u>(450,335)</u>
		<u>1,210,807</u>	<u>1,191,731</u>	<u>2,216,480</u>	<u>2,640,697</u>

17.1 This is presented net of liquidated damages amounting to Rs. Nil (31 December 2021: Rs. 4.558 million).

17.2 Revenue is disaggregated by major products and also by geographical market. Additionally, revenue by major customers is disclosed in note 24.4 to these condensed interim unconsolidated financial statements.

18. INCOME FROM INVESTMENTS - NET

	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		----- (Rupees in '000) -----			
Dividend income	18.1	16,680	1,133,007	21,825	1,137,795
Gain / (loss) on sale of FVTPL investments - net	18.2	2,443	(394)	5,005	866
Unrealized loss on FVTPL investments - net	18.3	(18,184)	(9,489)	(25,834)	(32,092)
Rent from investment properties	18.5	1,033	340	2,066	1,381
		<u>1,972</u>	<u>1,123,464</u>	<u>3,062</u>	<u>1,107,950</u>

18.1 This includes Rs. 14.326 million earned on investments in Shariah Compliant investee companies.

18.2 This includes Rs. 0.1 million loss on sale of shares of Shariah Compliant investee companies.

18.3 This includes unrealized loss of Rs. 23.557 million on investments in Shariah Compliant investee companies.

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

18.5 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 0.745 million (31 December 2021: Rs. 0.822 million).

19. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees in '000) -----			
Exchange (gain) / loss	(2,928)	12,405	-	30,831
Provision for:				
- Workers' Profit Participation Fund	-	3,742	-	8,852
- Slow moving stores, spares and loose tools	-	652	-	652
	<u>(2,928)</u>	<u>16,799</u>	<u>-</u>	<u>40,335</u>

20. FINANCE COSTS

Profit on short term loans - Shariah arrangement	9,671	15,886	19,998	27,553
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,013	2,381	4,160	4,628
- long term loans	36,002	5,609	40,106	11,508
- running finances / short term loans	37,546	40,447	79,363	70,578
Discounting of lease deposit	-	126	-	375
Bank charges	1,225	3,321	2,036	4,353
	<u>86,457</u>	<u>67,770</u>	<u>145,663</u>	<u>118,995</u>

21. Basic and diluted - (loss) / earnings per share

(Loss) / profit for the period	<u>(58,523)</u>	<u>932,063</u>	<u>(202,254)</u>	<u>882,521</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
	----- (Rupees) -----			
Basic and diluted - (loss) / earnings per share	<u>(0.75)</u>	<u>12.01</u>	<u>(2.61)</u>	<u>11.37</u>

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22.	CASH USED IN OPERATIONS	Note	Unaudited	
			Six months ended	
			31 December 2022	31 December 2021
			----- (Rupees in '000) -----	
	(Loss) / profit before taxation		(279,311)	909,488
	Adjustments for non cash charges and other items			
	Depreciation on operating fixed assets, right-of-use assets and investment properties		112,934	102,042
	Amortisation of intangible assets		1,085	1,182
	Charge for the period on staff retirement benefit funds		13,830	12,682
	Dividend income		(21,825)	(1,137,795)
	Unrealized loss on FVTPL investments - net		25,834	32,092
	Gain on sale of FVTPL investments - net		(5,005)	(866)
	(Reversal) / charge for provision on stores, spares and loose tools - net		(3,856)	652
	Provision for Workers' Profit Participation Fund		-	8,852
	Return on deposits		(10,612)	(37)
	Gain on disposal of operating fixed assets		(6,775)	(49)
	Deferred income		(3,799)	(4,795)
	Discounting of long term deposit		-	375
	Unwinding of discount on long term deposit		(1,213)	(12,336)
	Liabilities written back		-	(8,636)
	Finance costs		145,663	118,620
	Working capital changes	22.1	(743,725)	(545,581)
			<u>(776,775)</u>	<u>(524,110)</u>
22.1	Working capital changes			
	(Increase) / decrease in current assets			
	Stores, spares and loose tools		(33,391)	(11,147)
	Stock-in-trade		(392,208)	(576,626)
	Trade debts		(50,545)	(90,573)
	Loans and advances		(99,803)	(131,760)
	Trade deposits and short term prepayments		(15,078)	663
	Other receivables		(444,456)	(39,688)
			<u>(1,035,481)</u>	<u>(849,131)</u>
	Increase / (decrease) in current liabilities			
	Trade and other payables		291,756	303,550
			<u>(743,725)</u>	<u>(545,581)</u>
23.	CASH AND CASH EQUIVALENTS			
	Running finances under mark-up arrangements		(441,481)	(793,137)
	Cash and bank balances		21,106	20,996
			<u>(420,375)</u>	<u>(772,141)</u>
24.	SEGMENT REPORTING			
24.1	Reportable segments			
	The Company's reportable segments are as follows:			
	- Steel segment - It comprises of manufacturing and coating of steel pipes.			
	- Cotton segment - It comprises of manufacturing of yarn.			
	- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).			
	- Hadeed segment - It comprises of manufacturing billets.			
	- Energy segment - It comprises of generating and supplying electricity / power.			

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

24.2 Segment revenues and results

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

For the six months ended 31 December 2022	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	----- (Rupees in '000) -----						
Sales - net	1,405,013	784,822	-	26,645	-	-	2,216,480
Cost of sales	1,274,921	835,649	31,575	63,686	-	-	2,205,831
Gross profit / (loss)	130,092	(50,827)	(31,575)	(37,041)	-	-	10,649
Income from investments - net	-	-	-	-	3,062	-	3,062
	130,092	(50,827)	(31,575)	(37,041)	3,062	-	13,711
Distribution and selling expenses	10,167	2,237	-	907	-	-	13,311
Administrative expenses	123,350	22,186	767	8,531	9,064	-	163,898
Other expenses	-	-	-	-	-	-	-
	133,517	24,423	767	9,438	9,064	-	177,209
	(3,425)	(75,250)	(32,342)	(46,479)	(6,002)	-	(163,498)
Other income	23,006	9,674	-	(2,830)	-	-	29,850
Operating profit / (loss) before finance costs	19,581	(65,576)	(32,342)	(49,309)	(6,002)	-	(133,648)
Finance costs	126,722	13,926	-	5,015	-	-	145,663
Loss before taxation	(107,141)	(79,502)	(32,342)	(54,324)	(6,002)	-	(279,311)
Taxation							(77,057)
Loss for the period							(202,254)
For the six months ended 31 December 2021	Unaudited						Total
Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments		
	----- (Rupees in '000) -----						
Sales - net	1,170,910	1,258,800	95,406	130,078	-	(14,497)	2,640,697
Cost of sales	1,244,804	1,055,104	118,004	157,147	-	(14,497)	2,560,562
Gross (loss) / profit	(73,894)	203,696	(22,598)	(27,069)	-	-	80,135
Income from investments - net	-	-	-	-	1,107,950	-	1,107,950
	(73,894)	203,696	(22,598)	(27,069)	1,107,950	-	1,188,085
Distribution and selling expenses	4,839	1,671	-	600	-	-	7,110
Administrative expenses	102,713	21,189	2,288	9,603	8,748	-	144,541
Other expenses	22,482	11,869	(257)	6,241	-	-	40,335
	130,034	34,729	2,031	16,444	8,748	-	191,986
	(203,928)	168,967	(24,629)	(43,513)	1,099,202	-	996,099
Other income	19,509	12,875	-	-	-	-	32,384
Operating (loss) / profit before finance costs	(184,419)	181,842	(24,629)	(43,513)	1,099,202	-	1,028,483
Finance costs	89,791	13,661	-	15,498	45	-	118,995
(Loss) / profit before taxation	(274,210)	168,181	(24,629)	(59,011)	1,099,157	-	909,488
Taxation							26,967
Profit for the period							882,521

24.2.1 Revenue reported above represents revenue generated from external customers and inter-segment sales of electricity by Energy Segment to Hadeed (Billet) Segment of Rs. Nil (31 December 2021: Rs. 14.497 million).

24.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as described in the annual unconsolidated financial statements of the Company for the preceding year ended 30 June 2022. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) 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.

24.3 Revenue from major products and services

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

24.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 1,062.225 million (31 December 2021: Rs. 1,133.548 million) of total Steel segment revenue of Rs. 1,405.013 million (31 December 2021: Rs. 1,170.910 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil (31 December 2021: Rs. 475.002 million) of total Cotton segment revenue of Rs. 784.822 million (31 December 2021: Rs. 1,258.800 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (31 December 2021: Rs. 80.909 million) of total Energy segment revenue of Rs. Nil (31 December 2021: Rs. 95.406 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil (31 December 2021: Rs. 125.715 million) of total Hadeed (Billet) segment revenue of Rs. 26.645 million (31 December 2021: Rs. 130.078 million).

24.5 Geographical information

24.5.1 All revenues from external customers and inter-segment sales were generated in Pakistan.

24.5.2 All non-current assets of the Company as at 31 December 2022 and 30 June 2022 were located and operating in Pakistan.

24.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
(Rupees in '000)						
As at 31 December 2022 - (Unaudited)						
Segment assets for reportable segments	3,287,823	363,542	498,615	831,186	2,666,006	7,647,172
Unallocated corporate assets						2,096,938
Total assets as per condensed interim unconsolidated statement of financial position						<u>9,744,110</u>
Segment liabilities for reportable segments	1,221,122	159,225	37,851	102,531	3,305	1,524,034
Unallocated corporate liabilities and deferred income						2,326,837
Total liabilities as per condensed interim unconsolidated statement of financial position						<u>3,850,871</u>
As at 30 June 2022 - (Audited)						
Segment assets for reportable segments	1,799,290	511,016	526,950	913,292	2,702,988	6,453,536
Unallocated corporate assets						1,991,600
Total assets as per unconsolidated statement of financial position						<u>8,445,136</u>
Segment liabilities for reportable segments	877,422	185,161	42,645	152,113	3,603	1,260,944
Unallocated corporate liabilities and deferred income						1,085,781
Total liabilities as per unconsolidated statement of financial position						<u>2,346,725</u>

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

- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and
- 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 are not allocated to reporting segments as these are managed by the Company's central treasury function.

24.7 Other segment information

	Unaudited					Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	
----- (Rupees in '000) -----						
For the six months ended 31 December 2022						
Capital expenditure	144,935	2,250	-	-	-	147,185
Depreciation and amortization	45,081	11,876	30,095	25,765	1,202	114,019
Non-cash items other than depreciation and amortization - net	113,101	14,979	(1,109)	(9,861)	(409)	116,701
For the six months ended 31 December 2021						
Capital expenditure	3,268	-	-	-	-	3,268
Depreciation and amortization	34,998	11,512	30,205	25,433	1,076	103,224
Non-cash items other than depreciation and amortization - net	84,081	6,327	(3,184)	(809)	(1,097,146)	(1,010,731)

25. 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 approved by the Board of Directors.

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 December 2022	31 December 2021
----- (Rupees in '000) -----				
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	779	758
		Right shares subscribed	-	30,000
Solution de Energy (Private) Limited	Subsidiary company	Loan given	3,007	2,265
		Reimbursable expenses	48	23
Altern Energy Limited	Associated company	Dividend income	-	1,122,280
Shakarganj Limited	Associated company	Sales of goods	-	45,347
		Sales of electricity and steam	-	80,909
		Services received	-	2,422
		Reimbursable expenses	5,742	1,224
		Purchase of raw material	-	80,909
		Payment received	-	80,916
Shakarganj Food Products Limited	Related party	Services rendered	1,322	2,121
		Rent	1,560	1,080
		Reimbursable expenses	1,403	-
		Payments received from services given	2,000	-

Continued ... Note 25: TRANSACTIONS WITH RELATED PARTIES

Name of entity	Nature of relationship	Nature of transaction	Six months ended	
			31 December 2022	31 December 2021
			----- (Rupees in '000) -----	
Crescent Socks (Private) Limited	Related party	Services given	600	600
		Payment received	1,500	800
The Crescent Textile Mills Limited	Associated company	Payment received	1,646	3,070
		Rent	1,182	2,291
		Services received	616	708
The Citizens' Foundation*	Related party	Donation given	11,103	324
Premier Insurance Limited*	Related party	Insurance premium	5,977	3,815
		Insurance premium paid	6,381	3,993
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	879	1,224
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,913	3,582
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	9,857	9,100
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	5,208	4,862
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	397	351
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	3	12
Key management personnel	Related parties	Remuneration and benefits	71,033	69,599
Chairman of the Board	Related party	Honorarium	900	900
Directors	Related parties	Meeting fee	1,195	1,175

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

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

25.2 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 under their terms of employment / entitlements.

26. FINANCIAL RISK MANAGEMENT

26.1 The Company's financial risk management objectives and policies are consistent with those disclosed in annual unconsolidated financial statements of the Company for the year ended 30 June 2022.

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

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

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

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

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

	31 December 2022 (Un-audited)								
	Carrying amount				Total	Fair value			Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Financial liabilities- Amortized cost		Level 1	Level 2	Level 3	
	(Rupees in '000)								
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- listed equity securities	426,391	7,283	-	-	433,674	433,674	-	-	433,674
- unlisted equity securities	511,029	-	-	-	511,029	-	206,250	304,779	511,029
	<u>937,420</u>	<u>7,283</u>	<u>-</u>	<u>-</u>	<u>944,703</u>	<u>433,674</u>	<u>206,250</u>	<u>304,779</u>	<u>944,703</u>
Financial assets not measured at fair value									
Deposits	-	-	59,365	-	59,365	-	-	-	-
Trade debts	-	-	225,759	-	225,759	-	-	-	-
Term Deposit Receipts	-	-	84,360	-	84,360	-	-	-	-
Loan to subsidiary	-	-	99,800	-	99,800	-	-	-	-
Mark-up accrued	-	-	1,665	-	1,665	-	-	-	-
Other receivables	-	-	279,736	-	279,736	-	-	-	-
Bank balances	-	-	21,106	-	21,106	-	-	-	-
	<u>-</u>	<u>-</u>	<u>771,791</u>	<u>-</u>	<u>771,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Long term loans	-	-	-	883,416	883,416	-	-	-	-
Lease liabilities	-	-	-	71,407	71,407	-	-	-	-
Trade and other payables	-	-	-	526,286	526,286	-	-	-	-
Mark-up accrued	-	-	-	70,367	70,367	-	-	-	-
Short term borrowings	-	-	-	1,292,535	1,292,535	-	-	-	-
Unclaimed dividend	-	-	-	25,571	25,571	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,869,582</u>	<u>2,869,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(Rupees in '000)								
	30 June 2022 (Audited)								
	Carrying amount				Total	Fair value			Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Financial liabilities- Amortized cost		Level 1	Level 2	Level 3	
	(Rupees in '000)								
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- listed equity securities	259,873	10,173	-	-	270,046	270,046	-	-	270,046
- unlisted equity securities	511,029	-	-	-	511,029	-	206,250	304,779	511,029
	<u>770,902</u>	<u>10,173</u>	<u>-</u>	<u>-</u>	<u>781,075</u>	<u>270,046</u>	<u>206,250</u>	<u>304,779</u>	<u>781,075</u>
Financial assets not measured at fair value									
Deposits	-	-	44,348	-	44,348	-	-	-	-
Trade debts	-	-	175,214	-	175,214	-	-	-	-
Trade Deposits Receipt	-	-	159,360	-	159,360	-	-	-	-
Loan to subsidiary	-	-	96,793	-	96,793	-	-	-	-
Other receivables	-	-	40,694	-	40,694	-	-	-	-
Bank balances	-	-	6,180	-	6,180	-	-	-	-
	<u>-</u>	<u>-</u>	<u>522,589</u>	<u>-</u>	<u>522,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Long term loans	-	-	-	163,167	163,167	-	-	-	-
Lease liabilities	-	-	-	88,981	88,981	-	-	-	-
Trade and other payables	-	-	-	830,857	830,857	-	-	-	-
Mark-up accrued	-	-	-	37,134	37,134	-	-	-	-
Short term borrowings	-	-	-	812,647	812,647	-	-	-	-
Unclaimed dividend	-	-	-	25,614	25,614	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,958,400</u>	<u>1,958,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

26.2 Valuation techniques and significant unobservable inputs

The Company's long-term investments as disclosed in note 6 include Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited which are unquoted investments. During the period, the respective fair valuation models were updated to reflect the most recent market data changes. However, the Company has determined that due to these updates no material changes are required in the carrying amount of these investments hence these have been carried at the same value determined as of 30 June 2022.

27. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 31 January 2023.

ASO

Chief Executive

Director

Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 December 2022

	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,135,795	2,107,634
Right-of-use-assets		95,318	109,556
Intangible assets		156,497	154,101
Investment properties		80,914	82,789
Investment in equity accounted investees	6	2,553,570	2,332,187
Other long term investments	7	715,368	756,132
Long term deposits	8	34,580	29,100
Deferred taxation - net		776,287	676,230
		6,548,329	6,247,729
Current assets			
Stores, spares and loose tools		207,993	170,746
Stock-in-trade	9	1,582,304	1,190,096
Trade debts	10	225,759	175,214
Advances	11	165,205	68,409
Trade deposits and short term prepayments		43,726	28,280
Short Term Investments	12	828,689	779,945
Mark-up accrued		1,665	-
Other receivables	13	556,509	111,934
Taxation - net		719,517	689,800
Cash and bank balances		21,358	6,807
		4,352,725	3,221,231
Total assets		10,901,054	9,468,960
EQUITY AND LIABILITIES			
EQUITY			
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		1,050,821	1,050,980
Revenue reserves		5,151,026	5,197,264
		6,978,172	7,024,569
LIABILITIES			
Non-current liabilities			
Long term loans	14	557,986	50,382
Lease liabilities		58,298	66,759
Deferred income		4,200	686
Deferred liability - staff retirement benefits		73,562	73,562
		694,046	191,389
Current liabilities			
Trade and other payables	15	1,476,610	1,184,353
Unclaimed dividend		25,571	25,614
Mark-up accrued		71,447	38,824
Short term borrowings	16	1,315,940	861,162
Current portion of long term loans	14	325,430	112,785
Current portion of lease liabilities		13,109	22,222
Current portion of deferred income		729	8,042
		3,228,836	2,253,002
Contingencies and commitments	17	3,922,882	2,444,391
Total equity and liabilities		10,901,054	9,468,960

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


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For the quarter and six months ended 31 December 2022

Note	Quarter ended		Six months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
----- (Rupees in '000) -----				
Sales	1,398,238	1,394,862	2,575,024	3,091,032
Less: Sales tax	187,431	203,131	358,544	450,335
	<u>1,210,807</u>	<u>1,191,731</u>	<u>2,216,480</u>	<u>2,640,697</u>
Cost of sales	1,105,511	1,171,650	2,205,831	2,560,562
Gross profit	<u>105,296</u>	<u>20,081</u>	<u>10,649</u>	<u>80,135</u>
Loss from investments - net	(4,778)	(2,331)	(4,965)	(26,641)
	<u>100,518</u>	<u>17,750</u>	<u>5,684</u>	<u>53,494</u>
Distribution and selling expenses	8,711	3,443	13,311	7,110
Administrative expenses	86,885	84,584	166,473	147,519
Other operating expenses	(2,928)	16,799	-	40,335
	<u>92,668</u>	<u>104,826</u>	<u>179,784</u>	<u>194,964</u>
	<u>7,851</u>	<u>(87,076)</u>	<u>(174,100)</u>	<u>(141,470)</u>
Other income	1,178	12,224	29,850	32,384
Operating profit / (loss) before finance costs	<u>9,029</u>	<u>(74,852)</u>	<u>(144,250)</u>	<u>(109,086)</u>
Finance costs	87,542	69,499	148,721	121,601
Share of profit in equity accounted investees - net of taxation	165,668	137,734	221,543	41,389
Profit / (loss) before taxation	<u>87,155</u>	<u>(6,617)</u>	<u>(71,428)</u>	<u>(189,298)</u>
Taxation				
- current for the period	(50,029)	(103,540)	(35,070)	(127,519)
- current for prior year	782	-	782	-
- deferred	172,179	126,393	95,320	183,650
	<u>122,932</u>	<u>22,853</u>	<u>61,032</u>	<u>56,131</u>
Profit / (loss) for the period	<u>210,087</u>	<u>16,236</u>	<u>(10,396)</u>	<u>(133,167)</u>
Other comprehensive loss for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)	(28,551)	(22,740)	(35,842)	(47,070)
Items that will be reclassified subsequently to profit or loss				
Proportionate share of other comprehensive (loss) / income of equity accounted investees	-	-	(159)	815
	<u>(28,551)</u>	<u>(22,740)</u>	<u>(36,001)</u>	<u>(46,255)</u>
Total comprehensive income / (loss) for the period	<u>181,536</u>	<u>(6,504)</u>	<u>(46,397)</u>	<u>(179,422)</u>
----- (Rupees) -----				
Earnings / (Loss) per share - Basic and diluted	2.71	0.21	(0.13)	(1.72)

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


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited
 Condensed Interim Consolidated Statement of Cash Flows (Unaudited)
 For the six months ended 31 December 2022

	Note	Six months ended	
		31 December 2022	31 December 2021
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash used in operations	23	(776,158)	(520,380)
Taxes paid		(64,886)	(63,818)
Finance costs paid		(111,942)	(99,183)
Contribution to gratuity and pension funds		(13,870)	(12,291)
Long term deposits - net		(4,267)	(2,140)
Net cash used in operating activities		(971,123)	(697,812)
Cash flows from investing activities			
Capital expenditure		(135,941)	(18,890)
Acquisition of intangible assets		(3,481)	(2,504)
Proceeds from disposal of operating fixed assets		16,509	11,239
Investments - net		(176,661)	(84,528)
Dividend income received		48,047	36,904
Interest income received		8,947	42
Net cash used in investing activities		(242,580)	(57,737)
Cash flows from financing activities			
Proceeds from / (repayments of) long term loans - net		720,249	(40,870)
Payments against finance lease obligations		(21,730)	(20,335)
Proceeds from short term loans obtained - net		454,738	664,561
Dividends paid		(43)	(6)
Net cash generated from financing activities		1,153,214	603,350
Net decrease in cash and cash equivalents		(60,489)	(152,199)
Cash and cash equivalents at beginning of the period		(383,039)	(686,652)
Cash and cash equivalents at end of the period	24	(443,528)	(838,851)

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
For the six months ended 31 December 2022

	Issued, subscribed and paid-up capital	Capital reserves		Total capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Others *		Fair value reserve	General reserve	Unappropriated profit		
(Rupees in '000)									
Balance as at 30 June 2021	776,325	1,020,908	29,256	1,050,164	72,063	3,642,000	2,427,868	6,141,931	7,968,420
Total comprehensive income for the period									
Loss after taxation for the period	-	-	-	-	-	-	(133,167)	(133,167)	(133,167)
Other comprehensive income / (loss) for the period	-	-	815	815	(47,070)	-	-	(47,070)	(46,255)
Total comprehensive loss for the period	-	-	815	815	(47,070)	-	(133,167)	(180,237)	(179,422)
Balance as at 31 December 2021	776,325	1,020,908	30,071	1,050,979	24,993	3,642,000	2,294,701	5,961,694	7,788,998
Balance as at 30 June 2022	776,325	1,020,908	30,072	1,050,980	8,733	3,642,000	1,546,531	5,197,264	7,024,569
Total comprehensive loss for the period									
Loss after taxation for the period	-	-	-	-	-	-	(10,396)	(10,396)	(10,396)
Other comprehensive loss for the period	-	-	(159)	(159)	(35,842)	-	-	(35,842)	(36,001)
Total comprehensive loss for the period	-	-	(159)	(159)	(35,842)	-	(10,396)	(46,238)	(46,397)
Balance as at 31 December 2022	776,325	1,020,908	29,913	1,050,821	(27,109)	3,642,000	1,536,135	5,151,026	6,978,172

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

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



Chief Executive

Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months ended 31 December 2022

1. THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and its wholly owned subsidiary companies namely; CS Capital (Private) Limited, Solution de Energy (Private) Limited and Crescent Continental Gas Pipelines Limited.
- 1.2 The Holding Company was incorporated on 1 August 1983 as a public limited company in Pakistan under the repealed Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Holding Company and its subsidiaries companies are located at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg III, Lahore, where as its principal offices are situated at 9th floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi.
- 1.3 CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The head office of the Subsidiary Company is located at principal office of the Holding Company. The principal activity of the Subsidiary Company is to effectively manage investment portfolios in shares, commodities and other securities (strategic as well as short term). On 26 September 2011, the Holding Company has purchased the entire shareholding from its previous principal shareholder. Consequently, the Company becomes the wholly owned subsidiary of the Holding Company.
- 1.4 Solution de Energy (Private) Limited was incorporated as a private limited company in Pakistan under the provisions of the Companies Ordinance, 1984 (now the Companies Act, 2017) as a result of Joint Venture Agreement ("the Agreement") executed on 8 October 2013 between Management de Consortium Capital (MdeCC), a partnership concern and the Holding Company. During the year ended 30 June 2019, the Agreement was dissolved and the Holding Company and MdeCC entered into a management contract, whereby MdeCC is responsible for managing the project.

The head office of the Subsidiary Company is located at principal office of the Holding Company. The principal activity of the Subsidiary Company is to build, own, operate and maintain 100MW solar power project (the Project) and to generate, accumulate, distribute, sell and supply electricity / power to PEPCO / DISCOS under the agreement with the Government of Pakistan or to any other consumer as permitted.

The Subsidiary Company has been granted electricity generation license from National Electric Power Regulatory Authority (NEPRA) for its 100MW Solar Power Plant on 29 April 2020 and Subsidiary Company has submitted the tariff petition to NEPRA on 22 July 2020.

- 1.5 Crescent Continental Gas Pipelines Limited having share capital of Rs. 90 is not carrying on any business operations.
- 1.6 Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim consolidated financial statements of the Group do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

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

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

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited annual consolidated financial statements for the year ended 30 June 2022.

3.2 New Standards, Interpretations And Amendments Adopted By The Group.

There were certain amendments to accounting and reporting standards which become effective from 1 July 2022 but they do not have a material effect on these condensed interim consolidated financial statements and therefore detailed have not been disclosed.

3.3 Standards, Interpretations And Amendments To Accounting And Reporting Standards That Are Not Yet Effective

There are certain new standard and certain amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after 1 July 2023. However, currently management considers that these will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of these condensed interim consolidated financial statements are the same as those that were applied to the annual audited consolidated financial statements of the Group for the year ended 30 June 2022.

5. PROPERTY, PLANT AND EQUIPMENT

	Unaudited	Audited
	Not 31 December	30 June 2022
	2022	
	----- (Rupees in '000) -----	
Operating fixed assets	1,951,997	1,922,295
Capital work-in-progress	183,798	185,339
	<u>2,135,795</u>	<u>2,107,634</u>

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

	Unaudited Six months ended 31 December 2022		Unaudited Six months ended 31 December 2021	
	Additions / Transfers	Disposals / Transfers Cost	Additions / Transfers	Disposals / Transfers Cost
----- (Rupees in '000) -----				
Buildings on freehold land	4,472	-	-	-
Plant and machinery - owned	64,085	1,903	365	12,000
Plant and machinery - leased	-	14,995	15,934	-
Furniture and fittings	-	-	336	-
Electrical / office equipment and installation	1,690	-	745	3,960
Computers and accessories	2,252	783	1,762	372
Motor vehicles - owned	74,686	20,482	60	4,002
Motor vehicles - leased	-	1,985	5,670	-
	<u>147,185</u>	<u>40,148</u>	<u>24,872</u>	<u>20,334</u>

- 5.2 Net movement in capital work-in-progress during the six months period ended 31 December 2022 amounted to net transfer of Rs. 1.541 million (31 December 2021 (net additions of) : Rs. 21.264 million).

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 2022 (Number of shares)	Audited 30 June 2022		Note	Unaudited 31 December 2022 (Rupees in '000)	Audited 30 June 2022
----- (Rupees in '000) -----					
Quoted					
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.1	2,553,570	2,332,187
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.1	-	-
Unquoted					
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.1	-	-
				<u>2,553,570</u>	<u>2,332,187</u>

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

Description	31 December 2022			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	Rupees in '000			
Opening balance as at 1 July 2022	2,332,187	-	-	2,332,187
Share of profit	221,542	-	-	221,542
Share of equity	(159)	-	-	(159)
Closing balance as at 31 December 2022	2,553,570	-	-	2,553,570

Description	30 June 2022			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	Rupees in '000			
Opening balance as at 1 July 2021	3,429,031	-	-	3,429,031
Share of profit	85,739	-	-	85,739
Share of equity	816	-	-	816
Dividend received	(1,183,399)	-	-	(1,183,399)
Closing balance as at 30 June 2022	2,332,187	-	-	2,332,187

6.2 These figures are based on financial statements / information of these companies as at 30 September 2022.

6.3 Percentage of holding of equity in associates is as follows

	Note	Unaudited 31 December 2022	Audited 30 June 2022
Altern Energy Limited	6.3.1	17.60	17.60
Shakarganj Limited	6.3.2	28.01	28.01
Crescent Socks (Private) Limited		48.99	48.99

6.3.1 The Holding Company and the Subsidiary Company hold 16.69% and 0.91% respectively i.e. aggregate holding of 17.60% in the investee company. There is no common directorship in the investee company. However, the holding company directly and / or indirectly has significant influence as per IAS 28 'Investments in Associates', therefore only for the purpose of the equity accounting as required under IAS 28 it has been treated as an associate.

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

6.4 The fair value of investments in associates as at 31 December 2022 is Rs. 2,532.039 million (30 June 2022: Rs. 2,410.501 million).

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2022	Audited 30 June 2022
(Rupees in '000)			
Fair value through other comprehensive income (FVOCI)	7.1	102,746	143,510
Fair value through profit or loss (FVTPL)	7.2 & 7.3	612,622	612,622
		<u>715,368</u>	<u>756,132</u>

7.1 This includes investment in Crescent Textile Mills Limited which are not held for trading and the Group has irrevocably designated at initial application of IFRS 9 to recognize in this category. This is strategic investment and management considers this classification to be more relevant. The accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

7.2 This includes investments in Crescent Industrial Chemicals Limited and Crescent Bahuman Limited amounting to Rs. 10.470 million and Rs. 24.037 million, respectively, which had been fully charged to profit or loss in earlier periods.

7.3 This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 406.372 million and Rs. 206.25 million, respectively.

8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 18.789 million (30 June 2022: Rs. 18.119 million) under Ijarah financing arrangement.

9. STOCK-IN-TRADE

		Unaudited 31 December 2022	Audited 30 June 2022
(Rupees in '000)			
Raw materials			
Hot rolled steel coils (HR Coil)		291,309	261,583
Coating materials		714,806	46,205
Remelting steel scrap		53,705	43,308
Others		244,754	132,806
Raw cotton		54,775	230,531
Stock-in-transit		1,021	280,917
		<u>1,360,370</u>	<u>995,350</u>
Work-in-process		36,763	19,076
Finished goods	9.1	183,321	167,556
Scrap / cotton waste		1,850	8,114
		<u>221,934</u>	<u>194,746</u>
		<u>1,582,304</u>	<u>1,190,096</u>

9.1 Stock in trade as at 31 December 2022 includes certain items valued at net realisable value (NRV). Charge for the period in respect of stock written down to NRV amounting to Rs. 7.296 million (30 June 2022: Reversal of Rs. 14.897 million) has been recognized in cost of sales.

10. TRADE DEBTS

	Note	Unaudited 31 December 2022	Audited 30 June 2022
(Rupees in '000)			
Secured			
Considered good		-	40,867
Unsecured			
Considered good		225,759	134,347
Considered doubtful		19,553	19,553
		245,312	153,900
Impairment loss on trade debts		(19,553)	(19,553)
		225,759	175,214

11. ADVANCES

This includes advances amounting to Rs. 163.145 million (30 June 2022: Rs. 65.409 million) given to suppliers for goods and services.

12. INVESTMENTS

	Note	Unaudited 31 December 2022	Audited 30 June 2022
(Rupees in '000)			
At amortized cost	12.1	84,360	159,360
At fair value through profit or loss (FVTPL)	12.2	744,329	620,585
		828,689	779,945

12.1 This represents investment in term deposit receipts having markup rate ranging from 12.67% to 12.89% per annum and maturing upto 23 February 2023.

12.2 These comprise investment in ordinary shares of listed companies and units of mutual funds. These also include investments in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully provided for as the break-up value of their shares was Rs. Nil per share (30 June 2022: Rs. Nil per share).

12.3 Investments having an aggregate market value of Rs. 1,284.993 million (30 June 2022: Rs. 1,871.782 million) have been pledged with financial institutions as security against financing facilities (see note 16.4) out of which Rs. 966.230 million (30 June 2022: Rs. 947.902 million) relates to long term investments.

13. OTHER RECEIVABLES	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
Dividend receivable		1,847	886
Provision there against		<u>(886)</u>	<u>(886)</u>
		961	-
Claim receivable		461	461
Due from related parties	13.1	3,936	5,179
Sales tax refundable		281,003	75,589
Margin on letter of credit and guarantee		255,345	15,350
Receivable from staff retirement benefits funds		12,282	12,242
Others		<u>2,415</u>	<u>3,113</u>
		<u>556,509</u>	<u>111,934</u>
13.1 Due from related parties			
The Crescent Textile Mills Limited		538	386
Shakarganj Food Products Limited		3,371	3,893
Crescent Socks Limited		-	900
Premier Insurance Limited		<u>27</u>	<u>-</u>
		<u>3,936</u>	<u>5,179</u>
14. LONG TERM LOANS			
Secured - shariah arrangement			
Sukuk Certificates	14.1	800,000	-
Less: Transaction Cost	14.1.1	<u>(5,451)</u>	<u>-</u>
		<u>794,549</u>	<u>-</u>
Secured - Under non-shariah arrangement			
Allied Bank Limited	14.2	36,175	72,350
Habib Metropolitan Bank Limited	14.3	19,006	55,945
JS Bank Limited	14.4	<u>33,686</u>	<u>34,872</u>
		<u>883,416</u>	<u>163,167</u>
Less: Current portion shown under current liabilities		<u>325,430</u>	<u>112,785</u>
		<u><u>557,986</u></u>	<u><u>50,382</u></u>

14.1 During the period, the Holding Company issued 8,000 unlisted, privately placed & secured Sukuk certificates (SUKUK-Al-Istisna) on 11 October 2022, having face value of Rs. 100,000 each, amounting to Rs. 800 million. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk-al-istisna were received on 11 October 2022. The Sukuk certificates carries profit at the rate of 6-months KIBOR + 2% with semi-annual rental payments having tenure of three years from the issue date on arrear basis. Principal repayment installment will commence from April 2023.

14.1.1 This represents the cost incurred with respect to issuance of SUKUK certificates, amortized using effective rate of interest.

14.2 During year ended 30 June 2018, the Holding Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till date. The term of the loan is 4 years from the date of disbursement with a grace period of one year; however, due to COVID-19 the bank has allowed one additional year as grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, the Holding Company has made repayment of Rs. 36.175 million (31 December 2021: Rs. 36.175 million).

During the period ended 31 December 2022, the mark-up on such arrangements ranged from 16.66% to 17.27% (31 December 2021: 8.88% to 9.86%) per annum. These facilities are secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

- 14.3** During the year ended 30 June 2020, the Holding Company entered into new loan arrangement with Habib Metropolitan Bank Limited under the State Bank of Pakistan's (SBP) "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concern". The Holding Company has obtained the said loan at subsidized rate in six tranches, during May 2020 to October 2020. The term of the loan is 2.5 years from the date of disbursement with a grace period of 6 months, repayable in 8 equal quarterly installments starting from March 2021. Mark-up is payable at the concessional rate of 2.5% per annum.

The effective interest on such arrangements ranged from 8.68% to 10.16% per annum (31 December 2021: 8.68% to 10.16% per annum).

- 14.4** During the year ended 30 June 2021, the Holding Company entered into a new loan arrangement with JS Bank Limited which was received on 5 tranches and all tranches were converted into the State Bank of Pakistan's (SBP) "SBP Financing scheme for Renewable Energy" during the year ended 30 June 2022. The term of the loan is 10 years from the date of disbursement with a grace period of 3 months, repayable in monthly installments starting from June 2021. Mark-up is payable at the rate of 1 month KIBOR plus 1% per annum till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.

The effective interest on this arrangement is 8.49% (31 December 2021: 8.49%) per annum.

15. TRADE AND OTHER PAYABLES

	Note	Unaudited 31 December 2022	Audited 30 June 2022
----- (Rupees in '000) -----			
Trade creditors		111,715	116,917
Bills payable		3,821	288,726
Commission payable		2,518	1,922
Accrued liabilities		382,739	405,949
Advances from customers		609,472	23,705
Infrastructure fee, Sales tax and damages		283,295	272,530
Due to related parties	15.1	17,180	9,739
Payable to provident fund		2,605	2,313
Payable to staff retirement benefit funds		2,732	2,296
Retention money		110	111
Withholding tax payable		1,666	1,738
Workers' Profit Participation Fund		2,395	2,395
Workers' Welfare Fund		6,944	6,944
Others		49,417	49,068
		<u>1,476,610</u>	<u>1,184,353</u>

15.1 Due to related parties

Premier Insurance Company Limited		-	454
Shakarganj Limited		17,180	9,283
		<u>17,180</u>	<u>9,739</u>

16. SHORT TERM BORROWINGS

	Note	Unaudited 31 December 2022 ----- (Rupees in '000) -----	Audited 30 June 2022
Secured from banking companies			
Running finances under mark-up arrangements	16.1	464,886	464,846
Short term loans	16.2 & 16.4	851,054	396,316
		<u>1,315,940</u>	<u>861,162</u>

16.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,350 million (30 June 2022: Rs. 1,350 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million) and Rs. 100 million (30 June 2022: Rs. 100 million) and Rs. 300 million (30 June 2022: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 15.91% to 18.81% (31 December 2022: 9.14% to 9.88%) per annum.

16.2 Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,950 million (30 June 2022: Rs. 3,950 million) out of which Rs. 3,150 million (30 June 2022: Rs. 3,150 million), Rs. 350 million (30 June 2022: Rs. 350 million) and Rs. 205 million (30 June 2022: Rs. 205 million) are interchangeable with letters of credit, short-term running finance and letters of guarantee facility, respectively. During the period, the mark-up on such arrangements ranged from 15.91% to 18.81% (31 December 2021: 9.14% to 9.98%) per annum.

16.3 The facilities for opening letters of credit amounted to Rs. 4,750 million (30 June 2022: Rs. 4,750 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million), Rs. 3,150 million (30 June 2022: Rs. 3,150 million) and Rs. 205 million (30 June 2022: Rs. 205 million) are interchangeable with short term running finance, short term loans and letters of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 31 December 2022 amounted to Rs. 2,324.6 million (30 June 2022: Rs. 2,042.9 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2022 were Rs. 4,171.64 million and Rs. 149.15 million (30 June 2022: Rs. 4,507.62 million and Rs. 470.032 million), respectively.

16.4 The above facilities (refer note 16.1 to 16.3) are expiring on various dates with maturity periods upto 31 October 2023. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 12.2), pledge of cotton / cotton yarn; and lien over import / export document.

17. CONTINGENCIES AND COMMITMENTS**17.1 Contingencies**

There is no significant change in the status of the matters as set out in note 12.3,15, 29.3 and 30.1 to the Group's annual consolidated financial statements for the year ended 30 June 2022.

17.2 Commitments

17.2.1 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 2,175.45 million (30 June 2022: Rs. 1,572.868 million). These include guarantees issued by Islamic banks amounting to Rs. 235.34 million (30 June 2022: Rs. 214.58 million).

17.2.2 Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 December 2022 amounted to Rs. 25.493 million (30 June 2022: Rs. 14.619 million).

17.2.3 Commitments under letters of credit as at 31 December 2022 amounted to Rs. 578.357 million (30 June 2022: Rs. 242.385 million).

18. SALES	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
----- (Rupees in '000) -----					
Local sales					
	18.1	916,461	238,683	1,414,567	1,108,381
		-	147,088	-	149,187
		16,331	50,920	16,331	50,920
		33,565	2,555	41,219	76,488
		305,618	763,213	897,361	1,457,138
		-	36,321	-	36,321
		-	58,342	-	58,342
		54,295	54,150	118,828	102,196
		71,968	43,590	86,718	52,059
		1,398,238	1,394,862	2,575,024	3,091,032
Sales tax		(187,431)	(203,131)	(358,544)	(450,335)
		1,210,807	1,191,731	2,216,480	2,640,697

18.1 This is presented net of liquidated damages amounting to Rs. Nil. (31 December 2021: Rs.4.558 million).

18.2 Revenue is disaggregated by major products and also by geographical market additionally revenue by measure customer is disclosed in note 25.4 to these condensed interim consolidated financial statements.

19. (LOSS) / INCOME FROM INVESTMENTS - NET	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
----- (Rupees in '000) -----					
	19.1	35,190	23,314	49,008	36,898
	19.2	6,730	(1,327)	12,203	1,446
	19.3	(48,631)	(25,858)	(70,042)	(68,766)
	19.5	1,933	1,540	3,866	3,781
		(4,778)	(2,331)	(4,965)	(26,641)

19.1 This includes Rs. 32.469 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 0.397 million incurred on disposal of investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 65.362 million on investments in Shariah Compliant Investee Companies.

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

19.5 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 0.976 million (31 December 2021: Rs. 2.489 million).

20. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees in '000) -----			
Exchange (gain) / loss	(2,928)	12,405	-	30,831
Provision for:				
Workers' Profit Participation Fund	-	3,742	-	8,852
Slow moving stores, spares and loose tools	-	652	-	652
	<u>(2,928)</u>	<u>16,799</u>	<u>-</u>	<u>40,335</u>

21. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees in '000) -----			
Mark-up on short term loans - Shariah arrangement	9,671	15,886	19,998	27,553
- finance lease obligations	2,013	2,381	4,160	4,628
- long term loan	36,002	5,609	40,106	11,508
- running finances / short term loans	38,628	42,174	82,416	73,180
Discounting of lease deposit	-	126	-	375
Bank charges	1,228	3,323	2,041	4,357
	<u>87,542</u>	<u>69,499</u>	<u>148,721</u>	<u>121,601</u>

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

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees in '000) -----			
Profit / (loss) for the period	<u>210,087</u>	<u>16,236</u>	<u>(10,396)</u>	<u>(133,167)</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
	----- (Rupees) -----			
Earnings / (loss) per share - Basic and diluted	<u>2.71</u>	<u>0.21</u>	<u>(0.13)</u>	<u>(1.72)</u>

23.	CASH USED IN OPERATIONS	Note	Unaudited	
			Six months ended	
			31 December 2022	31 December 2021
			----- (Rupees in '000) -----	
	Loss before taxation		(71,428)	(189,298)
	Adjustments for non cash charges and other items			
	Depreciation on operating fixed assets and investment properties		114,159	103,267
	Amortization of intangible assets		1,085	1,182
	Charge for the period on staff retirement benefit funds		13,830	12,682
	Dividend income		(49,008)	(36,898)
	Unrealized loss on FVTPL investments - net		70,042	68,766
	Gain on sale of FVTPL investments - net		(12,203)	(1,446)
	(Reversal) / charge of provision for stores, spares and loose tools - net		(3,856)	652
	Provision for Workers' Profit Participation Fund		-	8,852
	Return on deposits		(10,612)	(42)
	Gain on disposal of operating fixed assets		(6,775)	(49)
	Deferred income		(3,799)	(4,795)
	Discounting on long term deposit		-	375
	Unwinding of discount on long term deposit		(1,213)	(12,336)
	Liabilities written back		-	(8,636)
	Finance costs		148,721	121,226
	Share of profit from equity accounted investees - net of taxation		(221,542)	(41,388)
	Working capital changes	23.1	(743,559)	(542,494)
			<u>(776,158)</u>	<u>(520,380)</u>
23.1	Working capital changes			
	<i>(Increase) / decrease in current assets</i>			
	Stores, spares and loose tools		(37,247)	(11,147)
	Stock-in-trade		(392,208)	(576,626)
	Trade debts		(50,545)	(90,573)
	Advances		(96,796)	(129,540)
	Trade deposits and short term prepayments		(15,446)	663
	Other receivables		(443,574)	(37,469)
			<u>(1,035,816)</u>	<u>(844,692)</u>
	<i>Increase in current liabilities</i>			
	Trade and other payables		292,257	302,198
			<u>(743,559)</u>	<u>(542,494)</u>
24.	CASH AND CASH EQUIVALENTS			
	Running finances under mark-up arrangements		(464,886)	(860,007)
	Cash and bank balances		21,358	21,156
			<u>(443,528)</u>	<u>(838,851)</u>
25.	SEGMENT REPORTING			
25.1	Reportable segments			
	The Group's reportable segments are as follows:			
	- Steel segment - It comprises of manufacturing and coating of steel pipes.			
	- Cotton segment - It comprises of manufacturing of yarn.			
	- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).			
	- Energy segment - It comprises of generating and supplying electricity/power.			
	- Hadeed (Billet) segment - It comprises of manufacturing billets.			
	Information regarding the Group's reportable segments is presented below:			

25.2 Segment revenues and results

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

For the six months ended 31 December 2022	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
	(Rupees in '000)						
Sales - net	1,405,013	784,822	-	26,645	-	-	2,216,480
Cost of sales	1,274,921	835,649	31,575	63,686	-	-	2,205,831
Gross profit / (loss)	130,092	(50,827)	(31,575)	(37,041)	-	-	10,649
Loss from investments - net	-	-	-	-	(4,965)	-	(4,965)
	130,092	(50,827)	(31,575)	(37,041)	(4,965)	-	5,684
Distribution and selling expenses	10,167	2,237	-	907	-	-	13,311
Administrative expenses	123,350	22,186	816	8,531	11,590	-	166,473
	133,517	24,423	816	9,438	11,590	-	179,784
	(3,425)	(75,250)	(32,391)	(46,479)	(16,555)	-	(174,100)
Other income	23,006	9,674	-	(2,830)	-	-	29,850
Operating profit / (loss) before finance costs	19,581	(65,576)	(32,391)	(49,309)	(16,555)	-	(144,250)
Finance costs	126,723	13,926	1	5,015	3,056	-	148,721
Share of profit in equity accounted investees - net of taxation	-	-	-	-	221,543	-	221,543
(Loss) / profit before taxation	(107,142)	(79,502)	(32,392)	(54,324)	201,932	-	(71,428)
Taxation							61,032
Loss for the period							(10,396)
For the six months ended 31 December 2021	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
	(Rupees in '000)						
Sales - net	1,176,879	1,258,800	89,437	130,078	-	(14,497)	2,640,697
Cost of sales	1,250,773	1,055,104	118,004	151,178	-	(14,497)	2,560,562
Gross (loss) / profit	(73,894)	203,696	(28,567)	(21,100)	-	-	80,135
Loss from investments - net	-	-	-	-	(26,641)	-	(26,641)
	(73,894)	203,696	(28,567)	(21,100)	(26,641)	-	53,494
Distribution and selling expenses	4,839	1,671	-	600	-	-	7,110
Administrative expenses	102,713	21,189	2,329	9,603	11,685	-	147,519
Other operating expenses	22,482	11,869	(257)	6,241	-	-	40,335
	130,034	34,729	2,072	16,444	11,685	-	194,964
	(203,928)	168,967	(30,639)	(37,544)	(38,326)	-	(141,470)
Other income	19,509	12,875	-	-	-	-	32,384
Operating (loss) / profit before finance costs	(184,419)	181,842	(30,639)	(37,544)	(38,326)	-	(109,086)
Finance costs	89,791	13,661	1	15,498	2,650	-	121,601
Share of profit in equity accounted investees - net of taxation	-	-	-	-	41,389	-	41,389
(Loss) / profit before taxation	(274,210)	168,181	(30,640)	(53,042)	413	-	(189,298)
Taxation							56,131
Loss for the period							(133,167)

25.2.1 Revenue reported above represents revenue generated from external customers and inter-segment sales of electricity by Energy Segment to Hadeed (Billet) Segment of Rs. Nil (31 December 2021: Rs. 14.497 million).

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

25.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies as described in the annual consolidated financial statements of the Group for the year ended 30 June 2022. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

25.3 Revenue from major products and services

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

25.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,062.225 million (31 December 2021: Rs. 1,133.548 million) of total Steel segment revenue of Rs. 1,405.013 million (31 December 2021: Rs. 1,176.879 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil million (31 December 2021: Rs. 475.002 million) of total Cotton segment revenue of Rs. 784.822 million (31 December 2021: Rs. 1,258.800 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (31 December 2021: Rs. 80.909 million) of total Energy segment revenue of Rs. Nil (31 December 2021: Rs. 89.437 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil (31 December 2021: Rs. 125.715 million) of total Hadeed (Billet) segment revenue of Rs. 26.645 million (31 December 2021: Rs. 130.078 million).

25.5 Geographical information

25.5.1 All revenues from external customers and inter-segment sales were generated in Pakistan.

25.5.2 All non-current assets of the Group as at 31 December 2022 and 30 June 2022 were located and operating in Pakistan.

25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
As at 31 December 2022 - Unaudited						
Segment assets for reportable segments	3,287,823	363,542	655,644	831,186	1,359,855	6,498,050
Investment in equity accounted investees	-	-	-	-	2,553,570	2,553,570
Unallocated corporate assets						1,849,434
Total assets as per consolidated statement of financial position						<u>10,901,054</u>
Segment liabilities for reportable segments	1,221,121	159,226	83,715	102,531	29,452	1,596,045
Unallocated corporate liabilities and deferred income						2,326,837
Total liabilities as per consolidated statement of financial position						<u>3,922,882</u>
As at 30 June 2022 - Audited						
Segment assets for reportable segments	1,799,290	511,016	680,524	913,292	1,483,003	5,387,124
Investment in equity accounted investees	-	-	-	-	2,332,187	2,332,187
Unallocated corporate assets						1,749,648
Total assets as per consolidated statement of financial position						<u>9,468,959</u>
Segment liabilities for reportable segments	877,421	185,161	88,067	152,113	55,847	1,358,608
Unallocated corporate liabilities and deferred income						1,085,782
Total liabilities as per consolidated statement of financial position						<u>2,444,390</u>

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

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

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

25.7 Other segment information

	Unaudited					
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
For the six months ended 31 December 2022						
Capital expenditure	144,935	2,250	3,480	-	-	150,665
Depreciation and amortization	45,081	11,876	30,095	25,765	2,427	115,244
Non-cash items other than depreciation and amortization	113,102	14,470	1	5,080	(209,068)	(76,415)
For the six months ended 31 December 2021						
Capital expenditure	3,268	-	2,504	-	-	5,772
Depreciation and amortization	34,998	11,512	30,205	25,433	2,301	104,449
Non-cash items other than depreciation and amortization	84,081	15,179	(184)	15,682	(7,800)	106,958

26. TRANSACTIONS WITH RELATED PARTIES

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited Six months ended	
			31 December 2022	31 December 2021
----- (Rupees in '000) -----				
Altern Energy Limited	Associated company	Dividend received	-	1,183,399
Shakarganj Limited	Associated company	Sales of goods	-	45,347
		Sales of electricity and steam	-	80,909
		Services received	-	2,422
		Reimbursable expenses	5,742	1,224
		Payment received	-	80,916
		Purchase of raw material	-	80,909
Shakarganj Food Products Limited	Related party	Services given	1,322	2,121
		Rent	1,560	1,080
		Reimbursable Expense	1,403	-
		Payments received from services given	2,000	-
Crescent Socks (Private) Limited	Related party	Rent	600	600
		Payment received	1,500	800
The Crescent Textile Mills Limited	Associated company	Payment received	1,646	3,070
		Rent	1,182	708
		Services received	616	-
The Citizens' Foundation*	Related party	Donation given	11,103	324
Premier Insurance Limited*	Related party	Insurance premium	5,977	3,815
		Insurance premium paid	6,381	3,993
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	3	12
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	879	1,224
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,913	3,582
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	9,857	9,100
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	5,208	4,862
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	397	351
Key management personnel	Related parties	Remuneration and benefits	71,033	69,599
Chairman of the Board	Related party	Honorarium	900	900
Directors	Related parties	Meeting fee	1,195	1,175

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

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

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

27. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in annual consolidated financial statements of the Group for the year ended 30 June 2022.

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

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

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

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

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

31 December 2022 (Unaudited)									
Carrying amount					Fair value				
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	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	828,689	102,746	-	-	931,435	931,435	-	-	931,435
- Unlisted equity securities	612,622	-	-	-	612,622	-	206,250	406,372	612,622
	<u>1,441,311</u>	<u>102,746</u>	<u>-</u>	<u>-</u>	<u>1,544,057</u>	<u>931,435</u>	<u>206,250</u>	<u>406,372</u>	<u>1,544,057</u>
Financial assets not measured at fair value									
Deposits	-	-	62,410	-	62,410	-	-	-	-
Trade debts	-	-	225,759	-	225,759	-	-	-	-
Trade Deposit Receipt	-	-	84,360	-	84,360	-	-	-	-
Other receivables	-	-	263,224	-	263,224	-	-	-	-
Bank balances	-	-	21,358	-	21,358	-	-	-	-
	<u>-</u>	<u>-</u>	<u>657,111</u>	<u>-</u>	<u>657,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Long term loans	-	-	-	883,416	883,416	-	-	-	-
Lease liabilities	-	-	-	71,407	71,407	-	-	-	-
Trade and other payables	-	-	-	572,838	572,838	-	-	-	-
Mark-up accrued	-	-	-	71,447	71,447	-	-	-	-
Short term borrowings	-	-	-	1,315,940	1,315,940	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,915,048</u>	<u>2,915,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

30 June 2022 (Audited)

	Carrying amount				Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	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	620,585	143,510	-	-	764,095	764,095	-	-	764,095
- Unlisted equity securities	612,622	-	-	-	612,622	-	206,250	406,372	612,622
	<u>1,233,207</u>	<u>143,510</u>	<u>-</u>	<u>-</u>	<u>1,376,717</u>	<u>764,095</u>	<u>206,250</u>	<u>406,372</u>	<u>1,376,717</u>
Financial assets not measured at fair value									
Deposits	-	-	47,393	-	47,393	-	-	-	-
Trade debts	-	-	175,214	-	175,214	-	-	-	-
Trade Deposit Receipt	-	-	159,360	-	159,360	-	-	-	-
Other receivables	-	-	24,103	-	24,103	-	-	-	-
Bank balances	-	-	6,317	-	6,317	-	-	-	-
Cash	-	-	490	-	490	-	-	-	-
	<u>-</u>	<u>-</u>	<u>412,877</u>	<u>-</u>	<u>412,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Long term loan	-	-	-	163,167	163,167	-	-	-	-
Lease liabilities	-	-	-	88,981	88,981	-	-	-	-
Trade and other payable	-	-	-	877,040	877,040	-	-	-	-
Unclaimed dividend	-	-	-	25,614	25,614	-	-	-	-
Mark-up accrued	-	-	-	38,824	38,824	-	-	-	-
Short term borrowings	-	-	-	861,162	861,162	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,054,788</u>	<u>2,054,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

27.1 Valuation techniques and significant unobservable inputs

The Group's long-term investments as disclosed in note 6 include Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited which are unquoted investments. During the period, the respective fair valuation models were updated to reflect the most recent market data changes. However, the Company has determined that due to these updates no material changes are required in the carrying amount of these investments hence these have been carried at the same value determined as of 30 June 2022.

28. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 31 January 2023.



Chief Executive



Director



Chief Financial Officer

