



Crescent Steel and
Allied Products Limited



BUILDING SUSTAINABLE VALUE

1st Quarterly 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, vibro 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

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)

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

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/2023/01/Quarterly-Report-Q1FY23.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 quarter ended 30 September 2022.

ECONOMIC OUTLOOK

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 – forecasts for inflation and FY23 GDP growth rate were at 20% and 3.5% amidst a commodity upcycle and twin deficits with current account deficit at 3% and fiscal deficit of 4.7% of GDP.

As we step into Q2FY23, Pakistan has successfully negotiated re-entry into the suspended International Monetary Fund (IMF) program for which the government had initiated a multi-layered policy approach including import restrictions, further monetary tightening, and bridging expenditure gaps through taxation measures, however, just as Pakistan began to buckle up to face a difficult economic environment a climate catastrophe swept away homes, crops, livestock and infrastructure, leaving 33 million internally displaced with no means of sustaining themselves. The estimated damage is north of USD 40 billion and all economic forecasts mentioned above do not account for the impact of the climate crisis.

Inflationary readings remained high during the quarter peaking at a 14-year high of 27.3% during August and closing the quarter at 23.2% YoY. In continued monetary tightening the State Bank of Pakistan (SBP) raised rates by 125bps in July to 15%, however kept them unchanged at 15% in the following reviews of August and October 2022.

World Bank estimates put FY23 GDP at 2% against a market consensus of 1.5% to 2% amidst monetary tightening, high inflation, and growth contraction measures.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overall Unconsolidated Financial Performance

Sales revenue for the quarter ended 30 September 2022 (Q1FY23) stood at Rs. 1,005.7 million (Q1FY22: Rs. 1,449.0 million). Cost of Goods sold stood at Rs. 1,100.3 million (Q1FY22: Rs. 1,388.9) generating a gross loss of Rs. 94.6 million (Q1FY22 gross profit of Rs. 60.1 million) which was negative 9.4% of sales as compared to a GP margin of 4.1% in Q1FY22.

Steel and Cotton divisions contributed 48.5% and 50.7% to total sales at Rs. 487.3 million (Q1FY22: Rs. 846.8 million) and Rs. 510.0 million (Q1FY22: Rs. 597.8 million), respectively.

During Q1FY23, Gross loss (GL) of the Steel division amounted to Rs. 30.9 million (Q1FY22: GL of Rs. 16.6 million). Cotton Division also reported GL of Rs. 31.0 million (Q1FY22 gross profit of Rs. 106.6 million) mainly due to withdrawal of zero-rated industrial relief in electricity tariff for the month of July 2022.

The Company's loss before tax (LBT) for Q1FY23 was Rs. 209.9 million as compared to LBT of Rs. 75.3 million in Q1FY22. Tax reversal during Q1FY23 amounted to Rs. 66.2 million (current tax charge of Rs. 13.3 million while deferred tax reversal of Rs. 79.5 million).

The Company's after-tax loss amounted to Rs. 143.7 million as compared to an after-tax loss of Rs. 49.5 million in Q1FY22. Loss per share (LPS) for Q1FY23 was Rs. 1.85 per share as compared to LPS of Rs. 0.64 in Q1FY22.

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

- Sales revenue decreased 30.6% to Rs. 1,005.7 million as compared to Rs. 1,449.0 million in Q1FY22.
- Income from Investments amounted to Rs. 1.1 million as compared to loss of Rs. 15.5 million in Q1FY22.
- Gross loss of Rs. 94.6 million as compared to a gross profit of Rs. 60.1 million in Q1FY22.
- Other income increased to Rs. 28.7 million as compared to Rs. 20.2 million in Q1FY22.
- Loss before interest and tax (LBIT) for Q1FY23 was Rs. 150.7 million as compared to LBIT Rs. 24.1 million in Q1FY22.
- Loss before interest, tax, depreciation, and amortization (LBITDA) was Rs. 95.8 million as compared to EBITDA of Rs. 27.7 million in Q1FY22.
- LPS for Q1FY23 was Rs. 1.85, as compared to LPS of Rs. 0.64 for Q1FY22.
- Return on average capital employed (annualized) was negative 2.7% for Q1FY23 as compared to negative 1.2% in corresponding period last year.
- Break-up value per share decreased to Rs. 76.7 from Rs. 78.6 as at 30 June 2022.

BUSINESS SEGMENTS

Steel Segment

Steel Division revenue for the period stood at Rs. 487.3 million as compared to Rs. 848.8 million in the corresponding period last year. Total gross loss during the Q1FY23 was recorded at Rs. 30.9 million (i.e. -6.3%), as compared to GL of Rs. 16.6 million (i.e. -2.0%) in Q1FY22. The GL for the current quarter was mainly driven by steep PKR devaluation.

Consequently, LBT for the period stood at Rs. 121.1 million as compared to PBT of Rs. 113.4 million in corresponding period last year.

Cotton Segment

Cotton Division net sales revenue for Q1FY23 stood at Rs. 510.0 million as compared to Rs. 597.8 million in Q1FY22. Division posted GL of Rs. 31.0 million i.e. -6.1% of sales as compared to GP of Rs. 106.6 million i.e. 17.8% in Q1FY22.

IID Segment

Market Review

KSE-100 opened the fiscal year 2023 at 41,540.83 points, losing 412.16 points or 0.99% during 1QFY23 to close at 41,128.67 points on 30 September 2022. On a CY basis the benchmark bourse lost 3,467.40 points or 8.43% from its opening of 44,596.07 points on 1 January 2022.

Average traded volume for all-share index during the quarter stood at 218.43 million, significantly lower (47.02%) when compared with average volumes traded during the same period last year— indicating a sharp decline in market participation.

The KSE-100 index is currently trading at a historic low Price Earning (PE) ratio of 4.47 times and a forward PE of 3.69 times compared to the regional averages of 10.62 times.

Segment Performance

The portfolio's accumulated LBT for the quarter ended 30 September 2022 stood at Rs. 3.5 million, as against LBT of Rs. 19.4 in the corresponding period last year.

The LBT includes unrealized losses of Rs. 7.65 million. Dividend income for the period stood at Rs. 5.44 million.

During the Q1FY23, the division's trading investments recorded a marginally positive ROI of 0.02% on weighted average investments of PKR 259.44 million whereas the benchmark KSE-100 index decreased by 0.99%.

UNCONSOLIDATED BALANCE SHEET

Balance sheet footing stood at Rs. 9,166.1 million as of 30 September 2022, compared to Rs. 8,445.1 million on 30 June 2022. Break-up value per share decreased to Rs. 76.7 from Rs. 78.6 as at 30 June 2022.

Current ratio decreased to 1.18, as compared to 1.38 as at 30 June 2022. Gearing ratio (including short term borrowings) increased to 19.5% as compared to 14.8% as at 30 June 2022. Interest cover for 1QFY23 was -2.5 times (Q1FY22: -0.5 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. 153.3 million (Q1FY22: loss of Rs. 34.2 million). Consolidated loss after tax for the Group for Q1FY23 was Rs. 96.7 million as compared to loss after tax of Rs. 149.4 million in Q1FY22. Net share of profit from equity-accounted associates amounted to Rs. 55.9 million (Q1FY22: Rs. 313.9 million).

Consolidated LPS of the Group for Q1FY23 was Rs. 1.25 per share as compared to LPS of Rs. 1.92 per share respectively in the corresponding period last year.

CONSOLIDATED BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 10,219.3 million, compared to Rs. 9,469.0 million as at 30 June 2022. Total shareholders' fund decreased to Rs. 6,920.4 million from Rs. 7,024.6 million as at 30 June 2022.

FUTURE OUTLOOK

The immediate short-term outlook is marred with uncertainty. High inflation, PKR devaluation, monetary tightening and measures undertaken to contract growth will impact ease and cost of doing business as well as profitability. On a national level, with weak macros, continued political uncertainty and the challenges we face in managing the impacts of the flood induced crisis – the immediate term outlook is bleak.

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, while promising, 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.

The Greater Karachi Bulk Water Supply project K-IV has been awarded to an international contractor from whom we have received letter of intent (LOI). We are in the advanced stages of negotiating the contract for pipe conversion and line pipe coating business for part of the project. The project is expected to commence during H2FY23 with expected completion, by the end of financial year 2024.

We have also seen some line pipe demand in the Oil and Gas segment, specifically with regards to pipeline capacity augmentation projects; these are also in the final stages of bid evaluation. Our bid book in this segment is reasonably healthy—should these materialize in our favour the work would span H2FY23-Q1FY24. Our businesses in other segments will continue to provide tactical buffers including working capital support, however, we remain focused on capturing demand in the line pipe segment.

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



S. M. Ehtishamullah
Director

28 October 2022

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2022

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at 30 September 2022

	Note	Unaudited 30 September 2022 ----- (Rupees in '000) -----	Audited 30 June 2022 -----
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,101,727	2,107,200
Right-of-use assets	5	107,804	109,556
Intangible assets		3,039	3,580
Investment properties		56,006	56,330
Long term investments	6	2,362,022	2,362,604
Long term deposits	7	29,337	29,100
Deferred taxation - net		884,203	804,662
		<u>5,544,138</u>	<u>5,473,032</u>
Current assets			
Stores, spares and loose tools		170,562	170,746
Stock-in-trade	8	1,419,644	1,190,096
Trade debts	9	160,057	175,214
Loans and advances	10	206,483	165,202
Trade deposits and short term prepayments		19,440	25,235
Short term investments	11	451,789	419,233
Mark-up accrued		933	-
Other receivables	12	401,109	128,525
Taxation - net		704,655	691,183
Cash and bank balances		87,312	6,670
		<u>3,621,984</u>	<u>2,972,104</u>
Total assets		<u><u>9,166,122</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>4,156,836</u>	<u>4,301,178</u>
		<u>5,954,069</u>	<u>6,098,411</u>
LIABILITIES			
Non-current liabilities			
Long term loans	13	12,366	50,382
Lease liabilities		61,154	66,759
Deferred income		4,916	686
Deferred liability - staff retirement benefits		<u>73,562</u>	<u>73,562</u>
		<u>151,998</u>	<u>191,389</u>
Current liabilities			
Trade and other payables	14	1,537,059	1,136,892
Unclaimed dividend		25,597	25,614
Mark-up accrued		37,908	37,134
Short term borrowings	15	1,326,612	812,647
Current portion of long term loans	13	113,219	112,785
Current portion of lease liabilities		17,219	22,222
Current portion of deferred income		<u>2,441</u>	<u>8,042</u>
		<u>3,060,055</u>	<u>2,155,336</u>
Contingencies and commitments	16		
Total equity and liabilities		<u><u>9,166,122</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 first quarter ended 30 September 2022

	Note	First quarter ended 30 September 2022	30 September 2021
Sales	17	1,176,786	1,696,170
Less: sales tax		171,113	247,204
		<u>1,005,673</u>	<u>1,448,966</u>
Cost of sales		1,100,320	1,388,912
Gross (loss) / profit		<u>(94,647)</u>	<u>60,054</u>
Income / (loss) from investments - net	18	<u>1,090</u>	<u>(15,514)</u>
		<u>(93,557)</u>	<u>44,540</u>
Distribution and selling expenses		4,600	3,667
Administrative expenses		78,313	61,578
Other operating expenses	19	2,928	23,536
		<u>85,841</u>	<u>88,781</u>
		<u>(179,398)</u>	<u>(44,241)</u>
Other income		28,672	20,160
Operating loss before finance costs		<u>(150,726)</u>	<u>(24,081)</u>
Finance costs	20	59,206	51,225
Loss before taxation		<u>(209,932)</u>	<u>(75,306)</u>
Taxation			
- current		(13,339)	(22,555)
- deferred		79,540	48,319
		<u>66,201</u>	<u>25,764</u>
Loss for the period		<u>(143,731)</u>	<u>(49,542)</u>
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)		(611)	(1,999)
Total comprehensive loss for the period		<u>(144,342)</u>	<u>(51,541)</u>
Loss per share - Basic and diluted	21	<u>(1.85)</u>	<u>(0.64)</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 Cash Flows (Unaudited)
For the first quarter ended 30 September 2022

	Note	First quarter ended	
		30 September 2022	30 September 2021
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash used in operations	22	(220,110)	(244,722)
Taxes paid		(26,811)	(26,897)
Finance costs paid		(56,276)	(46,648)
Contribution to gratuity and pension funds		(6,509)	(5,900)
Contribution to Workers' Profit Participation Fund		-	(2,978)
Long term deposits - net		452	(3,139)
Net cash used in operating activities		(309,254)	(330,284)
Cash flows from investing activities			
Capital expenditure		(50,713)	(9,847)
Proceeds from disposal of operating fixed assets		7,359	3,859
Investments - net		7,327	(33,560)
Dividend income received		3,994	888
Interest income received		3,327	13
Net cash used in investing activities		(28,706)	(38,647)
Cash flows from financing activities			
Repayments of long term loans - net		(37,582)	(13,055)
Payments against lease liabilities		(12,764)	(7,596)
Proceeds of short term loans obtained - net		180,567	501,743
Dividends paid		(17)	(2)
Net cash generated from financing activities		130,204	481,090
Net (decrease) / increase in cash and cash equivalents		(207,756)	112,159
Cash and cash equivalents at beginning of the period		(334,661)	(659,533)
Cash and cash equivalents at end of the period	23	(542,417)	(547,374)

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 first quarter ended 30 September 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
Loss after taxation for the period	-	-	-	-	(49,542)	(49,542)	(49,542)
Other comprehensive loss for the period	-	-	(1,999)	-	-	(1,999)	(1,999)
Total comprehensive loss for the period	-	-	(1,999)	-	(49,542)	(51,541)	(51,541)
Balance as at 30 September 2021	776,325	1,020,908	6,967	3,642,000	473,083	4,122,050	5,919,283
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	-	-	-	-	(143,731)	(143,731)	(143,731)
Loss after taxation for the period	-	-	-	-	(143,731)	(143,731)	(143,731)
Other comprehensive loss for the period	-	-	(611)	-	-	(611)	(611)
Total comprehensive loss for the period	-	-	(611)	-	(143,731)	(144,342)	(144,342)
Balance as at 30 September 2022	776,325	1,020,908	3,302	3,642,000	511,534	4,156,836	5,954,069

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2022

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Crescent Steel and Allied Products Limited ("the Company") was incorporated on 1 August 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Company is located at E-floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore. Whereas its principal office is situated at 9th floor Sidco Avenue Centre 264 R.A. Lines, Karachi.
- 1.2** 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.
- 1.3** These condensed interim unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries and associated companies have been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

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

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

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

- 2.2** These condensed interim unconsolidated financial statements of the Company do not include all of the information required for annual unconsolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 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** These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

3. ACCOUNTING POLICIES

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

3.2 New standards, interpretations and amendments adopted by the Company

There were certain amendments to accounting and reporting standards which became effective during the period but they donot 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 published approved accounting 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 2022. However, currently management considers that these pronouncements will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

- 4.1** In preparing these condensed interim unconsolidated financial statements, management has made judgements, estimates and assumptions that affect the application of Company's accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2** Estimates and judgements made by management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2022.

5. PROPERTY, PLANT AND EQUIPMENT

		Unaudited 30 September 2022	Audited 30 June 2022
	Note	----- (Rupees in '000) -----	
Operating fixed assets	5.1	1,944,206	1,921,861
Capital work-in-progress	5.2	157,521	185,339
		<u>2,101,727</u>	<u>2,107,200</u>
Right-of-use-assets		107,804	109,556
		<u>2,209,531</u>	<u>2,058,931</u>

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

	Unaudited First quarter ended 30 September 2022		Unaudited First quarter ended 30 September 2021	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Plant and machinery - owned	49,091	-	365	-
Furniture and fittings	-	-	168	-
Electrical / office equipments and installation	767	-	262	-
Computers	-	-	433	-
Motor vehicles - owned	28,829	2,121	-	3,714
Motor vehicles - leased	-	-	3,859	-
	<u>78,686</u>	<u>2,121</u>	<u>5,087</u>	<u>3,714</u>

5.2 Net transfers from capital work-in-progress during the three months period amounted to Rs. 27.818 million (Net additions in 2021: Rs. 8.587 million).

6. LONG TERM INVESTMENTS

		Unaudited 30 September 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	520,620	521,202
		<u>2,362,022</u>	<u>2,362,604</u>

6.1 Subsidiary companies - at cost

Unaudited 30 September 2022 (Number of shares)	Audited 30 June 2022		Note	Unaudited 30 September 2022 ----- (Rupees in '000) -----	Audited 30 June 2022
		Unquoted			
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>

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.

6.2 Associates - at cost

Unaudited 30 September 2022 (Number of shares)	Audited 30 June 2022			Unaudited 30 September 2022 ----- (Rupees in '000) -----	Audited 30 June 2022
		Quoted			
60,663,775	60,663,775	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.2.1	595,293	595,293
27,409,075	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2.2	691,108	691,108
				<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 associates as at 30 September 2022 is Rs. 2,264.692 million (30 June 2022: Rs. 2,054.244 million).

6.3 Other long term investments

	<i>Note</i>	Unaudited 30 September 2022	Audited 30 June 2022
		----- (Rupees in '000) -----	
Fair value through other comprehensive income (FVOCI)	6.3.1	9,591	10,173
Fair value through profit or loss (FVTPL)	6.3.2 & 6.3.3	511,029	511,029
		520,620	521,202

6.3.1 This represents investment in Crescent Textile Mills Limited has irrevocably designated at initial application of IFRS 9 to recognise in this category. This is strategic investment and management considers this classification to be more relevant. Uptil 30 June 2018, this investments was classified as available for sale under IAS 39. Unlike IAS 39, the accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

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

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. 206.250 million respectively. On initial application of IFRS 9, these have been classified as FVTPL and measured at fair value.

7. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 3.649 million (30 June 2022: Rs. 3.494 million) to leasing companies.

8. STOCK-IN-TRADE

	Unaudited 30 September 2022	Audited 30 June 2022
	----- (Rupees in '000) -----	
Raw materials		
Hot rolled steel coils (HR Coils)	287,199	261,583
Coating materials	43,728	46,205
Steel scrap	63,313	43,308
Others	167,796	132,806
Raw cotton	169,861	230,531
Stock-in-transit	458,929	280,917
	1,190,826	995,350
Work-in-process	45,416	19,076
Finished goods	166,233	167,556
Scrap / cotton waste	17,169	8,114
	228,818	194,746
	1,419,644	1,190,096

9.	TRADE DEBTS		Unaudited	Audited
			30 September 2022	30 June 2022
			----- (Rupees in '000) -----	
	Secured			
	Considered good		122,385	40,867
	Unsecured			
	Considered good		37,672	134,347
	Considered doubtful		19,553	19,553
			<u>57,225</u>	<u>153,900</u>
	Impairment loss on trade debts		(19,553)	(19,553)
			<u><u>160,057</u></u>	<u><u>175,214</u></u>
10.	LOANS AND ADVANCES			
10.1	This includes loan due from:			
	Solution de Energy (Private) Limited	10.1.1	<u><u>99,509</u></u>	<u><u>96,793</u></u>
10.1.1	The Company has provided short term interest free loan to the 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.			
11.	SHORT TERM INVESTMENTS		Unaudited	Audited
			30 September 2022	30 June 2022
			----- (Rupees in '000) -----	
	Amortized cost	11.1	204,360	159,360
	At fair value through profit or loss (FVTPL)	11.2	247,429	259,873
			<u><u>451,789</u></u>	<u><u>419,233</u></u>
11.1	These represents investments in term deposits receipt carrying markup of 10% to 15% maturing upto 23 February 2023.			
11.2	This represents investment in ordinary shares of listed companies and certificates of mutual funds. This also includes investment in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully provided for as the break-up value of their shares was Rs. Nil per share (30 June 2022: Rs. Nil).			
11.3	Investments having an aggregate market value of Rs. 1,044.917 million (30 June 2022: Rs. 992.050 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which Rs. 688.097 million (30 June 2022: Rs. 794.401 million) relates to long term investments.			

12. OTHER RECEIVABLES

	<i>Note</i>	Unaudited 30 September 2022	Audited 30 June 2022
		----- (Rupees in '000) -----	
Dividend receivable		1,151	-
Receivable against sale of investments		727	-
Claim receivable		461	461
Due from related parties	12.1	22,002	21,906
Sales tax refundable		195,865	75,589
Margin on letter of guarantee		166,726	15,350
Receivable from staff retirement benefits funds		12,243	12,242
Others		1,934	2,977
		401,109	128,525

12.1 Due from related parties

CS Capital (Private) Limited		5,345	4,780
Solution de Energy (Private) Limited		11,993	11,947
Shakarganj Food Products Limited		4,439	3,893
The Crescent Textile Mills Limited		25	386
Crescent Socks (Private) Limited		200	900
		22,002	21,906

13. LONG TERM LOANS

Secured - Under non-shariah arrangement

Allied Bank Limited	13.1	54,262	72,350
Habib Metropolitan Bank Limited	13.2	37,211	55,945
JS Bank Limited	13.3	34,112	34,872
		125,585	163,167
Less: Current portion shown under current liabilities		113,219	112,785
		12,366	50,382

- 13.1** During year ended 30 June 2018, the Company entered into a 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 the grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. During the period, the Company has made repayment of Rs. 18.087 million (30 September 2021: Rs. 18.088). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period, mark-up on the arrangements was ranged between 16.66% to 16.85% (30 September 2021: 8.88% to 8.95%) per annum. The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

- 13.2** During the year ended 30 June 2020, the Company entered into a 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 obtained the said loan at subsidized rate in six tranches, one tranche in May 2020, one tranche in June 2020, one tranche in July 2020, two tranches in September 2020 and one tranche in 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 these arrangements range from 8.68% to 10.16% per annum (30 September 2021: 8.68% to 10.16%).

- 13.3** During the year ended 30 June 2021, the Company entered into a loan arrangement with JS Bank Limited in which three tranches; two tranches in March 2021 and one tranche in April 2021 were disbursed. During the year ended 30 June 2022, 2 tranches were received, one in July 2021 and one in December 2021. The tranches received in March 2021 were converted into the State Bank of Pakistan's (SBP) "SBP Financing Scheme for Renewable Energy" in the month of April 2021, remaining all tranches were converted 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 these arrangements range from 8.47% to 11.52% per annum (30 September 2021: 7.08%).

14. TRADE AND OTHER PAYABLES

		Unaudited 30 September 2022	Audited 30 June 2022
		----- (Rupees in '000) -----	
Trade creditors		96,198	90,943
Bills payable		457,962	288,726
Commission payable		1,665	1,922
Accrued liabilities		402,397	388,704
Advances from customers		222,389	22,433
Infrastructure fee, sales tax and damages		275,553	272,530
Due to related parties	<i>14.1</i>	18,333	9,739
Payable to provident fund		1,865	2,313
Payable to staff retirement benefit funds		2,282	2,296
Retention money		430	111
Withholding tax payable		3,497	1,733
Workers' Profit Participation Fund		2,395	2,395
Workers' Welfare Fund		6,944	6,944
Others		45,076	46,103
		1,537,059	1,136,892

14.1 Due to related parties

Premier Insurance Company Limited		454	454
Staff Benevolent Fund		-	2
Shakarganj Limited		17,762	9,283
The Citizen Foundation		117	-
		18,333	9,739

15. SHORT TERM BORROWINGS

Secured from banking companies

Running finances under mark-up arrangements	<i>15.1</i>	749,729	416,331
Short term loans	<i>15.2 & 15.4</i>	576,883	396,316
		1,326,612	812,647

- 15.1** Running finance / 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 letter of credit, letter of guarantee facility and short term loan respectively. During the period, the mark-up on such arrangements ranged between 15.91% to 17.92% (30 June 2022: 8.31% to 16.31%) 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, letter of guarantee and short term running finance respectively. During the period, the mark-up on such arrangements ranged between 15.91% to 17.92% (30 June 2022: 8.31% to 16.31%) per annum.
- 15.3** The facilities for opening letter 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 letter of guarantee respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 30 September 2022 amounted to Rs. 2,210.9 million (30 June 2022: Rs. 2,010.9 million). Amounts unutilized for letters of credit and guarantees as at 30 September 2022 were Rs. 3,325.5 million and Rs. 535.9 million (30 June 2022: Rs. 4,507.6 million and Rs. 468.8 million) respectively.
- 15.4** This includes an amount of Rs. 510.8 million (30 June 2022: Rs. 396.3 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 during the period 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 15.2) are also secured against pledge of shares owned by CS Capital (Private) Limited (subsidiary

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no significant change in the status of contingencies as set out in note 15 to the Company's annual unconsolidated financial statements for the year ended 30 June 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. 1,675.0 million (30 June 2022: Rs. 1,542.4 million). This includes guarantee issued by Islamic banks amounting to Rs. 214.6 million (30 June 2022: Rs. 214.6 million).
- 16.2.2** Commitments in respect of capital expenditure contracted for as at 30 September 2022 amounted to Rs. 138.896 million (30 June 2022: Rs. 14.619 million).
- 16.2.3** Commitments under letters of credit (L/C) as at 30 September 2022 amounted to Rs. 1425 million (30 June 2022: Rs. 242.385 million).

17. SALES - NET

SALES - NET		Unaudited	
		First quarter ended	
	Note	30 September 2022	30 September 2021
		----- (Rupees in '000) -----	
Local sales			
Bare pipes	17.1	498,106	869,698
Pre coated pipes		7,654	73,933
Cotton yarn / raw cotton / polyester		591,743	693,925
Steel Billets		-	2,099
Others		64,533	48,046
Scrap / waste		14,750	8,469
		1,176,786	1,696,170
Sales tax		(171,113)	(247,204)
		1,005,673	1,448,966

17.1 This is presented net of liquidated damages amounting to Rs. Nil (30 September 2021 : Rs. 1.975).

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.

		Unaudited	
		First quarter ended	
		30 September 2022	30 September 2021
		----- (Rupees in '000) -----	
Dividend income	18.1	5,145	4,788
Gain on sale of FVTPL investments - net	18.2	2,562	1,260
Unrealized loss on FVTPL investments - net	18.3	(7,650)	(22,603)
Rent from investment properties	18.5	1,033	1,041
		<u>1,090</u>	<u>(15,514)</u>

18.1 This includes Rs. 4.930 million earned on investments in Shariah Compliant Investee Companies.

18.2 This includes loss of Rs. Nil incurred on investments in Shariah Compliant Investee Companies.

18.3 This includes loss of Rs. 9.736 million on investments in Shariah Compliant Investee Companies.

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

18.5 Direct operating expenses incurred against rental income from investment property amounted to Rs. 0.371 million (30 September 2021: Rs. 0.384 million).

19. OTHER OPERATING EXPENSES

<i>Note</i>	Unaudited	
	First quarter ended	
	30 September 2022	30 September 2021
	----- (Rupees in '000) -----	
Exchange loss	2,928	18,426
Provision for Workers' Profit Participation Fund	-	5,110
	2,928	23,536

20. FINANCE COSTS

Profit on short term loans - Shariah arrangement	10,327	11,667
Interest on - Non - Shariah arrangement		
- finance lease obligations	2,147	2,247
- long term loans	4,104	5,899
- running finances / short term loans	41,817	30,131
Discounting of lease deposit	-	249
Bank charges	811	1,032
	59,206	51,225

21. BASIC AND DILUTED LOSS PER SHARE

Loss for the period	(143,731)	(49,542)
	----- (Number of shares) -----	
Weighted average number of ordinary shares in issue during the period	77,632,491	77,632,491
	----- (Rupees) -----	
Loss per share - Basic and diluted	(1.85)	(0.64)

22. CASH USED IN OPERATIONS

		Unaudited	
		First quarter ended	
		30 September	30 September
		2022	2021
		----- (Rupees in '000) -----	
Note			
	Loss before taxation	(209,932)	(75,306)
	Adjustments for non cash charges and other items		
	Depreciation on operating fixed assets and investment properties	56,141	51,232
	Amortisation of intangible assets	542	591
	Charge for the period on staff retirement benefit funds	6,498	5,915
	Dividend income	(5,145)	(4,788)
	Unrealized loss on FVTPL investments - net	7,650	22,603
	Gain on sale of FVTPL investments - net	(2,562)	(1,260)
	Provision for Workers' Profit Participation Fund	-	5,110
	Return on deposits	(4,260)	(13)
	Gain on disposal of operating fixed assets	(5,237)	(113)
	Deferred income	(1,378)	(2,372)
	Discounting of long term deposit	-	249
	Unwinding of discount on long term deposit	(689)	(6,105)
	Liabilities written back	-	(8,636)
	Finance costs	59,206	50,976
22.1	Working capital changes	(120,944)	(282,805)
		(220,110)	(244,722)
22.1	Working capital changes		
	<i>Decrease / (increase) in current assets</i>		
	Stores, spares and loose tools	184	3,005
	Stock-in-trade	(229,548)	(224,985)
	Trade debts	15,157	(403,459)
	Advances	(41,281)	611
	Trade deposits and short term prepayments	5,795	7,483
	Other receivables	(271,432)	279
		(521,125)	(617,066)
	<i>Increase / (decrease) in current liabilities</i>		
	Trade and other payables	400,181	334,261
		(120,944)	(282,805)
23.	CASH AND CASH EQUIVALENTS		
	Running finances under mark-up arrangements	(749,729)	(655,576)
	Term deposit receipt	120,000	-
	Cash and bank balances	87,312	108,202
		(542,417)	(547,374)

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.

The Company's all segments are engaged in shariah compliant businesses except mentioned in note 18 to these condensed interim unconsolidated financial statements.

24.2 Segment revenues and results

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

**For the first quarter ended
30 September 2022**

	Unaudited					
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments
----- (Rupees in '000) -----						
Sales - net	487,304	509,968	-	8,401	-	-
Cost of sales	518,185	540,977	15,541	25,617	-	-
Gross loss	(30,881)	(31,009)	(15,541)	(17,216)	-	-
Income from investments - net	-	-	-	-	1,090	-
	(30,881)	(31,009)	(15,541)	(17,216)	1,090	-
Distribution and selling expenses	3,381	894	-	325	-	-
Administrative expenses	58,435	9,908	765	4,636	4,569	-
Other expenses	-	-	-	2,928	-	-
	61,816	10,802	765	7,889	4,569	-
	(92,697)	(41,811)	(16,306)	(25,105)	(3,479)	-
Other income	21,013	7,659	-	-	-	-
Operating loss before finance costs	(71,684)	(34,152)	(16,306)	(25,105)	(3,479)	-
Finance costs	49,389	6,657	-	3,160	-	-
Loss before taxation	(121,073)	(40,809)	(16,306)	(28,265)	(3,479)	-
Taxation						
Loss for the period						(66,201)
						(143,731)

For the first quarter ended

30 September 2021

	Unaudited					
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments
----- (Rupees in '000) -----						
Sales - net	846,849	597,755	-	4,362	-	-
Cost of sales	863,436	491,143	15,787	18,546	-	-
Gross (loss) / profit	(16,587)	106,612	(15,787)	(14,184)	-	-
Loss from investments - net	-	-	-	-	(15,514)	-
	(16,587)	106,612	(15,787)	(14,184)	(15,514)	-
Distribution and selling expenses	2,587	798	-	282	-	-
Administrative expenses	44,551	9,620	631	2,938	3,838	-
Other expenses	18,401	5,135	-	-	-	-
	65,539	15,553	631	3,220	3,838	-
	(82,126)	91,059	(16,418)	(17,404)	(19,352)	-
Other income	9,371	10,789	-	-	-	-
Operating (loss) / profit before finance costs	(72,755)	101,848	(16,418)	(17,404)	(19,352)	-
Finance costs	42,710	4,760	-	3,755	-	-
(Loss) / profit before taxation	(115,465)	97,088	(16,418)	(21,159)	(19,352)	-
Taxation						
Loss for the period						(25,764)
						(49,542)

24.2.1 Revenue reported above represents revenue generated from external customers.

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 other 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 (Government related concern) of Steel segment represents an aggregate amount of Rs. 419.154 million (30 September 2021: Rs. 806.129 million) of total Steel segment revenue of Rs. 487.304 million (30 September 2021: Rs. 846.849 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 596.664 million (30 September 2021: Rs. 240.847 million) of total Cotton segment revenue of Rs. 509.968 million (30 September 2021: Rs. 509.968 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 30 September 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 30 September 2022 - (Unaudited)						
Segment assets for reportable segments	2,574,266	397,850	437,133	851,060	2,691,368	6,951,677
Unallocated corporate assets						2,214,445
Total assets as per unconsolidated statement of financial position						<u>9,166,122</u>
Segment liabilities for reportable segments	1,329,534	142,200	40,006	136,051	3,440	1,651,231
Unallocated corporate liabilities and deferred income						1,560,822
Total liabilities as per unconsolidated statement of financial position						<u>3,212,053</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, respectively 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 first quarter ended 30 September 2022						
Capital expenditure	76,436	2,250	-	-	-	78,686
Depreciation and amortisation	20,576	5,864	15,070	12,835	2,338	56,683
Non-cash items other than depreciation and amortisation - net	44,030	5,046	(12,511)	2,235	13,657	52,457
For the first quarter ended 30 September 2021						
Capital expenditure	5,087	-	-	-	-	5,087
Depreciation and amortisation	17,557	5,984	15,070	12,674	538	51,823
Non-cash items other than depreciation and amortisation - net	38,942	(3,036)	8,633	2,402	15,891	62,832

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.

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

Name of entity	Nature of relationship	Basis of relationship	Nature of transaction	Unaudited	
				First quarter ended	
				30 September 2022	30 September 2021
				----- (Rupees in '000) -----	
CS Capital (Private) Limited	Subsidiary company	100% Holding	Reimbursable expenses	382	373
			Right shares subscribed	-	30,000
Solution de Energy (Private) Limited	Subsidiary company	100% Holding	Loan Given	2,716	2,065
			Reimbursable expenses	46	22
Shakarganj Limited	Associated company	28.01% Holding	Sale of finished goods	-	45,193
			Sales of stores/spares	-	2
			Payment received	-	44,916
			Payment made	-	-
			Services received	-	1,146
			Reimbursable expenses	4,273	253
Shakarganj Food Products Limited	Related party	Subsidiary	Services rendered	798	163
		Company's	Rent	959	634
		Related party	Receiving of services	710	933
The Citizens' Foundation *	Related party	Common directorship	Donation given	11,033	-
Premier Insurance Limited *	Related party	Common directorship	Insurance premium	894	2,190
			Payment Made	894	1,941
Crescent Socks (Private) Limited	Related party	Subsidiary Company's associate	Rent	300	400
			Payments Received	1,000	500
The Crescent Textile Mills Limited	Related party	Major Shareholder	Services rendered	471	365
			Rent	788	1,165
			Payments Received	1,621	1,610
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Employees benefit fund	Contribution made	1,854	1,686
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Employees benefit fund	Contribution made	4,652	3,341
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	3,253	3,654

Name of entity	Nature of relationship	Basis of relationship	Nature of transaction	Unaudited	
				First quarter ended	
				30 September 2022	30 September 2021
				----- (Rupees in '000) -----	
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Employees welfare fund	Contribution made	<u>3</u>	<u>6</u>
Key management personnel	Related parties	Executives	Remuneration and benefits	<u>35,436</u>	<u>35,696</u>
Chairman of the Board	Related party	Chairman	Honorarium	<u>450</u>	<u>450</u>
Directors and their spouse	Related parties	Directors	Meeting fee	<u>790</u>	<u>1,290</u>

* 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 their terms of employment / entitlements.

26. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual unconsolidated financial statements of the Company as at and 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:

30 September 2022 (Un-audited)								
	Carrying amount				Fair value			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
------(Rupees in '000)-----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	247,429	9,591	-	-	257,020	257,020	-	-
- unlisted equity securities	511,029	-	-	-	511,029	-	206,250	304,779
	<u>758,458</u>	<u>9,591</u>	<u>-</u>	<u>-</u>	<u>768,049</u>	<u>257,020</u>	<u>206,250</u>	<u>304,779</u>
Financial assets not measured at fair value								
Deposits	-	-	35,954	-	35,954	-	-	-
Term deposit receipt	-	-	204,360	-	204,360	-	-	-
Trade debts	-	-	160,057	-	160,057	-	-	-
Loan to subsidiary	-	-	99,509	-	99,509	-	-	-
Mark-up accrued	-	-	933	-	933	-	-	-
Other receivables	-	-	193,001	-	193,001	-	-	-
Bank balances	-	-	84,875	-	84,875	-	-	-
Cash	-	-	2,437	-	2,437	-	-	-
	<u>-</u>	<u>-</u>	<u>781,126</u>	<u>-</u>	<u>781,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Long term loans	-	-	-	125,585	125,585	-	-	-
Liabilities against assets subject to finance lease	-	-	-	78,373	78,373	-	-	-
Trade and other payables	-	-	-	1,026,281	1,026,281	-	-	-
Mark-up accrued	-	-	-	37,908	37,908	-	-	-
Short term borrowings	-	-	-	1,326,612	1,326,612	-	-	-
Unclaimed dividend	-	-	-	25,597	25,597	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,620,356</u>	<u>2,620,356</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	Other financial liabilities	Total	Level 1	Level 2	Level 3
------(Rupees in '000)-----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	419,233	10,173	-	-	429,406	429,406	-	-
- unlisted equity securities	511,029	-	-	-	511,029	-	206,250	304,779
	<u>930,262</u>	<u>10,173</u>	<u>-</u>	<u>-</u>	<u>940,435</u>	<u>429,406</u>	<u>206,250</u>	<u>304,779</u>
Financial assets not measured at fair value								
Deposits	-	-	44,348	-	44,348	-	-	-
Trade debts	-	-	175,214	-	175,214	-	-	-
Loan to subsidiary	-	-	96,793	-	96,793	-	-	-
Mark-up accrued	-	-	-	-	-	-	-	-
Other receivables	-	-	40,694	-	40,694	-	-	-
Bank balances	-	-	6,180	-	6,180	-	-	-
Cash	-	-	490	-	490	-	-	-
	<u>-</u>	<u>-</u>	<u>363,719</u>	<u>-</u>	<u>363,719</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Long term loans	-	-	-	163,167	163,167	-	-	-
Liabilities against assets subject to finance lease	-	-	-	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>

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

27. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial statements was authorized for issue in the Board of Directors meeting held on 28 October 2022.



Chief Executive



Director



Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2022

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Financial Position
As at 30 September 2022

As at 30 September 2022	Note	Unaudited 30 September 2022	Audited 30 June 2022
		----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,102,089	2,107,634
Right-of-use-assets	5	107,804	109,556
Intangible assets		156,533	154,101
Investment properties		81,853	82,789
Investment in equity accounted investees	6	2,387,903	2,332,187
Other long term investments	7	747,915	756,132
Long term deposits	8	29,337	29,100
Deferred taxation - net		754,045	676,230
		6,367,479	6,247,729
Current assets			
Stores, spares and loose tools		170,562	170,746
Stock-in-trade	9	1,419,644	1,190,096
Trade debts	10	160,057	175,214
Loans and advances	11	106,974	68,409
Trade deposits and short term prepayments		22,485	28,280
Short term investments	12	793,324	779,945
Mark-up accrued		933	-
Other receivables	13	387,410	111,934
Taxation - net		702,914	689,800
Cash and bank balances		87,516	6,807
		3,851,819	3,221,231
Total assets		10,219,298	9,468,960
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,050,821	1,050,980
Revenue reserves		5,093,290	5,197,264
		6,920,436	7,024,569
Non-current liabilities			
Long term loans	14	12,366	50,382
Lease liabilities		61,154	66,759
Deferred income		4,916	686
Deferred liability - staff retirement benefits		73,562	73,562
		151,998	191,389
Current liabilities			
Trade and other payables	15	1,584,272	1,184,353
Unclaimed dividend		25,597	25,614
Mark-up accrued		39,877	38,824
Short term borrowings	16	1,364,239	861,162
Current portion of long term loans	14	113,219	112,785
Current portion of lease liabilities		17,219	22,222
Current portion of deferred income		2,441	8,042
		3,146,864	2,253,002
Contingencies and commitments	17		
Total equity and liabilities		10,219,298	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 first quarter ended 30 September 2022

	Note	First quarter ended	
		30 September 2022	30 September 2021
Sales	18	1,176,786	1,696,170
Less: Sales tax		171,113	247,204
		1,005,673	1,448,966
Cost of sales		1,100,320	1,388,912
Gross (loss) / profit		(94,647)	60,054
Loss from investments - net	19	(187)	(24,310)
		(94,834)	35,744
Distribution and selling expenses		4,600	3,667
Administrative expenses		79,589	62,935
Other operating expenses	20	2,928	23,536
		87,117	90,138
		(181,951)	(54,394)
Other income		28,672	20,160
		(153,279)	(34,234)
Finance costs	21	61,179	52,102
Share of profit / (loss) in equity accounted investees - net of taxation		55,875	(96,345)
Loss before taxation		(158,583)	(182,681)
Taxation - current		(14,959)	(23,979)
- deferred		76,859	57,257
		61,900	33,278
Loss for the period		(96,683)	(149,403)
Other comprehensive loss for the period			
<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)		(7,291)	(24,330)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Proportionate share of other comprehensive (loss) / income of equity accounted investees		(159)	815
		(7,450)	(23,515)
Total comprehensive loss for the period		(104,133)	(172,918)
		----- (Rupees) -----	
Loss per share - Basic and diluted	22	(1.25)	(1.92)

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 first quarter ended 30 September 2022

	Note	First quarter ended	
		30 September 2022	30 September 2021
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash used in operations	23	(220,328)	(232,216)
Taxes paid		(28,073)	(27,181)
Finance costs paid		(57,970)	(47,288)
Contribution to gratuity and pension funds		(6,509)	(5,900)
Contribution to Workers' Profit Participation Fund		-	(2,978)
Long term deposits - net		452	(3,139)
Net cash used in operating activities		(312,428)	(318,702)
Cash flows from investing activities			
Capital expenditure		(48,859)	(9,815)
Acquisition of intangible assets		(2,974)	(2,354)
Proceeds from disposal of operating fixed assets under sale and leaseback arrangement		7,359	3,859
Investments - net		15,654	(62,257)
Dividend income received		10,916	4,095
Interest income received		3,327	13
Net cash used in investing activities		(14,577)	(66,459)
Cash flows from financing activities			
Repayment of long term loan - net		(37,582)	(13,055)
Payments against finance lease obligations		(12,764)	(7,596)
Proceeds from short term loans - net		180,567	501,743
Dividends paid		(17)	(2)
Net cash generated from financing activities		130,204	481,090
Net (decrease) / increase in cash and cash equivalents		(196,801)	95,929
Cash and cash equivalents at beginning of the period		(383,039)	(686,652)
Cash and cash equivalents at end of the period	24	(579,840)	(590,723)

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 first quarter ended 30 September 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	Unappropriate d profit / (loss)		
	------(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 loss for the period									
Loss after taxation for the period	-	-	-	-	-	-	(149,403)	(149,403)	(149,403)
Other comprehensive income / (loss) for the period	-	-	815	815	(24,330)	-	-	(24,330)	(23,515)
Total comprehensive loss for the period	-	-	815	815	(24,330)	-	(149,403)	(173,733)	(172,918)
Balance as at 30 September 2021	776,325	1,020,908	30,071	1,050,979	47,733	3,642,000	2,278,465	5,968,198	7,795,502
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	-	-	-	-	-	-	(96,683)	(96,683)	(96,683)
Other comprehensive loss for the period	-	-	(159)	(159)	(7,291)	-	-	(7,291)	(7,450)
Total comprehensive loss for the period	-	-	(159)	(159)	(7,291)	-	(96,683)	(103,974)	(104,133)
Balance as at 30 September 2022	776,325	1,020,908	29,913	1,050,821	1,442	3,642,000	1,449,848	5,093,290	6,920,436

* 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 first quarter ended 30 September 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 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.
- 1.5** The Subsidiary Company had been granted Letter of Interest (LOI) by the Punjab Power Development Board (PPDB) on 10 February 2014 and currently the Subsidiary Company is in the phase of completing the requirements specified in LOI. The Subsidiary Company has been allocated land from PPDB and the interconnectivity study report was vetted and approved by National Transmission & Despatch Company (NTDC) during the year ended 30 June 2018. Further, 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. During the year ended 30 June 2021, the Subsidiary Company has submitted the tariff petition to NEPRA on 22 July 2020.
- 1.6** Crescent Continental Gas Pipelines Limited having share capital of Rs. 90 is not carrying on any business operations.
- 1.7** Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim consolidated financial statements of the Group do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 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.

3. ACCOUNTING POLICIES

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

3.2 New standards, interpretations and amendments adopted by the Group

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 consolidated financial statements and therefore details have not been disclosed.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain new standards, interpretations and amendments to the approved accounting standards that will be mandatory for the Group's annual accounting periods beginning on or after 1 July 2022. However, currently management considers that these pronouncements will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

4.1 In preparing these consolidated financial statements, management has made judgement, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing

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

5. PROPERTY, PLANT AND EQUIPMENT

		Unaudited 30 September 2022	Audited 30 June 2022
		(Rupees in '000)	
Operating fixed assets	5.1	1,944,568	1,922,295
Capital work-in-progress		157,521	185,339
		2,102,089	2,107,634
Right-of-use-assets		107,804	109,556
		2,209,893	2,217,190

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

	Unaudited First quarter ended 30 September 2022		Unaudited First quarter ended 30 September 2021	
	Additions / Transfers	Disposals	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Plant and machinery - owned	49,091	-	365	-
Furniture and fittings	-	-	168	-
Electrical / office equipment and installation	767	-	262	-
Computers	-	-	433	-
Motor vehicles - owned	28,829	2,121	-	3,714
Motor vehicles - leased	-	-	3,859	-
	78,686	2,121	5,087	3,714

5.2 Net transfers from capital work-in-progress during the three months period amounted to Rs. 27.818 million (Net additions in 2021: Rs. 8.587 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 30 September 2022	Audited 30 June 2022		<i>Note</i>	Unaudited 30 September 2022	Audited 30 June 2022
(Number of shares)				(Rupees in '000)	
		Quoted			
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.1	2,387,903	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	-	-
				2,387,903	2,332,187

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

Note	30 September 2022			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	----- Rupees in '000 -----			
Opening balance as at 1 July 2021	2,332,187	-	-	2,332,187
Share of profit	6.2 55,875	-	-	55,875
Share of equity	6.2 (159)	-	-	(159)
Closing balance as at 30 September 2022	2,387,903	-	-	2,387,903

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 June 2022.

6.3 Percentage of holding of equity in associates is as follows

	Note	Unaudited 30 September 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 Companies 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 Group 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 Group directly and / or indirectly has significant influence as per IAS 28 'Investments in Associates', therefore it has been treated as an associate as per IAS 28.

6.4 The fair value of investments in associates as at 30 September 2022 is Rs. 2,662.958 million (30 June 2022: Rs. 2,410.501 million).

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 30 September 2022	Audited 30 June 2022
		(Rupees in '000)	
Fair value through other comprehensive income (FVOCI)	7.1	135,293	143,510
Fair value through profit or loss (FVTPL)	7.2 & 7.3	612,622	612,622
		<u>747,915</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. Uptil 30 June 2018, these investments were classified as available for sale under IAS 39. Unlike IAS 39, the accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

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. 206.250 million respectively.

8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 18.356 million (30 June 2022: Rs. 18.119 million) under lease arrangements.

9. STOCK-IN-TRADE

	Unaudited 30 September 2022	Audited 30 June 2022
	(Rupees in '000)	
Raw materials		
Hot rolled steel coils (HR Coil)	287,199	261,583
Coating materials	43,728	46,205
Remelting scrap	63,313	43,308
Others	167,796	132,806
Raw cotton	169,861	230,531
Stock-in-transit	458,929	280,917
	<u>1,190,826</u>	<u>995,350</u>
Work-in-process	45,416	19,076
Finished goods	169,166	167,556
Scrap / cotton waste	14,236	8,114
	<u>228,818</u>	<u>194,746</u>
	<u>1,419,644</u>	<u>1,190,096</u>

10. TRADE DEBTS

Secured		
Considered good	122,385	40,867
Unsecured		
Considered good	37,672	134,347
Considered doubtful	19,553	19,553
	<u>57,225</u>	<u>153,900</u>
Impairment loss on trade debts	(19,553)	(19,553)
	<u>160,057</u>	<u>175,214</u>

11. LOANS AND ADVANCES

This includes amounting to Rs. 105.231 million (30 June 2022: Rs. 65.409 million) advances given to suppliers for goods and services.

12. INVESTMENTS

		Unaudited 30 September 2022	Audited 30 June 2022
	Note	(Rupees in '000)	
At amortised cost	12.1	204,360	159,360
At fair value through profit or loss (FVTPL)	12.2	588,964	620,585
		<u>793,324</u>	<u>779,945</u>

12.1 These represent investment in term deposit receipt by Holding Company, carrying markup of 10% to 15% maturing upto 23 February 2023.

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

12.3 Investments having an aggregate market value of Rs. 1,941.535 million (30 June 2022: Rs. 1,398.026 million) have been pledged with financial institutions as security against financing facilities (see note 16.5) out of which Rs. 1,798.968 million (30 June 2022: Rs. 947.912 million) relates to long term investments.

13.	OTHER RECEIVABLES	Note	Unaudited 30 September 2022	Audited 30 June 2022
			----- (Rupees in '000) -----	
	Dividend receivable		2,902	-
	Advance against shares - IPO		727	-
	Receivable against sale of investments		1,632	-
	Claim receivable		461	461
	Due from related parties	13.1	4,664	5,179
	Sales tax refundable		195,865	75,589
	Margin on letter of credit and guarantee		166,726	15,350
	Receivable from staff retirement benefits funds		12,243	12,242
	Others		2,190	3,113
			<u>387,410</u>	<u>111,934</u>
13.1	Due from related parties			
	Shakarganj Food Products Limited		4,439	3,893
	The Crescent Textile Mills Limited		25	386
	Crescent Socks (Private) Limited		200	900
			<u>4,664</u>	<u>5,179</u>
14	LONG TERM LOANS			
	Secured - Under non-shariah arrangement			
	Allied Bank Limited	14.1	54,262	72,350
	Habib Metropolitan Bank Limited	14.2	37,211	55,945
	JS Bank Limited	14.3	34,112	34,872
			<u>125,585</u>	<u>163,167</u>
	Less: Current portion shown under current liabilities		<u>113,219</u>	<u>112,785</u>
			<u>12,366</u>	<u>50,382</u>
14.1	During year ended 30 June 2018, the Holding Company entered into a 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 the grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. During the period, the Holding Company has made repayment of Rs. 18.087 million (30 September 2021: Rs. 18.088 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.			
	During the period, mark-up on the arrangements was ranged between 16.66% to 16.85% (30 September 2021: 8.88% to 8.95%) per annum. The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.			
14.2	During the year ended 30 June 2020, the Holding Company entered into a 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 obtained the said loan at subsidized rate in six tranches, one tranche in May 2020, one tranche in June 2020, one tranche in July 2020, two tranches in September 2020 and one tranche in 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 these arrangements range from 8.68% to 10.16% per annum (30 September 2021: 8.68% to 10.16%).			
14.3	During the year ended 30 June 2021, the Holding Company entered into a loan arrangement with JS Bank Limited in which three tranches; two tranches in March 2021 and one tranche in April 2021 were disbursed. During the year ended 30 June 2022, 2 tranches were received, one in July 2021 and one in December 2021. The tranches received in March 2021 were converted into the State Bank of Pakistan's (SBP) "SBP Financing Scheme for Renewable Energy" in the month of April 2021, remaining all tranches were converted 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 these arrangements range from 8.47% to 11.35% per annum (30 September 2021: 7.08%).			
15.	TRADE AND OTHER PAYABLES			
			Unaudited 30 September 2022	Audited 30 June 2022
		Notes	----- (Rupees in '000) -----	
	Trade creditors		122,226	116,917
	Bills payable		457,962	288,726
	Commission payable		1,665	1,922
	Accrued liabilities		419,367	405,949
	Advances from customers		223,361	23,705
	Infrastructure fee, sales tax and damages		275,553	272,530
	Due to related parties	15.1	18,333	9,739
	Payable to provident fund		1,865	2,313
	Contribution payable to staff retirement benefit funds		2,282	2,296
	Retention money		430	111
	Withholding tax payable		3,499	1,738
	Workers' Profit Participation Fund		2,395	2,395
	Workers' Welfare Fund		6,944	6,944
	Others		48,318	49,068
			<u>1,584,272</u>	<u>1,184,353</u>

		Unaudited 30 September 2022	Audited 30 June 2022
	Note	----- (Rupees in '000) -----	
15.1 Due to related parties			
Premier Insurance Company Limited		454	454
CSAP - Staff Benevolent Fund		-	2
Shakarganj Limited		17,762	9,283
The Citizen Foundation		117	-
		<u>18,333</u>	<u>9,739</u>
16. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	16.1	787,356	464,846
Short term loans	16.2 & 16.4	<u>576,883</u>	<u>396,316</u>
		<u>1,364,239</u>	<u>861,162</u>
16.1	Running finance facility available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2022: Rs. 1,350 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million), Rs. 150 million (30 June 2022: Rs. 100 million) and Rs. 300 million (30 June 2022: Rs. 300 million) are interchangeable with letter of credit, letter of guarantee facility and short term loan respectively. During the period, the mark-up on such arrangements ranged between 15.91% to 17.92% (30 June 2022: 8.31% to 16.31%) 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, letter of guarantee and short term running finance respectively. During the period, the mark-up on such arrangements ranged between 9.14% to 9.57% (30 June 2022: 8.31% to 16.31%) per annum.		
16.3	The facilities for opening letter 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 letter of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 30 September 2022 amounted to Rs. 2,242.9 million (30 June 2022: Rs. 2,042.9 million). Amounts unutilized for letters of credit and guarantees as at 30 September 2022 were Rs. 3,325.5 million and Rs. 537.5 million (30 June 2022: Rs. 4,507.6 million and Rs. 470.0 million) respectively.		
16.4	This includes an amount of Rs. 510.8 million (30 June 2022: Rs. 396.3 million) outstanding against Islamic mode of financing. The Holding Company is currently availing Islamic mode of financing from the Al Baraka Bank, Dubai Islamic Bank, and Bank Islami Pakistan Limited. Facilities availed during the year include letters of credit, bank guarantees, Wakala, Murabaha, Istisna and Ijarah financing.		
16.5	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 12.3); and lien over import / export documents. Further, these facilities (16.1 and 16.2) are also secured against pledge of shared owned by CS Capital (Private) Limited (subsidiary company).		
17. CONTINGENCIES AND COMMITMENTS			
17.1 Contingencies			
	There is no significant change in the status of contingencies set out in note 15.1 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 conventional side of banks on behalf of the Group against various contracts aggregated to Rs. 1,705.5 million (30 June 2022: Rs. 1,572.9 million). This includes guarantee issued by Islamic banks amounting to Rs. 214.6 million (30 June 2022: Rs. 214.6 million).		
17.2.2	Commitments in respect of capital expenditure contracted for by the Holding Company as at 30 September 2022 amounted to Rs. 138.896 million (30 June 2022: Rs. 14.619 million).		
17.2.3	Commitments under letters of credit as at 30 September 2022 amounted to Rs. 1,424.5 million (30 June 2022: Rs. 242.385 million).		

18. SALES - net	Notes	Unaudited First quarter ended	
		30 September 2022	30 September 2021
		----- (Rupees in '000) -----	
Local sales			
Bare pipes	#####	498,106	869,698
Pre coated pipes		7,654	73,933
Cotton yarn / raw cotton / polyester		591,743	693,925
Steel billets		-	2,099
Others		64,533	48,046
Scrap / waste		14,750	8,469
		<u>1,176,786</u>	<u>1,696,170</u>
Sales tax		<u>(171,113)</u>	<u>(247,204)</u>
		<u>1,005,673</u>	<u>1,448,966</u>
18.1	This is presented net of liquidated damages amounting to Rs. Nil (30 September 2021 : Rs. 1.975 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 FROM INVESTMENTS - NET	Notes	Unaudited First quarter ended	
		30 September 2022	30 September 2021
		----- (Rupees in '000) -----	
Dividend income	19.1	13,818	13,584
Gain on sale of FVTPL investments - net	19.2	5,473	2,773
Unrealized loss on FVTPL investments - net	19.3	(21,411)	(42,908)
Rent from investment property	19.5	1,933	2,241
		<u>(187)</u>	<u>(24,310)</u>
19.1	This includes Rs. 13.285 million earned on investments in Shariah Compliant Investee Companies.		
19.2	This includes Rs. Nil earned on investments in Shariah Compliant Investee Companies.		
19.3	This includes loss of Rs. 37.373 million on investments in Shariah Compliant Investee Companies.		
19.4	Income from investment was categorised as Shariah / Non-Shariah Compliant Investee Companies on the basis of All Shares Islamic Index as circulated by the Pakistan Stock Exchange.		
19.5	Direct operating expenses incurred against rental income from investment property amounted to Rs. 1.062 million (30 September 2021: Rs. 1.352 million).		
20. OTHER OPERATING EXPENSES		Unaudited First quarter ended	
		30 September 2022	30 September 2021
		----- (Rupees in '000) -----	
Exchange loss		2,928	18,426
Provision for Workers' Profit Participation Fund		-	5,110
		<u>2,928</u>	<u>23,536</u>
21. FINANCE COSTS		Unaudited First quarter ended	
		30 September 2022	30 September 2021
Mark-up on short term loans - Shariah arrangement		10,327	11,667
Interest on - Non - Shariah arrangement			
- finance lease obligations		2,147	2,247
- long term loan		4,104	5,899
- running finances / short term loans		43,788	31,006
Discounting of lease deposit		-	249
Bank charges		813	1,034
		<u>61,179</u>	<u>52,102</u>
22. BASIC AND DILUTED LOSS PER SHARE		Unaudited First quarter ended	
		30 September 2022	30 September 2021
Loss for the period		(96,683)	(149,403)
		----- (Number of shares) -----	
Weighted average number of ordinary shares in issue during the period		77,632,491	77,632,491
		----- Rupees -----	
Basic and diluted loss per share		(1.25)	(1.92)

23. CASH USED IN OPERATIONS

		Unaudited	
		First quarter ended	
		30 September	30 September
		2022	2021
		----- (Rupees in '000) -----	
	Notes		
Loss before taxation		(158,583)	(182,681)
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		54,971	51,844
Amortization of intangible assets		542	591
Charge for the period on staff retirement benefit funds		6,498	5,915
Dividend income		(13,818)	(13,584)
Unrealized loss on FVTPL investments - net		21,411	42,908
Gain on sale of FVTPL investments - net		(5,473)	(2,773)
Provision for Workers' Profit Participation Fund		-	5,110
Return on deposits		(4,260)	(13)
Gain on disposal of operating fixed assets		(5,237)	(113)
Deferred income amortized		(1,378)	(2,372)
Discounting on long term deposit		-	249
Unwinding of discount on deposit		(689)	(6,105)
Liabilities written back		-	(8,636)
Finance costs		61,179	52,102
Share of profit from equity accounted investees - net of taxation		(55,875)	96,345
Working capital changes	23.1	(119,617)	(271,003)
		<u>(220,328)</u>	<u>(232,216)</u>
23.1 Working capital changes			
<i>Decrease / (increase) in current assets</i>			
Stores, spares and loose tools		184	3,005
Stock-in-trade		(229,548)	(224,985)
Trade debts		15,157	(403,459)
Advances		(38,565)	2,494
Trade deposits and short term prepayments		5,795	7,483
Other receivables		(272,573)	1,198
		<u>(519,550)</u>	<u>(614,264)</u>
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		399,933	343,261
		<u>(119,617)</u>	<u>(271,003)</u>
24. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(787,356)	(699,037)
Term deposit receipt		120,000	-
Cash and bank balances		87,516	108,314
		<u>(579,840)</u>	<u>(590,723)</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)
- Energy segment - It comprises generation and supply of electricity.
- 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 first quarter ended
30 September 2022**

	-----Unaudited-----						
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	Total
	------(Rupees in '000)-----						
Sales - net	487,304	509,968	-	8,401	-	-	1,005,673
Cost of sales	518,185	540,977	15,541	25,617	-	-	1,100,320
Gross loss	(30,881)	(31,009)	(15,541)	(17,216)	-	-	(94,647)
Loss from investments	-	-	-	-	(187)	-	(187)
	(30,881)	(31,009)	(15,541)	(17,216)	(187)	-	(94,834)
Distribution and selling expenses	3,381	894	-	325	-	-	4,600
Administrative expenses	58,435	9,908	793	4,636	5,817	-	79,589
Other operating expenses	-	-	-	2,928	-	-	2,928
	61,816	10,802	793	7,889	5,817	-	87,117
	(92,697)	(41,811)	(16,334)	(25,105)	(6,004)	-	(181,951)
Other income	21,013	7,659	-	-	-	-	28,672
Operating loss before finance costs	(71,684)	(34,152)	(16,334)	(25,105)	(6,004)	-	(153,279)
Finance costs	49,389	6,657	1	3,160	1,972	-	61,179
Share of profit in equity accounted investees - net of taxation	-	-	-	-	55,875	-	55,875
Loss taxation	(121,073)	(40,809)	(16,335)	(28,265)	47,899	-	(158,583)
Taxation							(61,900)
Loss for the period							(96,683)

**For the first quarter ended
30 September 2021**

	-----Unaudited-----						
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments Elimination / adjustments	Total
	------(Rupees in '000)-----						
Sales - net	846,849	597,755	-	4,362	-	-	1,448,966
Cost of sales	863,436	491,143	15,787	18,546	-	-	1,388,912
Gross (loss) / profit	(16,587)	106,612	(15,787)	(14,184)	-	-	60,054
Loss from investments	-	-	-	-	(24,310)	-	(24,310)
	(16,587)	106,612	(15,787)	(14,184)	(24,310)	-	35,744
Distribution and selling expenses	2,587	798	-	282	-	-	3,667
Administrative expenses	44,551	9,620	656	2,938	5,170	-	62,935
Other operating expenses	18,401	5,135	-	-	-	-	23,536
	65,539	15,553	656	3,220	5,170	-	90,138
	(82,126)	91,059	(16,443)	(17,404)	(29,480)	-	(54,394)
Other income	9,371	10,789	-	-	-	-	20,160
Operating (loss) / profit before finance costs	(72,755)	101,848	(16,443)	(17,404)	(29,480)	-	(34,234)
Finance costs	42,710	4,760	1	3,755	876	-	52,102
Share of loss in equity accounted investees - net of taxation	-	-	-	-	(96,345)	-	(96,345)
(Loss) / profit before taxation	(115,465)	97,088	(16,444)	(21,159)	(126,701)	-	(182,681)
Taxation							33,278
Loss for the period							(149,403)

25.2.1 Revenue reported above represents revenue generated from external customers.

25.2.2 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 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. 419.154 million (30 September 2021: Rs. 806.129 million) of total Steel segment revenue of Rs. 487.304 million (30 September 2021: Rs. 846.849 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 945.276 million (30 September 2021: Rs. 240.847 million) of total Cotton segment revenue of Rs. 509.968 million (30 September 2021: Rs. 597.755 million).

25.5 Geographical information

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

25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	IID segment	Energy segment	Hadeed (Billet) segment	Total
----- (Rupees in '000) -----						
As at 30 September 2022 - Unaudited						
Segment assets for reportable segments	2,574,266	397,850	1,442,275	593,674	851,060	5,859,125
Investment in equity accounted investees	-	-	2,387,903	-	-	2,387,903
Unallocated corporate assets						1,972,270
Total assets as per consolidated statement of financial position						<u>10,219,298</u>
Segment liabilities for reportable segments	1,329,618	142,200	44,509	85,662	136,051	1,738,040
Unallocated corporate liabilities and deferred income						1,560,822
Total liabilities as per consolidated statement of financial position						<u>3,298,862</u>
As at 30 June 2022 - Audited						
Segment assets for reportable segments	1,799,290	511,016	1,783,003	680,524	913,292	5,687,125
Investment in equity accounted investees	-	-	2,332,187	-	-	2,332,187
Unallocated corporate assets						1,749,649
Total assets as per consolidated statement of financial position						<u>9,768,961</u>
Segment liabilities for reportable segments	877,422	185,161	55,847	88,067	152,113	1,358,610
Unallocated corporate liabilities and deferred income						1,085,782
Total liabilities as per consolidated statement of financial position						<u>2,444,391</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	IID segment	Energy segment	Hadeed (Billet) segment	Total
----- (Rupees in '000) -----						
For the first quarter ended						
30 September 2022						
Capital expenditure	76,436	-	-	2,975	-	79,411
Depreciation and amortization	20,576	5,864	1,169	12,835	15,070	55,514
Non-cash items other than depreciation and amortization	44,070	6,632	(46,032)	1	(2,313)	2,358
For the first quarter ended						
30 September 2021						
Capital expenditure	5,087	-	-	2,354	-	7,441
Depreciation and amortization	17,557	5,984	1,150	12,674	15,070	52,435
Non-cash items other than depreciation and amortization	39,191	2,074	126,785	1	982	169,033

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	Basis of relationship	Nature of transaction	Unaudited	
				First quarter ended	
				30 September 2022	30 September 2021
				----- (Rupees in '000) -----	
Shakarganj Limited	Associated company	28.01% holding	Sale of finished goods	-	45,193
			Sale of stores/spares	-	2
			Payment received	-	44,916
			Sevices received	-	1,146
			Reimbursable expenses	4,273	253
Crescent Socks (Private) Limited	Related party	Subsidiary Company's related party	Services rendered	300	400
			Payment received	1,000	500
Shakarganj Food Products Limited	Related party	Subsidiary Company's related party	Services rendered	798	163
			Rent	959	634
			Receiving of services	710	933
The Crescent Textile Mills Limited	Related party	Major Shareholder	Services rendered	471	365
			Rent	788	1,165
			Payment received	1,621	1,610
Premier Insurance Limited	Related party	Common Directorship	Insurance premium	894	2,190
			Payment made	894	1,941
The Citizens' Foundation	Related party	Common Directorship	Donation given	11,033	-
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Employee Benefit Fund	Contribution made	1,854	1,686
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Employee Benefit Fund	Contribution made	4,652	3,341
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Employee Benefit Fund	Contribution made	3,253	3,654
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Employee Welfare Fund	Contribution made	3	6
Key management personnel	Related parties	Executives	Remuneration and benefits	35,436	35,696
Chairman of the Board	Related party	Chairman	Honorarium	450	450
Directors and their spouse	Related parties	Directors	Meeting fee	790	1,290

* 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 statement of the Group as at and 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:

30 September 2022 (Unaudited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- Listed equity securities	793,324	135,293	-	928,617	928,617	-	-	928,617
- Unlisted equity securities	612,622	-	-	612,622	-	206,250	406,372	612,622
	<u>1,405,946</u>	<u>135,293</u>	<u>-</u>	<u>1,541,239</u>	<u>928,617</u>	<u>206,250</u>	<u>406,372</u>	<u>1,541,239</u>
Financial assets not measured at fair value								
Deposits	-	-	38,999	38,999	-	-	-	-
Term deposit receipt	-	-	204,360	204,360	-	-	-	-
Trade debts	-	-	160,057	160,057	-	-	-	-
Other receivables	-	-	179,302	179,302	-	-	-	-
Bank balances	-	-	85,079	85,079	-	-	-	-
Cash	-	-	2,437	2,437	-	-	-	-
	<u>-</u>	<u>-</u>	<u>874,594</u>	<u>874,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Long term loans	-	-	125,585	125,585	-	-	-	-
Liabilities against assets subject to finance lease	-	-	78,373	78,373	-	-	-	-
Trade and other payables	-	-	1,072,520	1,072,520	-	-	-	-
Unclaimed dividend	-	-	25,597	25,597	-	-	-	-
Mark-up accrued	-	-	39,877	39,877	-	-	-	-
Short term borrowings	-	-	1,364,239	1,364,239	-	-	-	-
	<u>-</u>	<u>-</u>	<u>2,706,191</u>	<u>2,706,191</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	Other financial liabilities	Total	Level 1	Level 2	Level 3
(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	-	-
- Unlisted equity securities	612,622	-	-	-	612,622	-	206,250	406,372
	<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>
Financial assets not measured at fair value								
Deposits	-	-	47,393	-	47,393	-	-	-
Trade debts	-	-	175,214	-	175,214	-	-	-
Term 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>
Financial liabilities not measured at fair value								
Long term loan	-	-	-	163,167	163,167	-	-	-
Liabilities against assets subject to finance lease	-	-	-	88,981	88,981	-	-	-
Trade and other payable	-	-	-	877,041	877,041	-	-	-
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>2,054,789</u>	<u>2,054,789</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.

28. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial statements was authorized for issue in the Board of Directors meeting held on 28 October 2022.



Chief Executive



Director



Chief Financial Officer

