



Crescent Steel and
Allied Products Limited



BUILDING SUSTAINABLE VALUE

3rd 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 Dalowal, Faisalabad. The pipe manufacturing facility produces Submerged Arc Welded Helical seam carbon steel pipes in diameters ranging from 8 to 120 inches (219mm - 3,048mm), thickness up to 1 inch and in steel grade up to API 5L X-100 or equivalent. The unit has authorization to use API monogram of the American Petroleum Institute (API) - the highest international standard accredited for quality of steel line pipe in the Oil and Gas Sector and also continues to retain the ISO 9001 certification.

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

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

The fabrication unit has the capability to fabricate and

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

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

COTTON DIVISION – COTTON YARN SPINNING UNIT

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

CCP is a division of the company but its operating results are shown separately. As a division, it is registered with the Ministry of Textile Industry Pakistan and All Pakistan Textile Mills Association (APTMA). It produces quality cotton/synthetic yarn with value addition of slub, siro and compact attachments.

CCP is equipped with modern high-tech European and

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

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

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

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

CS ENERGY DIVISION

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

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

CRESCENT HADEED DIVISION – BILLET MANUFACTURING UNIT

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

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

SUBSIDIARY COMPANIES

CS CAPITAL (PRIVATE) LIMITED

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

SOLUTION DE ENERGY (PRIVATE) LIMITED

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

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Ahmad Waqar

Chairman, Non-Executive Director

Ahsan M. Saleem

Chief Executive Officer

Farah Ayub Tarin

Non-Executive Director (Independent)

Farrukh V. Junaidy

Non-Executive Director (Independent)

Muhammad Kamran Saleem

Non-Executive Director (Independent)

Nadeem Maqbool

Non-Executive Director (Independent)

Nasir Shafi

Non-Executive Director

S.M. Ehtishamullah

Non-Executive Director

COMPANY SECRETARY

Azeem Sarwar

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

Muhammad Shakeeb Ullah Khan - 2021*

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@crecident.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 3rd Quarterly Report 2023 go to:
<https://crecident.com.pk/wp-content/uploads/2023/02/3rd-Quarterly-Report.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 nine months period ended 31 March 2023.

ECONOMIC OUTLOOK

Pakistan's economy is facing multiple challenges further compounded by climate catastrophe in the form of severe flooding that left scores of people displaced and caused billions of dollars in infrastructure damages. Alongside this, the suspended IMF program, the prolonged negotiations with the fund and deteriorating investor confidence and trust in the ability of the State in addition to causing increased pressure on the country's external position. The GoP attempt to contain USD outflows by restricting imports and activity has only led to a further slowdown and a window dressed FX position which will quickly reverse once the restrictions are removed. As it stands the current levels of policy rates have had the intended effect of demand compression however, they are doing little to contain the PKR devaluation or control inflationary pressures, as much of it is driven by energy and food prices and flood induced inflation. At the same time high interest rates are also causing debt servicing costs to skyrocket.

In March, the Consumer Price Index (CPI) registered a YoY increase of 35.4%, leading to a record high nine-month average inflation of 27.3%, compared to the previous year's 10.7%. In early April, the Monetary Policy Committee (MPC) raised the policy rate to 21% and maintained a stable medium-term inflation outlook. This move followed a 300 basis point hike in March.

As of March 2023, Pakistan's total external reserves stood at USD 9.76 billion (USD 4.2bn with the State Bank of Pakistan), representing a decline of 44% and 37% on a year-on-year and year-to-date basis, respectively. Foreign Direct Investment (FDI) clocked in at USD 784.4 million during Jul-Feb FY23, marking a decline of 40.4% compared to the same period last year, indicating weakened investor confidence.

The current account deficit for Jul-Mar FY23 clocked in at USD 3.4 billion, down 74% from USD 13.0 billion during the SPLY, reflecting the effects of administrative measures, such as rationing of Letter of Credits (LCs), taken by the government to curb imports. However, the implementation of an informal cap on the official exchange rate resulted in market disruptions with a peak official-curb differential of 5.1% in September 2022. As a result, remittances were increasingly channeled outside the formal bank sector, reducing the income surplus.

Remittances clocked in at USD 2.53bn (down 10.75% on YoY basis) during March 2023, a seven-month high figure. Cumulative nine-month remittances currently stand at USD 20.53 billion, which is 10.82% down from SPLY. Despite a drop in the inflows, remittances absorbed the trade deficit shock.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overall Unconsolidated Financial Performance

Up to half year ended 31 December 2022 the Company's after tax loss amounted to Rs. 202.3 million and Loss per share (LPS) was Rs. 2.61 per share. During the third quarter ended 31 March 2023 (3QFY23) the Company posted a profit after tax of Rs. 124.0 million with an Earnings per share (EPS) of Rs. 1.60 reducing overall loss after tax to Rs. 78.2 million and LPS to Rs. 1.01.

During the nine months period year ended 31 March 2023 (9MFY23) the Company's after tax loss amounted to Rs. 78.2 million as compared to after tax profit of Rs. 817.9 million in 9MFY22 which was mainly due to dividends from Altern Energy Limited. LPS for 9MFY23 was Rs. 1.01 per share as compared to EPS of Rs. 10.54 in 9MFY22.

The company's sales revenue for 9MFY23 stood at Rs. 3,490.0 million (9MFY22: Rs. 5,097.8 million) generating a Gross Profit (GP) of Rs. 365.7 million (9MFY22: GP of Rs. 131.5 million) which was 10.5 percent of sales as compared to 2.6 percent in 9MFY22.

Steel division and Cotton division generated 69.4 percent, 27.9 percent of the total sales respectively. The turnover of Steel division was Rs. 2,421.0 million (9MFY22: Rs. 1,260.7 million). Cotton division posted a turnover of Rs. 975.1 million (9MFY22: Rs. 1,817.6 million), a decrease of 46.4 percent due to non-availability of cotton, reduced demand and price of yarn.

During 9MFY23, GP of the Steel division amounted to Rs. 512.0 million (9MFY22: Gross loss of Rs. 115.5 million), whereas Cotton division reported a Gross loss of Rs. 52.1 million i.e. 5.3% of sales (9MFY22: GP of Rs. 249.5 million).

The Steel division reported profit before tax (PBT) of Rs. 118.7 million [9MFY22 Loss before taxation (LBT): Rs. 420.9 million]. Cotton division reported LBT of Rs. 104.3 million (9MFY22 PBT: Rs. 195.4 million). IID division reported a PBT of Rs. 1.0 million (9MFY22 PBT: Rs. 1,103.6 million).

The Company's LBT for 9MFY23 was Rs. 102.3 million as compared to PBT of Rs. 812.3 million in 9MFY22. Tax reversal during 9MFY23 amounted to Rs. 24.2 million (current and prior year tax charge of Rs. 48.4 million while deferred tax reversal of Rs. 72.6 million).

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

- Sales revenue decreased to Rs. 3,490.0 million as compared to Rs. 5,097.7 million in 9MFY22.
- Income from Investment amounted to Rs. 16.2 million as compared to Rs. 1,118.4 million in 9MFY22.
- Gross profit increased to Rs. 365.7 million as compared to a gross profit of Rs. 131.5 million in 9MFY22.
- Earnings before interest and tax for 9MFY23 were Rs. 136.3 million as compared to Rs. 996.6 million in 9MFY22.
- Earnings before interest, tax, depreciation, and amortization were Rs. 309.3 million as compared to Rs. 1,151.1 million in 9MFY22.

- LPS for 9MFY23 was Rs. 1.01, as compared to EPS of Rs. 10.54 for 9MFY22.
- Return on average capital employed (annualized) was negative 1.3 percent for 9MFY23 as compared to 4.9 percent in the corresponding period last year.

BUSINESS SEGMENTS

Steel Segment

Steel Division revenue for nine months period stood at Rs. 2,420.9 million (9MFY22: Rs. 1,260.7 million). GP for the 9MFY23 recorded at Rs. 512.0 million i.e. 21.1% (gross loss 9MFY22: Rs. -115.5 million i.e. -9.2%). PBT for the period stood at Rs. 118.7 million (9MFY22: LBT of Rs. 420.9 million).

Quarterly performance was majorly represented by execution of K-4 Bulk Water Supply Project where we dispatched 22,622 meters of coated pipe (from client supplied HRC). Revenue for the 3QFY23 amounted to Rs. 1,015.9 million generating a gross profit of Rs. 381.9 million which was 37.4% of sales. The divisional PBT was Rs. 313.5 million. The revenue excludes the cost of HRC supplied by the customer. The deemed revenue in the quarter, as such, was Rs. 4,650.0 million.

Cotton Segment

Cotton Division net sales revenue for HYFY23 stood at Rs. 975.1 million as compared to Rs. 1,817.6 million in 9MFY22. Division posted gross loss of Rs. 52.1 million i.e. -5.3% of sales as compared to GP of Rs. 249.5 million i.e. 13.7% in 9MFY22.

IID Segment

Market Review

The Pakistani Stock Market has faced significant challenges in the FY23 period, marked by political uncertainty and an economic downturn. The KSE-100 index opened at 41,540.83 and closed at 40,000.83, losing 3.71% over the nine months under review. The index remained range-bound but experienced volatility due to political sentiments, reaching a peak resistance of 43,888.23 and a support of 38,135.53.

Despite the extremely attractive valuations, average daily market participation has remained dull with an average of 203.67 million shares traded per day, down 33.27% YoY and 57.81% when compared with the same period in FY22.

Similarly, the average value traded per day fell to 6.60 billion during 9MFY23, compared to 10.41 billion and 18.85 billion during the same period in FY22 and FY23, respectively. This indicates both declining activity as well as value erosion.

The all-share market capitalization, which stands at PKR 6.11 trillion, witnessed a decrease of 12.19% and 6.04% on a FYTD and CYTD basis. The stock market has also suffered from foreign portfolio liquidation, with its market capitalization significantly below its all-time high of USD 9.63 billion in 2016.

Segment Performance

The portfolio's accumulated PBT for the 9MFY23 stood at Rs. 1.0 million, as against PBT of Rs. 1,103.6 million in the corresponding period last year.

The PBT includes unrealised losses and realised gains of Rs. 29.3 million and Rs. 4.4 million, respectively. Dividend income for the period stood at Rs. 38.0 million.

During 9MFY23, the Division's trading investments recorded negative ROI of -0.27% on weighted average investments of Rs. 254.4 million whereas the benchmark KSE-100 index decreased by 3.7%.

UNCONSOLIDATED BALANCE SHEET

Balance sheet footing stood at Rs. 9,957.8 million as of 31 March 2023, compared to Rs 8,445.1 million on 30 June 2022. Break-up value per share decreased to Rs. 77.5 from Rs. 78.6 as at 30 June 2022.

Current ratio decreased to 1.35, as compared to 1.38 as at 30 June 2022. Gearing ratio (including short-term borrowings) increased to 25.3% as compared to 14.8% as at 30 June 2022. Interest cover for 9MFY23 was 0.6 times (9MFY22: 5.4 times).

Overall Consolidated Financial Performance

On a consolidated basis, operating profit before finance costs and share of profit in equity accounted investees amounted to Rs. 128.9 million (9MFY22: loss of Rs. 126.2 million). Consolidated profit after tax for the Group for 9MFY23 was Rs. 267.1 million as compared to loss after tax of Rs. 98.3 million in 9MFY22. Net share of profit from equity-accounted associates amounted to Rs. 385.5 million (9MFY22: Rs. 136.8 million).

Consolidated EPS of the Group for 9MFY23 was Rs. 3.44 per share as compared to LPS of Rs. 1.27 per share respectively in the corresponding period last year.

CONSOLIDATED BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 11,248.0 million, compared to Rs. 9,469.0 million as at 30 June 2022. Total shareholders' fund increased to Rs. 7,236.7 million from Rs. 7,024.6 million as at 30 June 2022.

FUTURE OUTLOOK

The prevailing environment remains challenging because of unprecedented political instability and economic challenges. The country has been grappling with the foreign exchange reserves crisis since Q3FY22 which has precipitated a major slowdown in economic activity across the board. This coupled with regressive import contraction policies especially cash margin requirements and difficulty in opening LCs, record-breaking inflation, high interest rates, and an extremely volatile exchange rate has further dampened industrial growth and customer demand across all industries. The engineering sector is especially vulnerable to these challenges as critical raw materials, consumables and spares are imported. These economic challenges are pronounced by rising inflation across the globe, and a general slowdown in global demand. Domestically, rising utilities costs, higher financing costs, higher employment costs, and additional taxation have increased input costs for manufacturing and have resultantly reduced customer demand. These measures have also impacted cashflows and agility of businesses. These challenges are expected to persist well through the next FY and will impede our ability to execute projects in hand, while influencing the velocity with which new projects are issued.

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

Moving into the 4th quarter, we are completing remaining order (74,910 meters) of K-4 Bulk Water Supply Project which is expected to be completed by Q2FY24. In addition to that we have secured few orders of line pipes for production and deliveries are expected during Q1FY24.

Further, we have been declared lowest in Gas Companies tenders for which confirmed orders are awaited.

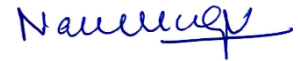
We have also seen some line pipe demand in the Oil & Gas and water segment, bidding and awards against these projects are expected in due course of time and if we are successful in our bids, these may be executed in FY24 resulting in a healthy order book.

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

For and behalf of the Board of Directors.



Ahsan M. Saleem
Chief Executive Officer



Nadeem Maqbool
Director

28 April 2023

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)
As at 31 March 2023

	Note	Unaudited 31 March 2023	Audited 30 June 2022
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,177,959	2,107,200
Right-of-use assets		120,442	109,556
Intangible assets		1,952	3,580
Investment properties		55,355	56,330
Long term investments	6	2,358,940	2,362,604
Long term deposits	7	45,779	29,100
Deferred taxation - net		877,272	804,662
		5,637,699	5,473,032
Current assets			
Stores, spares and loose tools		282,556	170,746
Stock-in-trade	8	1,008,102	1,190,096
Trade debts	9	622,750	175,214
Loans and advances	10	262,638	165,202
Trade deposits and short term prepayments		26,084	25,235
Short term investments	11	840,278	419,233
Other receivables	12	390,145	128,525
Taxation - net		657,411	691,183
Cash and bank balances		230,172	6,670
		4,320,136	2,972,104
Total assets		9,957,835	8,445,136
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital		1,000,000	1,000,000
100,000,000 ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,020,908	1,020,908
Revenue reserves		4,219,318	4,301,178
		6,016,551	6,098,411
LIABILITIES			
Non-current liabilities			
Long-term loans	13	576,172	50,382
Lease liabilities		84,216	66,759
Deferred income		4,067	686
Deferred liability - staff retirement benefits		73,562	73,562
		738,017	191,389
Current liabilities			
Trade and other payables	14	1,468,974	1,136,892
Unclaimed dividend		16,081	25,614
Mark-up accrued		108,275	37,134
Short term borrowings	15	1,327,639	812,647
Current portion of long-term loans	13	270,276	112,785
Current portion of lease liabilities		11,436	22,222
Current portion of deferred income		586	8,042
		3,203,267	2,155,336
		3,941,284	2,346,725
Contingencies and commitments	16		
Total equity and liabilities		9,957,835	8,445,136

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


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For the quarter and nine months ended 31 March 2023

	Note	Quarter ended		Nine months ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
----- (Rupees in '000) -----					
Sales	17	1,523,448	2,878,573	4,098,472	5,969,605
Less: sales tax		249,880	421,519	608,424	871,854
		<u>1,273,568</u>	<u>2,457,054</u>	<u>3,490,048</u>	<u>5,097,751</u>
Cost of sales		918,495	2,405,705	3,124,326	4,966,267
Gross profit		<u>355,073</u>	<u>51,349</u>	<u>365,722</u>	<u>131,484</u>
Income from investments - net	18	<u>13,097</u>	<u>10,543</u>	<u>16,159</u>	<u>1,118,493</u>
		<u>368,170</u>	<u>61,892</u>	<u>381,881</u>	<u>1,249,977</u>
Distribution and selling expenses		4,899	4,723	18,210	11,833
Administrative expenses		97,297	99,045	261,195	243,586
Other operating expenses	19	12,336	3,759	12,336	44,094
		<u>114,532</u>	<u>107,527</u>	<u>291,741</u>	<u>299,513</u>
		<u>253,638</u>	<u>(45,635)</u>	<u>90,140</u>	<u>950,464</u>
Other income		13,758	16,643	46,142	181,883
Operating profit / (loss) before finance costs		<u>267,396</u>	<u>(28,992)</u>	<u>136,282</u>	<u>1,132,347</u>
Finance costs	20	92,963	65,269	238,626	184,264
Profit / (loss) before taxation		<u>174,433</u>	<u>(94,261)</u>	<u>(102,344)</u>	<u>948,083</u>
Taxation					
- current for the period		(18,707)	(33,995)	(49,218)	(153,721)
- current for prior year		-	-	782	-
- deferred		(34,176)	66,481	72,610	159,240
		<u>(52,883)</u>	<u>32,486</u>	<u>24,174</u>	<u>5,519</u>
Profit / (loss) for the period		<u>121,550</u>	<u>(61,775)</u>	<u>(78,170)</u>	<u>953,602</u>
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		(82)	582	(3,693)	(4,357)
Total comprehensive income / (loss) for the period		<u>121,468</u>	<u>(61,193)</u>	<u>(81,863)</u>	<u>949,245</u>
----- (Rupees) -----					
Earnings / (loss) per share - Basic and diluted	21	<u>1.57</u>	<u>(0.80)</u>	<u>(1.01)</u>	<u>12.28</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 nine months ended 31 March 2023

	Note	Nine months ended	
		31 March 2023 ----- (Rupees in '000) -----	31 March 2022
Cash flows from operating activities			
Cash (used in) / generated from operations	22	(116,941)	(1,336,842)
Taxes refund received		(14,664)	35,036
Finance costs paid		(160,792)	(157,092)
Contribution to gratuity and pension funds		(22,220)	(19,113)
Contribution to Workers' Profit Participation Fund		-	(508)
Long term deposits - net		(14,984)	(2,162)
Net cash (used in) / generated from operating activities		(329,601)	(1,480,681)
Cash flows from investing activities			
Capital expenditure		(236,682)	(39,262)
Acquisition of intangible assets		1	-
Proceeds from disposal of operating fixed assets and investment property		18,654	11,367
Investments - net		(486,245)	(209,224)
Dividend income received		27,339	1,152,667
Interest income received		348	348
Net cash generated from investing activities		(676,585)	915,896
Cash flows from financing activities			
(Repayments of) / proceeds from long term loans - net		683,281	(82,271)
Payments against finance lease obligations		(34,052)	(28,993)
Proceeds from / (repayments of) short term loans obtained - net		498,662	567,232
Dividends paid		(9,533)	(14)
Net cash generated from / (used in) financing activities		1,138,358	455,954
Net increase in cash and cash equivalents		132,172	(108,831)
Cash and cash equivalents at beginning of the period		(334,661)	(659,533)
Cash and cash equivalents at end of the period	23	(202,489)	(768,364)

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 nine months ended 31 March 2023

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Fair value reserve	General reserve	Unappropriated profit / (loss)		
----- (Rupees in '000) -----							
Balance as at 30 June 2021	776,325	1,020,908	8,966	3,642,000	522,625	4,173,591	5,970,824
Total comprehensive income for the period							
Profit after taxation for the period	-	-	-	-	953,602	953,602	953,602
Other comprehensive loss for the period	-	-	(4,357)	-	-	(4,357)	(4,357)
Total comprehensive income for the period	-	-	(4,357)	-	953,602	949,245	949,245
Balance as at 31 March 2022	776,325	1,020,908	4,609	3,642,000	1,476,227	5,122,836	6,920,069
Balance as at 30 June 2022	776,325	1,020,908	3,913	3,642,000	655,265	4,301,178	6,098,411
Total comprehensive loss for the period							
Loss after taxation for the period	-	-	-	-	(78,167)	(78,167)	(78,167)
Other comprehensive loss for the period	-	-	(3,693)	-	-	(3,693)	(3,693)
Total comprehensive loss for the period	-	-	(3,693)	-	(78,167)	(81,860)	(81,860)
Balance as at 31 March 2023	776,325	1,020,908	220	3,642,000	577,098	4,219,318	6,016,551

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 nine months ended 31 March 2023

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

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

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim unconsolidated financial statements of the Company do not include all of the information required for annual unconsolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2022. However, selected explanatory notes are included 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 Company's functional currency and all financial information presented has been rounded off to the nearest thousand rupees, except other wise 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 for the year ended 30 June 2022.

3.2 New Standards, Interpretations And Amendments Adopted By The Company

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

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

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

4. USE OF ESTIMATES AND JUDGEMENTS

4.1 The preparation of condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of 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 for the year ended 30 June 2022.

5. PROPERTY, PLANT AND EQUIPMENT

		Unaudited 31 March 2023 ----- (Rupees in '000) -----	Audited 30 June 2022
Operating fixed assets	5.1	1,916,029	1,921,861
Capital work-in-progress	5.2	<u>261,930</u>	<u>185,339</u>
		<u>2,177,959</u>	<u>2,107,200</u>

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

	Unaudited Nine months ended 31 March 2023		Unaudited Nine months ended 31 March 2022	
	Additions / Transfers	Disposals / Transfers	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Buildings on freehold land	4,472	-	-	-
Plant and machinery - owned	84,481	1,903	365	12,000
Plant and machinery - leased	-	14,995	15,934	-
Furniture and fittings	-	-	391	-
Electrical / office equipments and installation	8,855	1,193	745	4,150
Computers	2,472	-	1,882	372
Motor vehicles - owned	45,033	23,098	6,455	4,080
Motor vehicles - leased	34,030	1,099	5,670	-
	<u>179,343</u>	<u>42,288</u>	<u>31,442</u>	<u>20,602</u>

5.2 Net additions from capital work-in-progress during the nine months period ended 31 March 2023 amounted to Rs. 76.591 million (Net additions during the period ended 31 March 2022: Rs. 34.487 million).

6. LONG TERM INVESTMENTS

	Note	Unaudited	Audited
		31 March 2023	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	517,538	521,202
		<u>2,358,940</u>	<u>2,362,604</u>

6.1 Subsidiary companies - at cost

	Unaudited 31 March 2023 (Number of shares)	Audited 30 June 2022	Unquoted		Unaudited	Audited
					31 March 2023	30 June 2022
	----- (Rupees in '000) -----					
	55,500,000	55,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.1	555,000	555,000
	2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.2	-	-
	100	100	Solution de Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.3	1	1
					<u>555,001</u>	<u>555,001</u>

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

6.2 Associated companies - at cost

Unaudited 31 March 2023 (Number of shares)	Audited 30 June 2022		Note	Unaudited 31 March 2023	Audited 30 June 2022
				----- (Rupees in '000) -----	
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 associated companies as at 31 March 2023 is Rs. 1,767.497 million (30 June 2022: Rs. 2,054.244 million).

6.3 Other long term investments

		Unaudited 31 March 2023	Audited 30 June 2022
		----- (Rupees in '000) -----	
Fair value through other comprehensive income (FVOCI)	6.3.1	6,509	10,173
Fair value through profit or loss (FVTPL)	6.3.2 & 6.3.3	511,029	511,029
		<u>517,538</u>	<u>521,202</u>

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

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

7. LONG TERM DEPOSITS

These include security deposit amounting to Rs. 29.993 million (30 June 2022: Rs. 18.119 million) to leasing companies.

8. STOCK-IN-TRADE

	Unaudited 31 March 2023	Audited 30 June 2022
	----- (Rupees in '000) -----	
Raw materials		
Hot rolled steel coils (HR Coils)	284,760	261,583
Coating materials	406,270	46,205
Steel scrap	14,440	43,308
Others	195,697	132,806
Raw cotton	22,743	230,531
Stock-in-transit	-	280,917
	<u>923,910</u>	<u>995,350</u>
Work-in-process	<u>11,105</u>	19,076
Finished goods - net	<u>72,884</u>	167,556
Scrap / cotton waste	<u>203</u>	8,114
	<u>84,192</u>	194,746
	<u><u>1,008,102</u></u>	<u><u>1,190,096</u></u>

8.1 Stock in trade as at 31 March 2023 includes certain items valued at net realisable value (NRV). Charge in respect of stock written down to NRV was amounting to Rs. 7.296 million (30 June 2022: Reversal of Rs. 14.987 million) has been recognized in cost of sales.

9. TRADE DEBTS

	Note	Unaudited 31 March 2023	Audited 30 June 2022
		----- (Rupees in '000) -----	
Secured			
Considered good		-	40,867
Unsecured			
Considered good	9.1	<u>622,750</u>	134,347
Considered doubtful		<u>19,553</u>	19,553
		<u>642,303</u>	153,900
Impairment loss on trade debts		<u>(19,553)</u>	(19,553)
		<u><u>622,750</u></u>	<u><u>175,214</u></u>

9.1 This includes balances due from following related parties:

Shakarganj Limited		<u>-</u>	<u>78,926</u>
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10. LOANS AND ADVANCES

10.1 These include loan due from:

Solution de Energy (Private) Limited	10.1.1	<u>111,806</u>	<u>96,793</u>
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10.1.1 The Company has provided short term interest free loan to the wholly owned subsidiary Company in order to meet its requirements for the purposes of feasibility, legal approvals and other related activities in respect of its project of 100 MW Solar Power Plant in Solar Power Park being established by the Government of Punjab in the Cholistan desert. The loan is repayable on demand.

11. SHORT TERM INVESTMENT

	Note	Unaudited 31 March 2023	Audited 30 June 2022
----- (Rupees in '000) -----			
At amortised cost	11.1	84,360	159,360
At fair value through profit or loss (FVTPL)	11.2	755,918	259,873
		<u>840,278</u>	<u>419,233</u>

11.1 This represents investment in term deposit receipts having markup rate of 15.75% per annum and maturing on 26 March 2024.

11.2 These comprise investments in ordinary shares of listed companies and units of mutual funds.

11.3 Investments having an aggregate market value of Rs. 890.509 million (30 June 2022: Rs. 1,398.026 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which amount of Rs. 719.828 million (30 June 2022: Rs. 947.912 million) relates to long term investments.

12. OTHER RECEIVABLES

	Note	Unaudited 31 March 2023	Audited 30 June 2022
----- (Rupees in '000) -----			
Dividend receivable		11,518	886
Provision there against		(885)	(886)
		<u>10,633</u>	-
Claim receivable		461	461
Due from related parties	12.1	5,706	21,906
Sales tax refundable		93,455	75,589
Margin on advance payment guarantee		263,763	15,350
Receivable from staff retirement benefits funds		12,243	12,242
Others		3,884	2,977
		<u>390,145</u>	<u>128,525</u>

12.1 Due from related parties

CS Capital (Private) Limited	1,567	4,780
Solution de Energy (Private) Limited	48	11,947
The Crescent Textile Mills Limited	214	386
Shakarganj Food Products Limited	3,542	3,893
Crescent Socks (Private) Limited	300	900
Premier Insurance Company Limited	35	-
	<u>5,706</u>	<u>21,906</u>

		Unaudited 31 March 2023	Audited 30 June 2022
	Note	----- (Rupees in '000) -----	
13. LONG TERM LOANS			
Secured - shariah arrangement			
Long Term Sukuk Certificates	13.1	800,000	-
Less: Transaction Cost	13.1.1	<u>(4,705)</u>	-
		795,295	-
Secured - Under non-shariah arrangement			
Allied Bank Limited	13.2	18,087	72,350
Habib Metropolitan Bank Limited	13.3	-	55,945
JS Bank Limited	13.4	<u>33,066</u>	34,872
		846,448	163,167
Less: Current portion shown under current liabilities		<u>270,276</u>	112,785
		576,172	50,382

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

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

13.2 During year ended 30 June 2018, the Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till date. The term of the loan is 4 years from the date of disbursement with a grace period of one year; however, due to COVID-19 the bank has allowed one additional year as grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, the Company has made repayment of Rs. 18.087 million (31 March 2022: Rs. 18.55 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period ended 31 March 2023, the mark-up on such arrangements ranged from 17.27% to 19.38% (31 March 2022: 9.83% to 11.83%) per annum. These facilities are secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

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

The effective interest on such arrangements ranged from 8.68% to 10.16% per annum (31 March 2022: 8.68% to 10.16% per annum).

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

The effective interest on this arrangement is 8.49% (31 March 2022: 8.49%) per annum.

14. TRADE AND OTHER PAYABLES	Note	Unaudited 31 March 2023 ----- (Rupees in '000) -----	Audited 30 June 2022
Trade creditors		59,837	90,943
Bills payable		-	288,726
Commission payable		650	1,922
Accrued liabilities		462,031	388,704
Advances from customers		561,439	22,433
Infrastructure fee, sales tax and damages		283,577	272,530
Due to related parties	14.1	18,181	9,739
Payable to provident fund		2,446	2,313
Payable to staff retirement benefit funds		2,800	2,296
Retention money		2,813	111
Withholding tax payable		7,303	1,733
Workers' Profit Participation Fund		9,419	2,395
Workers' Welfare Fund		6,944	6,944
Others		51,534	46,103
		<u>1,468,974</u>	<u>1,136,892</u>
14.1 Due to related parties			
Premier Insurance Company Limited		-	454
Staff Benevolent Fund		-	2
Shakarganj Limited		18,181	9,283
		<u>18,181</u>	<u>9,739</u>
15. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	15.1	432,661	416,331
Short term loans	15.2 & 15.4	894,978	396,316
		<u>1,327,639</u>	<u>812,647</u>
15.1	Running finances facility / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,100 million (30 June 2022: Rs. 1,100 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million), Rs. 100 million (30 June 2022: Rs. 100 million) and Rs. 300 million (30 June 2022: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 17.03% to 24.01% (31 March 2022: 10.98% to 11.85%) per annum.		
15.2	Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,950 million (30 June 2022: Rs. 3,950 million) out of which Rs. 3,150 million (30 June 2022: Rs. 3,150 million), Rs. 205 million (30 June 2022: Rs. 205 million) and Rs. 350 million (30 June 2022: Rs. 350 million) are interchangeable with letters of credit, letters of guarantee and short term running finance, respectively. During the period, the mark-up on such arrangements ranged from 17.03% to 24.01% (31 March 2022: 10.98% to 11.85%) per annum.		

- 15.3** The facilities for opening letters of credit amounted to Rs. 4,750 million (30 June 2022: Rs. 4,750 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million), Rs. 3,150 million (30 June 2022: Rs. 3,150 million) and Rs. 205 million (30 June 2022: Rs. 305 million) are interchangeable with short term running finance, short term loans and letters of guarantee respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 31 March 2023 amounted to Rs. 2,107 million (30 June 2022: Rs. 2,010.9 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2023 were Rs. 4,446 million and Rs. 440.6 million (30 June 2022: Rs. 4,507.62 million and Rs. 468.48 million), respectively.
- 15.4** These includes an amount of Rs. 555.886 million (30 June 2022: Rs. 396.316 million outstanding against Islamic mode of financing. The Company is currently availing Islamic mode of financing from the Al Baraka Bank, Dubai Islamic Bank and Bank Islami Pakistan Limited. Facilities availed include letters of credit, bank guarantees, Wakala, Morabaha, Istisna and Ijarah financing.
- 15.5** The above facilities are expiring on various dates with maturity periods upto 31 December 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 11.2) pledge of cotton and lien over import / export document. Further, these facilities (refer notes 15.1 to 15.3) are also secured against pledged of shares owned by the Subsidiary Company i.e. CS Capital (Private) Limited.

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no significant change in the status of the matters as set out in note 12.3,15, 28.2 and 29.1 to the Company's annual unconsolidated financial statements for the year ended 30 June 2022.

16.2 Commitments

- 16.2.1** Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 2,107 million (30 June 2022: Rs. 1,542.42 million). These include guarantees issued by Islamic banks amounting to Rs. 235.34 million (30 June 2022: Rs. 214.6 million).
- 16.2.2** Commitments in respect of capital expenditure contracted for as at 31 March 2023 amounted to Rs. 10.672 million (30 June 2022: Rs. 14.619 million).
- 16.2.3** Commitments under letters of credit (L/C) as at 31 March 2023 amounted to Rs. 497.58 million (30 June 2022: Rs. 242.4 million).

17. SALES

	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		----- (Rupees in '000) -----			
Local sales					
Bare pipes		500,063	43,494	1,914,630	1,151,875
Steel Billets		-	1,600,823	-	1,750,010
Pipe coating		-	-	16,331	50,920
Pre coated pipes		704,529	5,515	745,748	82,003
Cotton yarn / raw cotton		214,454	644,367	1,111,815	2,101,505
Electricity sales		-	230,086	-	266,407
Steam sales		-	274,485	-	332,827
Others		14,076	59,573	132,904	161,769
Scrap / waste		90,326	20,230	177,044	72,289
		<u>1,523,448</u>	<u>2,878,573</u>	<u>4,098,472</u>	<u>5,969,605</u>
Sales tax		<u>(249,880)</u>	<u>(421,519)</u>	<u>(608,424)</u>	<u>(871,854)</u>
		<u>1,273,568</u>	<u>2,457,054</u>	<u>3,490,048</u>	<u>5,097,751</u>

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

18. INCOME FROM INVESTMENTS - NET

	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		----- (Rupees in '000) -----			
Dividend income	18.1	16,147	15,173	37,972	1,152,968
(Loss) / gain on sale of FVTPL investments - net	18.2	(646)	(651)	4,359	215
Unrealized loss on FVTPL investments - net	18.3	(3,438)	(4,920)	(29,272)	(37,012)
Rent from investment properties	18.5	1,034	941	3,100	2,322
		<u>13,097</u>	<u>10,543</u>	<u>16,159</u>	<u>1,118,493</u>

18.1 This includes Rs. 13.35 million earned on investments in Shariah Compliant Investee Companies.

18.2 This includes Rs. 0.75 million loss on sale of Shariah Compliant Investee Companies.

18.3 This includes loss of Rs. 25.58 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 properties amounted to Rs. 1.117 million (31 March 2022: Rs. 1.187 million).

19. OTHER OPERATING EXPENSES	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- (Rupees in '000) -----			
Exchange loss	4,151	1,518	4,151	32,349
Provision for:				
- Workers' Profit Participation Fund	7,024	1,430	7,024	10,282
- Slow moving stores, spares and loose tools	-	811	-	1,463
	12,336	3,759	12,336	44,094
	----- (Rupees in '000) -----			
20. FINANCE COSTS	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- (Rupees in '000) -----			
Profit on short term loans - Shariah arrangement	10,629	14,968	30,627	42,521
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,522	2,439	6,682	7,067
- long term loans	37,892	5,082	77,998	16,590
- running finances / short term loans	41,704	42,088	121,067	112,666
Discounting of lease deposit	-	-	-	375
Bank charges	291	692	2,252	5,045
	93,038	65,269	238,626	184,264
	----- (Rupees in '000) -----			
21. BASIC AND DILUTED - EARNINGS / (LOSS) PER SHARE	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- (Rupees in '000) -----			
Profit / (loss) for the period	121,550	(61,775)	(78,170)	953,602
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	77,632,491	77,632,491	77,632,491	77,632,491
	----- (Rupees) -----			
Basic and diluted - earnings / (loss) per share	1.57	(0.80)	(1.01)	12.28

22. CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	Unaudited	
		Nine months ended	
		31 March 2023	31 March 2022
Profit before taxation		(102,341)	812,342
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets, right-of-use assets and investment properties		171,385	152,779
Amortisation of intangible assets		1,627	1,725
Charge for the period on staff retirement benefit funds		22,723	19,364
Dividend income		(37,972)	(1,152,968)
Unrealized (gain) / loss on FVTPL investments - net		29,272	37,012
Provision for slow moving stores, spares and loose tools		(3,856)	(811)
(Gain) / loss on sale of FVTPL investments - net		(4,359)	(215)
Provision for stores, spares and loose tools - net		-	1,463
Provision for doubtful trade debts		-	(800)
Provision for Workers' Profit Participation Fund		7,024	10,282
Return on deposits		(24,534)	(1,064)
Gain on disposal of operating fixed assets and investment property		(7,356)	(85)
Deferred income		(4,075)	(7,053)
Discounting of long term deposit		-	375
Unwinding of discount on long term deposit		(1,982)	(18,442)
Liabilities written back		-	(9,397)
Finance costs		238,626	184,264
Working capital changes	22.1	(401,123)	(1,365,613)
		<u>(116,941)</u>	<u>(1,336,842)</u>
22.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spares and loose tools		(107,954)	(7,427)
Stock-in-trade		181,993	(994,129)
Trade debts		(447,536)	(414,340)
Loans and advances		(97,436)	(132,690)
Trade deposits and short term prepayments		(562)	497
Other receivables		(250,717)	(33,946)
		<u>(722,212)</u>	<u>(1,582,035)</u>
Increase in current liabilities			
Trade and other payables		321,089	216,422
		<u>(401,123)</u>	<u>(1,365,613)</u>
23. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(432,661)	(783,750)
Cash and bank balances		230,172	15,386
		<u>(202,489)</u>	<u>(768,364)</u>
24. SEGMENT REPORTING			
24.1 Reportable segments			
The Company's reportable segments are as follows:			
- Steel segment - It comprises of manufacturing and coating of steel pipes.			
- Cotton segment - It comprises of manufacturing of yarn.			
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).			
- Hadeed segment - It comprises of manufacturing billets.			
- Energy segment - It comprises of generating and supplying electricity / power.			
Information regarding the Company's reportable segments is presented below:			

24.2 Segment revenues and results

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

For the nine months ended 31 March 2023	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	2,420,962	975,061	-	94,025	-	-	3,490,048
Cost of sales	1,908,971	1,027,118	46,984	141,253	-	-	3,124,326
Gross profit / (loss)	511,991	(52,057)	(46,984)	(47,228)	-	-	365,722
Income from investments - net	-	-	-	-	16,159	-	16,159
	511,991	(52,057)	(46,984)	(47,228)	16,159	-	381,881
Distribution and selling expenses	13,744	3,169	-	1,297	-	-	18,210
Administrative expenses	197,979	35,859	769	12,615	13,973	-	261,195
Other expenses	7,701	644	-	2,830	1,161	-	12,336
	219,424	39,672	769	16,742	15,134	-	291,741
	292,567	(91,729)	(47,753)	(63,970)	1,025	-	90,140
Other income	40,560	5,585	-	-	-	-	46,145
Operating profit / (loss) before finance costs	333,127	(86,144)	(47,753)	(63,970)	1,025	-	136,285
Finance costs	214,422	18,127	-	6,077	-	-	238,626
Profit / (loss) before taxation	118,705	(104,271)	(47,753)	(70,047)	1,025	-	(102,341)
Taxation							(24,174)
Loss for the period							(78,167)
For the nine months ended 31 March 2022	Unaudited						Total
Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments		
	(Rupees in '000)						
Sales - net	1,260,703	1,817,555	590,947	1,507,327	-	(78,781)	5,097,751
Cost of sales	1,376,176	1,568,006	594,985	1,505,881	-	(78,781)	4,966,267
Gross (loss) / profit	(115,473)	249,549	(4,038)	1,446	-	-	131,484
Income from investments - net	-	-	-	-	1,118,493	-	1,118,493
	(115,473)	249,549	(4,038)	1,446	1,118,493	-	1,249,977
Distribution and selling expenses	8,079	2,736	-	1,018	-	-	11,833
Administrative expenses	172,070	31,765	5,663	19,176	14,912	-	243,586
Other expenses	22,479	13,752	-	7,863	-	-	44,094
	202,628	48,253	5,663	28,057	14,912	-	299,513
	(318,101)	201,296	(9,701)	(26,611)	1,103,581	-	950,464
Other income	29,719	15,405	1,018	-	-	-	46,142
Operating (loss) / profit before finance costs	(288,382)	216,701	(8,683)	(26,611)	1,103,581	-	996,606
Finance costs	132,536	21,334	-	30,394	-	-	184,264
(Loss) / profit before taxation	(420,918)	195,367	(8,683)	(57,005)	1,103,581	-	812,342
Taxation							(5,519)
Profit for the period							817,861

24.2.1 Revenue reported above represents revenue generated from external customers and inter-segment sales of electricity by Energy Segment to Hadeed (Billet) Segment of Rs. Nil million (31 March 2022: Rs. 78.78 million).

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

24.3 Revenue from major products and services

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

24.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 2,288.353 million (31 March 2022: Rs. 1,102.741 million) of total Steel segment revenue of Rs. 2,420.962 million (31 March 2022: Rs. 1,260.703 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil million (31 March 2022: Rs. 811.188 million) of total Cotton segment revenue of Rs. 975.061 million (31 March 2022: Rs. 1,817.555 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (31 March 2022: Rs. 512.166 million) of total Energy segment revenue of Rs. Nil million (31 March 2022: Rs. 590.947 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil million (31 March 2022: Rs. 1747.911 million) of total Hadeed (Billet) segment revenue of Rs. 94.025 million (31 March 2022: Rs. 1507.327 million).

24.5 Geographical information

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

24.5.2 All non-current assets of the Company as at 31 March 2023 and 30 June 2022 were located and operating in Pakistan.

24.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	----- (Rupees in '000) -----					
As at 31 March 2023 - (Unaudited)						
Segment assets for reportable segments	3,617,768	262,406	480,783	708,795	2,666,772	7,736,524
Unallocated corporate assets						2,221,311
Total assets as per unconsolidated statement of financial position						<u>9,957,835</u>
Segment liabilities for reportable segments	1,311,295	124,764	37,878	104,062	11,047	1,589,046
Unallocated corporate liabilities and deferred income						2,352,238
Total liabilities as per unconsolidated statement of financial position						<u>3,941,284</u>
As at 30 June 2022 - (Audited)						
Segment assets for reportable segments	1,799,290	511,016	526,950	913,292	2,702,988	6,453,536
Unallocated corporate assets						1,991,600
Total assets as per unconsolidated statement of financial position						<u>8,445,136</u>
Segment liabilities for reportable segments	877,422	185,161	42,645	152,113	3,603	1,260,944
Unallocated corporate liabilities and deferred income						1,085,781
Total liabilities as per unconsolidated statement of financial position						<u>2,346,725</u>

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

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

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

24.7 Other segment information

	Unaudited					Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	
	(Rupees in '000)					
For the nine months ended 31 March 2023						
Capital expenditure	204,271	2,250	-	16,099	-	222,620
Depreciation and amortisation	69,735	17,753	45,026	38,675	1,823	173,012
Non-cash items other than depreciation and amortisation - net	199,445	20,498	(4,432)	(28,984)	(12,102)	174,425
For the nine months ended 31 March 2022						
Capital expenditure	76,304	-	-	11,223	-	87,527
Depreciation and amortisation	52,066	16,988	45,475	38,363	1,612	154,504
Non-cash items other than depreciation and amortisation - net	146,244	15,524	(6,869)	(4,141)	(1,105,079)	(954,321)

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	Nature of transaction	Unaudited	
			31 March 2023	31 March 2022
			(Rupees in '000)	
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	1,576	1,629
		Right Shares Subscribed	-	30,000
		Repayment of reimbursable expenses	4,964	-
Solution de Energy (Private) Limited	Subsidiary company	Loan given	15,014	2,525
		Reimbursable expenses	48	23
Altern Energy Limited	Associated company	Dividend income	-	1,122,280
		Dividend received	-	1,122,280
Shakarganj Limited	Associated company	Sales of electricity and steam	-	512,166
		Sale of Polyester / cotton	-	45,270
		Reimbursable expenses	7,541	5,059
		Purchase of raw material	-	565,951
		Payment received against services provided	-	80,985
		Advance given for raw material	-	94,070
		Payment made	-	23,762
Shakarganj Food Products Limited	Related party	Reimbursable expenses	-	2,121
		Rent	1,881	2,534
		Expenses incurred on behalf of company	-	1,849
		Services Rendered	2,313	-
		Receiving of services	2,045	-
		Payments received	2,500	1,500
Crescent Socks (Private) Limited	Related party	Rent	900	900
		Payments received	1,500	800
		Services rendered	-	-
The Crescent Textile Mills Limited	Associated company	Reimbursable expense	933	1,012
		Payment received	2,485	4,433
		Rent	1,379	3,417

Continued ... Note 25: TRANSACTIONS WITH RELATED PARTIES

Name of entity	Nature of relationship	Nature of transaction	Nine months ended	
			31 March 2023	31 March 2022
			----- (Rupees in '000) -----	
The Citizens' Foundation*	Related party	Donation given	<u>13,723</u>	<u>26,051</u>
Indus Valley School of Arts and Architecture*	Related party	Donation given	<u>-</u>	<u>2,500</u>
Pakistan Centre For Philanthropy*	Related party	Donation given	<u>-</u>	<u>3,000</u>
CSAP Foundation	Related party	Donation given	<u>-</u>	<u>48</u>
Premier Insurance Limited*	Related party	Receiving of services	<u>6,855</u>	<u>4,757</u>
		Payments made	<u>7,259</u>	<u>4,541</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>-</u>	<u>1,815</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>6,424</u>	<u>5,469</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>16,238</u>	<u>13,895</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>10,387</u>	<u>7,415</u>
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>-</u>	<u>557</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>3</u>	<u>18</u>
Key management personnel Chairman of the Board	Related parties	Remuneration and benefits	<u>137,055</u>	<u>121,888</u>
	Related party	Honorarium	<u>1,350</u>	<u>1,350</u>
Directors	Related parties	Meeting fee	<u>1,585</u>	<u>1,175</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 under their terms of employment / entitlements.

26. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

31 March 2023 (Un-audited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	755,918	6,509	-	762,427	762,427	-	-	762,427
- unlisted equity securities	511,029	-	-	511,029	-	206,250	304,779	511,029
	<u>1,266,947</u>	<u>6,509</u>	<u>-</u>	<u>1,273,456</u>	<u>762,427</u>	<u>206,250</u>	<u>304,779</u>	<u>1,273,456</u>
Financial assets not measured at fair value								
Deposits	-	-	49,560	49,560	-	-	-	-
Term deposit receipt	-	-	84,360	84,360	-	-	-	-
Trade debts	-	-	622,750	622,750	-	-	-	-
Loan to subsidiary	-	-	111,806	111,806	-	-	-	-
Other receivables	-	-	284,447	284,447	-	-	-	-
Bank balances	-	-	226,465	226,465	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,379,388</u>	<u>1,379,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Long term loans	-	-	-	846,448	-	-	-	-
Lease liabilities	-	-	-	95,652	-	-	-	-
Trade and other payables	-	-	-	600,292	-	-	-	-
Mark-up accrued	-	-	-	108,275	-	-	-	-
Short term borrowings	-	-	-	1,327,639	-	-	-	-
Unclaimed dividend	-	-	-	16,081	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,994,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
----- (Rupees in '000) -----								
30 June 2022 (Audited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	259,873	10,173	-	270,046	270,046	-	-	270,046
- unlisted equity securities	511,029	-	-	511,029	-	206,250	304,779	511,029
	<u>770,902</u>	<u>10,173</u>	<u>-</u>	<u>781,075</u>	<u>270,046</u>	<u>206,250</u>	<u>304,779</u>	<u>781,075</u>
Financial assets not measured at fair value								
Deposits	-	-	44,348	44,348	-	-	-	-
Term deposit receipt	-	-	159,360	159,360	-	-	-	-
Trade debts	-	-	175,214	175,214	-	-	-	-
Loan to subsidiary	-	-	96,793	96,793	-	-	-	-
Other receivables	-	-	40,694	40,694	-	-	-	-
Bank balances	-	-	6,180	6,180	-	-	-	-
	<u>-</u>	<u>-</u>	<u>363,229</u>	<u>363,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Long term loans	-	-	-	163,167	-	-	-	-
Lease liabilities	-	-	-	88,981	-	-	-	-
Trade and other payables	-	-	-	830,857	-	-	-	-
Mark-up accrued	-	-	-	37,134	-	-	-	-
Short term borrowings	-	-	-	812,647	-	-	-	-
Unclaimed dividend	-	-	-	25,614	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,958,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

26.2 Valuation techniques and significant unobservable inputs

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

27. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 28th April 2023.



Chief Executive



Director



Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

**CONSOLIDATED
FINANCIAL
STATEMENTS**

FOR THE PERIOD ENDED 31 MARCH 2023

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 March 2023

	Note	Unaudited 31 March 2023	Audited 30 June 2022
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,178,176	2,107,634
Right-of-use-assets		120,443	109,556
Intangible assets		156,130	154,101
Investment properties		79,977	82,789
Investment in equity accounted investees	6	2,717,558	2,332,187
Other long term investments	7	704,440	756,132
Long term deposits	8	45,779	29,100
Deferred taxation - net		721,769	676,230
		<u>6,724,272</u>	<u>6,247,729</u>
Current assets			
Stores, spares and loose tools		282,556	170,746
Stock-in-trade	9	1,008,101	1,190,096
Trade debts	10	622,750	175,214
Advances	11	150,832	68,409
Trade deposits and short term prepayments		29,206	28,280
Short term investments	12	1,153,203	779,945
Other receivables	13	390,476	111,934
Taxation - net		656,342	689,800
Cash and bank balances		230,310	6,807
		<u>4,523,776</u>	<u>3,221,231</u>
Total assets		<u>11,248,048</u>	<u>9,468,960</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		1,050,821	1,050,980
Revenue reserves		<u>5,409,576</u>	<u>5,197,264</u>
		<u>7,236,722</u>	<u>7,024,569</u>
LIABILITIES			
Non-current liabilities			
Long term loans	14	576,172	50,382
Lease liabilities		84,216	66,759
Deferred income		4,067	686
		<u>738,017</u>	<u>191,389</u>
Current liabilities			
Trade and other payables	15	1,516,086	1,184,353
Unclaimed dividend		16,081	25,614
Mark-up accrued		109,341	38,824
Short term borrowings	16	1,349,503	861,162
Current portion of long term loans	14	270,276	112,785
Current portion of lease liabilities		11,436	22,222
Current portion of deferred income		586	8,042
		<u>3,273,309</u>	<u>2,253,002</u>
		<u>4,011,326</u>	<u>2,444,391</u>
Contingencies and commitments	17		
Total equity and liabilities		<u>11,248,048</u>	<u>9,468,960</u>

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


Chief Executive


Director


Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For the quarter and nine months ended 31 March 2023

	Note	Quarter ended		Nine months ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
----- (Rupees in '000) -----					
Sales	18	1,523,447	2,878,573	4,098,472	5,969,605
Less: Sales tax		249,880	421,519	608,424	871,854
		<u>1,273,567</u>	<u>2,457,054</u>	<u>3,490,048</u>	<u>5,097,751</u>
Cost of sales		918,495	2,405,705	3,124,326	4,966,267
Gross profit		<u>355,072</u>	<u>51,349</u>	<u>365,722</u>	<u>131,484</u>
Income from investments - net	19	17,972	26,970	13,007	329
		<u>373,044</u>	<u>78,319</u>	<u>378,729</u>	<u>131,813</u>
Distribution and selling expenses		4,899	4,723	18,210	11,833
Administrative expenses		98,950	100,664	265,423	248,183
Other operating expenses	20	12,336	3,759	12,336	44,094
		<u>116,185</u>	<u>109,146</u>	<u>295,969</u>	<u>304,110</u>
		<u>256,859</u>	<u>(30,827)</u>	<u>82,760</u>	<u>(172,297)</u>
Other income		16,295	13,758	46,145	46,142
Operating profit / (loss) before finance costs		<u>273,154</u>	<u>(17,069)</u>	<u>128,905</u>	<u>(126,155)</u>
Finance costs	21	94,031	66,527	242,751	188,128
Share of profit in equity accounted investees - net of taxation		163,987	95,447	385,530	136,836
Profit / (loss) before taxation		<u>343,110</u>	<u>11,851</u>	<u>271,684</u>	<u>(177,447)</u>
Taxation					
- current for the period		(19,187)	(28,679)	(54,257)	(156,198)
- current for prior year		-	-	782	-
- deferred		(46,475)	51,701	48,845	235,351
		<u>(65,662)</u>	<u>23,022</u>	<u>(4,630)</u>	<u>79,153</u>
Profit / (loss) for the period		<u>277,448</u>	<u>34,873</u>	<u>267,054</u>	<u>(98,294)</u>
Other comprehensive income / (loss) for the period					
Items that will not be reclassified subsequently to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		(18,900)	(7,095)	(54,742)	(54,165)
Items that will be reclassified subsequently to profit or loss					
Proportionate share of other comprehensive income / (loss) of equity accounted investees		-	-	(159)	815
		<u>(18,900)</u>	<u>(7,095)</u>	<u>(54,901)</u>	<u>(53,350)</u>
Total comprehensive income / (loss) for the period		<u>258,548</u>	<u>27,778</u>	<u>212,153</u>	<u>(151,644)</u>
----- (Rupees) -----					
Earnings / (loss) per share - Basic and diluted	22	3.57	0.45	3.44	(1.27)

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 nine months ended 31 March 2023

	Note	Nine months ended	
		31 March 2023	31 March 2022
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash used in from operations	23	(119,431)	(1,334,390)
Taxes refund received		(20,422)	19,467
Finance costs paid		(165,540)	(160,340)
Contribution to gratuity and pension funds		(22,220)	(19,113)
Contribution to Workers' Profit Participation Fund		(1)	(509)
Long term deposits - net		(14,984)	(2,162)
Net cash used in operating activities		(342,598)	(1,497,047)
Cash flows from investing activities			
Capital expenditure		(236,464)	(39,046)
Acquisition of intangible assets		(3,656)	(2,920)
Proceeds from disposal of operating fixed assets		18,654	11,367
Investments - net		(504,064)	(295,608)
Dividend income received		64,060	1,246,283
Interest income received		24,534	348
Net cash (used in) / generated from investing activities		(636,936)	920,424
Cash flows from financing activities			
Proceeds from / (repayments of) long term loans - net		683,281	(82,271)
Payments against finance lease obligations		(34,052)	(28,993)
Proceeds from short term loans obtained - net		498,662	567,232
Dividends paid		(9,533)	(14)
Net cash generated from financing activities		1,138,358	455,954
Net increase in cash and cash equivalents		158,824	(120,669)
Cash and cash equivalents at beginning of the period		(383,039)	(686,652)
Cash and cash equivalents at end of the period	24	(224,215)	(807,321)

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 nine months ended 31 March 2023

	Issued, subscribed and paid-up capital	Capital reserves		Total capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Others *		Fair value reserve	General reserve	Unappropriated profit		
(Rupees in '000)									
Balance as at 30 June 2021	776,325	1,020,908	29,256	1,050,164	72,063	3,642,000	2,427,868	6,141,931	7,968,420
Total comprehensive loss for the period									
Loss after taxation for the period	-	-	-	-	-	-	(98,294)	(98,294)	(98,294)
Other comprehensive loss									
Other comprehensive income / (loss) for the period	-	-	815	815	(54,165)	-	-	(54,165)	(53,350)
Total comprehensive loss for the period	-	-	815	815	(54,165)	-	(98,294)	(152,459)	(151,644)
Balance as at 31 March 2022	776,325	1,020,908	30,071	1,050,979	17,898	3,642,000	2,329,574	5,989,472	7,816,776
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 income for the period									
Profit after taxation for the period	-	-	-	-	-	-	267,054	267,054	267,054
Other comprehensive loss									
Other comprehensive loss for the period	-	-	(159)	(159)	(54,742)	-	-	(54,742)	(54,901)
Total comprehensive income for the period	-	-	(159)	(159)	(54,742)	-	267,054	212,312	212,153
Balance as at 31 March 2023	776,325	1,020,908	29,913	1,050,821	(46,009)	3,642,000	1,813,585	5,409,576	7,236,722

* 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 nine months ended 31 March 2023

1. THE GROUP AND ITS OPERATIONS

- 1.1** The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and its wholly owned subsidiary companies namely; CS Capital (Private) Limited, Solution de Energy (Private) Limited and Crescent Continental Gas Pipelines Limited.
- 1.2** The Holding Company was incorporated on 1 August 1983 as a public limited company in Pakistan under the repealed Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Holding Company and its subsidiaries companies are located at E- Floor, IT Tower, 73-E/1, Hali Road, Gulberg III, Lahore, where as its principal offices are situated at 9th floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi.
- 1.3** CS Capital (Private) Limited was incorporated on 5 November 2010 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now the 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 26th 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 repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as result of a 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** Crescent Continental Gas Pipelines Limited having share capital of Rs. 90 is not carrying on any business operations.
- 1.6** Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

- 2.1** These condensed interim consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017.

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

- 2.2 These condensed interim consolidated financial statements of the Group do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.
- 2.3 These condensed interim consolidated financial statements are presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.
- 2.4 These condensed interim consolidated financial statements are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

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

3.2 New Standards, Interpretations And Amendments Adopted By The Group

- 3.2.1 There were certain amendments to accounting and reporting standards which become 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 Accounting And Reporting Standards That Are Not Yet Effective

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited 31 March 2023	Audited 30 June 2022
----- (Rupees in '000) -----			
Operating fixed assets	5.1	1,916,246	1,922,295
Capital work-in-progress		261,930	185,339
		<u>2,178,176</u>	<u>2,107,634</u>

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

	Unaudited Nine months ended 31 March 2023		Unaudited Nine months ended 31 March 2022	
	Additions / Transfers	Disposals / Transfers (Cost)	Additions / Transfers	Disposals / Transfers (Cost)
----- (Rupees in '000) -----				
Plant and machinery - owned	84,481	1,903	365	12,000
Plant and machinery - leased	-	14,995	15,934	-
Electrical / office equipment and installation	8,855	1,193	745	4,150
Computers	2,472	-	1,882	372
Motor vehicles - owned	45,033	23,098	6,455	4,080
Motor vehicles - leased	34,030	1,099	5,670	-
	<u>179,343</u>	<u>42,288</u>	<u>31,051</u>	<u>20,602</u>

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited 31 March 2023	Audited 30 June 2022		Note	Unaudited 31 March 2023	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	2,717,558	2,332,187
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.1	-	-
Unquoted					
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.1	-	-
				<u>2,717,558</u>	<u>2,332,187</u>

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

Description	Note	31 March 2023			Total
		Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	
----- Rupees in '000 -----					
Opening balance as at 1 July 2022		2,332,187	-	-	2,332,187
Share of profit	6.2	385,530	-	-	385,530
Share of equity	6.2	(159)	-	-	(159)
Dividend received		-	-	-	-
Closing balance as at 31 March 2023		2,717,558	-	-	2,717,558

Description		30 June 2022			Total
		Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	
----- Rupees in '000 -----					
Opening balance as at 1 July 2021		3,429,031	-	-	3,429,031
Share of profit / (loss)		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 31 December 2022.

6.3 Percentage of holding of equity in associates is as follows

	Note	Unaudited 31 March 2023	Audited 30 June 2022
Altern Energy Limited	6.3.1	17.60	17.60
Shakarganj Limited	6.3.2	28.01	28.01
Crescent Socks (Private) Limited		48.99	48.99

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

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

6.4 The fair value of investments in associates as at 31 March 2023 is Rs. 2,068.425 million (30 June 2022: Rs. 3,294.910 million).

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 March 2023	Audited 30 June 2022
		(Rupees in '000)	
Fair value through other comprehensive income (FVOCI)	7.1	91,818	143,510
Fair value through profit or loss (FVTPL)	7.2 & 7.3	612,622	612,622
		<u>704,440</u>	<u>756,132</u>

- 7.1** This includes investment in Crescent Textile Mills Limited which are not held for trading and the Group has irrevocably designated at initial application of IFRS 9 to recognize in this category. This is strategic investment and management considers this classification to be more relevant. The accumulated fair value reserve related to this investment will never be reclassified to profit or loss.
- 7.2** This includes investments in Crescent Industrial Chemicals Limited and Crescent Bahuman Limited amounting to Rs. 10.470 million and Rs. 24.037 million, respectively, which had been fully charged to profit or loss in earlier periods.
- 7.3** This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 406.37 million and Rs. 206.25 million (30 June 2022: Rs 406.37 million and Rs. 206.25 million) respectively.

8. LONG TERM DEPOSITS

These include security deposit amounting to Rs. 29.993 million (30 June 2022: Rs. 18.119 million) to leasing companies.

9. STOCK-IN-TRADE

		Unaudited 31 March 2023	Audited 30 June 2022
		(Rupees in '000)	
Raw materials			
Hot rolled steel coils (HR Coil)		284,760	261,583
Coating materials		406,270	46,205
Remelting steel scrap		14,440	43,308
Others		195,697	132,806
Raw cotton		22,743	230,531
Stock-in-transit		-	280,917
		<u>923,910</u>	<u>995,350</u>
Work-in-process		11,105	19,076
Finished goods	9.1	72,884	167,556
Scrap / cotton waste		203	8,114
		<u>84,192</u>	<u>194,746</u>
		<u>1,008,102</u>	<u>1,190,096</u>

- 9.1** Stock in trade as at 31 March 2023 includes certain items valued at net realisable value (NRV). In respect of stock written down to NRV amounting to Rs. 7.296 million (30 June 2022: Reversal of Rs. 14.987 million) has been recognized in cost of sales.

10. TRADE DEBTS	Note	Unaudited 31 March 2023	Audited 30 June 2022
(Rupees in '000)			
Secured			
Considered good		-	40,867
Unsecured			
Considered good	10.1	586,535	134,347
Considered doubtful		19,553	19,553
		606,088	153,900
Impairment loss on trade debts		(19,553)	(19,553)
		586,535	175,214

11. ADVANCES

This includes advances amounting to Rs. 150.319 million (30 June 2022: Rs. 65.409 million) given to suppliers for goods and services.

12. SHORT TERM INVESTMENTS

12. SHORT TERM INVESTMENTS	Note	Unaudited 31 March 2023	Audited 30 June 2022
(Rupees in '000)			
At amortized cost	12.1	84,360	159,360
At fair value through profit or loss (FVTPL)	12.2	533,972	620,585
		618,332	779,945

12.1 This represents investment in term deposit receipt having markup rate of 15% per annum and maturing on 23 February 2024.

12.2 These comprise investments in ordinary shares of listed companies and units of mutual funds.

12.3 Investments having an aggregate market value of Rs. 1,093.951 million (30 June 2022: Rs. 1,398.021 million) have been pledged with financial institutions as security against financing facilities (see note 16.4) out of which Rs. 829.737 million (30 June 2022: Rs. 947.912 million) relates to long term investments.

13. OTHER RECEIVABLES	Note	Unaudited 31 March 2023	Audited 30 June 2022
----- (Rupees in '000) -----			
Dividend receivable		11,723	886
Provision there against		(885)	(886)
		<u>10,838</u>	<u>-</u>
Receivable against sale of investments		-	17,723
Provision there against		-	(17,723)
Receivable against sale of investments		-	-
Claim receivable		461	461
Due from related parties	13.1	4,091	5,179
Sales tax refundable		93,455	75,589
Margin on advance payment guarantee		263,763	15,350
Receivable from staff retirement benefits funds		12,243	12,242
Others		5,625	3,113
		<u>390,476</u>	<u>111,934</u>

13.1 Due from related parties

The Crescent Textile Mills Limited		214	386
Shakarganj Food Products Limited		3,542	3,893
Crescent Socks (Private) Limited		300	900
Premier Insurance Company Limited		35	-
		<u>4,091</u>	<u>5,179</u>

14. LONG TERM LOANS

Secured - shariah arrangement

Long Term Sukuk Certificates	14.1	800,000	-
Less: Transaction Cost	14.1.1	(4,705)	-
		<u>795,295</u>	<u>-</u>

Secured - Under non-shariah arrangement

Allied Bank Limited	14.2	18,087	72,350
Habib Metropolitan Bank Limited	14.3	-	55,945
JS Bank Limited	14.4	33,066	34,872
		<u>846,448</u>	<u>163,167</u>
Less: Current portion shown under current liabilities		<u>270,276</u>	<u>112,785</u>
		<u>576,172</u>	<u>50,382</u>

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

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

14.2 During the year ended 30 June 2017, the Holding Company entered into a loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.18 million (30 June 2022: 74.18 million) have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. During the period, the Holding Company has made repayment of Rs. 9.27 million (31 March 2022: Rs. 18.54 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2018, the Holding Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.05 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 year more 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. 36.18 million (31 March 2022: Rs. 18.54 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period ended 31 March 2023, The mark-up on such arrangements ranged from 8.88% to 9.86% (31 March 2022: 9.83% to 11.83%) per annum. These facilities are secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

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

The effective interest on such arrangements ranged from 8.68% to 10.16% per annum (31 March 2022: 8.68% to 10.16% per annum).

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

The effective interest on this arrangement is 8.49% (31 March 2022: 8.49%) per annum.

15. TRADE AND OTHER PAYABLES

	Note	Unaudited 31 March 2023	Audited 30 June 2022
----- (Rupees in '000) -----			
Trade creditors		86,056	116,917
Bills payable		-	288,726
Commission payable		650	1,922
Accrued liabilities		478,990	405,949
Advances from customers		561,439	23,705
Provisions		283,577	272,530
Due to related parties	15.1	18,181	9,739
Payable to provident fund		2,446	2,313
Payable to staff retirement benefit funds		2,800	2,296
Retention money		2,813	111
Withholding tax payable		7,303	1,738
Workers' Profit Participation Fund		9,419	2,395
Workers' Welfare Fund		6,944	6,944
Others		54,496	49,068
		<u>1,515,114</u>	<u>1,184,353</u>
15.1 Due to related parties			
Premier Insurance Company Limited		-	454
Staff Benevolent Fund		-	2
Shakarganj Limited		18,181	9,283
		<u>18,181</u>	<u>9,739</u>

16. SHORT TERM BORROWINGS	Note	Unaudited 31 March 2023	Audited 30 June 2022
----- (Rupees in '000) -----			
Secured from banking companies			
Running finances under mark-up arrangements	16.1	454,525	464,846
Short term loans	16.2	894,978	396,316
		<u>1,349,503</u>	<u>861,162</u>

16.1 Running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,350 million (30 June 2022: Rs. 1,300 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million) and Rs. 100 million (30 June 2022: Rs. 150 million) and Rs. 300 million (30 June 2022: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 17.03% to 24.01% (31 March 2022: 10.98% to 11.99%) per annum.

16.2 Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,950 million (30 June 2022: Rs. 3,950 million) out of which Rs. 3,150 million (30 June 2022: Rs. 3,150 million), Rs. 350 million (30 June 2022: Rs. 350 million) and Rs. 205 million (30 June 2022: Rs. 205 million) are interchangeable with letters of credit, short-term running finance facility and letters of guarantee facility, respectively. During the period, the mark-up on such arrangements ranged from 17.03% to 24.01% (31 Mar 2022: 10.98% to 11.85%) per annum.

16.3 The facilities for opening letters of credit amounted to Rs. 4,750 million (30 June 2022: Rs. 4,750 million) out of which Rs. 300 million (30 June 2022: Rs. 300 million), Rs. 3,150 million (30 June 2022: Rs. 3,150 million) and Rs. 205 million (30 June 2022: Rs. 305 million) are interchangeable with short term running finance, short term loans and letters of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 31 March 2023 amounted to Rs. 2,579.60 million (30 June 2022: Rs. 2,042.90 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2023 were Rs. 4,446 million and Rs. 442.15 million (30 June 2022: Rs. 4,507.62 million and Rs. 470.03 million), respectively.

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

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

17.2 Commitments

17.2.1 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 2,137.45 million (30 June 2022: Rs. 1,572.87 million). These include guarantees issued by Islamic banks amounting to Rs. 214.59 million (30 June 2022: Rs. 153.59 million).

17.2.2 Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 March 2023 amounted to Rs. 10.67 million (30 June 2022: Rs. 14.62 million).

17.2.3 Commitments under letters of credit as at 31 March 2023 amounted to Rs. 304 million (30 June 2022: Rs. 228.49 million).

18. SALES	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		----- (Rupees in '000) -----			
Local sales					
Bare pipes	18.1	500,063	43,494	1,914,630	1,151,875
Steel billets		-	1,600,823	-	1,750,010
Pipe coating		-	-	16,331	50,920
Pre coated pipes		704,529	5,515	745,748	82,003
Cotton yarn / raw cotton		214,454	644,367	1,111,815	2,101,505
Electricity sales		-	230,086	-	266,407
Steam sales		-	274,485	-	332,827
Others		14,076	59,573	132,904	161,769
Scrap / waste		90,325	20,230	177,044	72,289
		1,523,447	2,878,573	4,098,472	5,969,605
Sales tax		(249,880)	(421,519)	(608,424)	(871,854)
		1,273,567	2,457,054	3,490,048	5,097,751

18.1 This is presented net of liquidated damages amounting to Rs. Nil million (31 March 2022: Rs. 25.23 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. INCOME FROM INVESTMENTS - NET	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		----- (Rupees in '000) -----			
Dividend income	19.1	25,890	26,506	74,898	63,404
Gain / (loss) on sale of FVTPL investments - net	19.2	(848)	(9,632)	11,355	(8,186)
Unrealized (loss) / gain on FVTPL investments - net	19.3	(9,004)	7,955	(79,046)	(60,811)
Rent from investment properties	19.5	1,934	2,141	5,800	5,922
		17,972	26,970	13,007	329

19.1 This includes Rs. 34.15 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 1.23 million incurred on sale of investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 62.68 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 properties amounted to Rs. 3.20 million (31 March 2022: Rs. 7.596 million).

20. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- (Rupees in '000) -----			
Exchange loss	4,151	1,518	4,151	32,349
Provision for:				
Workers' Profit Participation Fund	7,024	1,430	7,024	10,282
Slow moving stores, spares and loose tools	-	811	-	1,463
	<u>12,336</u>	<u>3,759</u>	<u>12,336</u>	<u>44,094</u>

21. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- (Rupees in '000) -----			
Mark-up on short term loans - Shariah arrangement	10,629	14,968	30,627	42,521
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,522	2,439	6,682	7,067
- long term loan	37,892	5,082	77,998	16,590
- running finances / short term loans	43,223	43,345	125,188	116,525
Discounting of lease deposit	-	-	-	375
Bank charges	290	693	2,252	5,046
	<u>94,556</u>	<u>66,527</u>	<u>242,747</u>	<u>188,124</u>

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

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- (Rupees in '000) -----			
Profit / (loss) for the period	<u>277,448</u>	<u>34,873</u>	<u>267,054</u>	<u>(98,294)</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
	----- (Rupees) -----			
Earnings / (Loss) per share - Basic and diluted	<u>3.57</u>	<u>0.45</u>	<u>3.44</u>	<u>(1.27)</u>

23. CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	Unaudited	
		Nine months ended	
		31 March 2023	31 March 2022
		----- (Rupees in '000) -----	
Profit / (loss) before taxation		271,684	(177,447)
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		173,223	154,617
Amortization of intangible assets		1,627	1,725
Charge for the period on staff retirement benefit funds		22,723	19,364
Dividend income		(74,898)	(63,404)
Unrealized loss on FVTPL investments - net		79,046	60,811
(Gain) / loss on sale of FVTPL investments - net		(11,355)	8,186
Provision for stores, spares and loose tools - net		(3,856)	652
Reversal of provision for doubtful trade debts		-	(800)
Provision for Workers' Profit Participation Fund		7,024	10,282
Return on deposits		(24,534)	(1,064)
Gain on disposal of operating fixed assets		(7,356)	(85)
Deferred income		(4,075)	(7,053)
Discounting on long term deposit		-	375
Unwinding of discount on long term deposit		(1,982)	(18,442)
Liabilities written back		-	(9,397)
Finance costs		242,751	187,753
Share of profit from equity accounted investees - net of taxation		(385,530)	(136,836)
Working capital changes	23.1	(403,923)	(1,363,627)
		(119,431)	(1,334,390)
23.1 Working capital changes			
<i>(Increase) / decrease in current assets</i>			
Stores, spares and loose tools		(107,954)	11,296
Stock-in-trade		181,995	365,179
Trade debts		(447,536)	97,563
Advances		(82,423)	(161,575)
Trade deposits and short term prepayments		(639)	(9,597)
Other receivables		(268,106)	(31,690)
		(724,663)	271,176
<i>Increase in current liabilities</i>			
Trade and other payables		320,740	48,356
		(403,923)	319,532
24. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(454,525)	(822,806)
Cash and bank balances		230,310	15,485
		(224,215)	(807,321)
25. SEGMENT REPORTING			
25.1 Reportable segments			
The Group's reportable segments are as follows:			
- Steel segment - It comprises of manufacturing and coating of steel pipes.			
- Cotton segment - It comprises of manufacturing of yarn.			
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).			
- Energy segment - It comprises of generating and supplying electricity/power.			
- Hadeed (Billet) segment - It comprises of manufacturing billets.			
Information regarding the Group's reportable segments is presented below:			

25.2 Segment revenues and results

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

For the nine months ended 31 March 2023	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
	(Rupees in '000)						
Sales - net	2,420,962	975,061	-	94,025	-	-	3,490,048
Cost of sales	1,908,971	1,027,118	46,984	141,253	-	-	3,124,326
Gross profit / (loss)	511,991	(52,057)	(46,984)	(47,228)	-	-	365,722
Income from investments	-	-	-	-	13,007	-	13,007
	511,991	(52,057)	(46,984)	(47,228)	13,007	-	378,729
Distribution and selling expenses	13,744	3,169	-	1,297	-	-	18,210
Administrative expenses	197,979	35,859	844	12,615	18,126	-	265,423
Other operating expenses	7,701	644	-	2,830	1,161	-	12,336
	219,424	39,672	844	16,742	19,287	-	295,969
	292,567	(91,729)	(47,828)	(63,970)	(6,280)	-	82,760
Other income	40,560	5,585	-	-	-	-	46,145
Operating profit / (loss) before finance costs	333,127	(86,144)	(47,828)	(63,970)	(6,280)	-	128,905
Finance costs	214,423	18,127	-	6,077	4,124	-	242,751
Share of profit in equity accounted investees - net of taxation	-	-	-	-	385,530	-	385,530
Profit / (loss) before taxation	118,704	(104,271)	(47,828)	(70,047)	375,126	-	271,684
Taxation							(4,630)
Profit for the period							267,054

For the nine months ended 31 March 2022	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
	(Rupees in '000)						
Sales - net	1,260,703	1,817,555	590,947	1,507,327	-	(78,781)	5,097,751
Cost of sales	1,376,176	1,568,006	594,985	1,505,881	-	(78,781)	4,966,267
Gross (loss) / profit	(115,473)	249,549	(4,038)	1,446	-	-	131,484
Income from investments - net	-	-	-	-	329	-	329
	(115,473)	249,549	(4,038)	1,446	329	-	131,813
Distribution and selling expenses	8,079	2,736	-	1,018	-	-	11,833
Administrative expenses	172,070	31,765	5,719	19,176	19,453	-	248,183
Other operating expenses	22,479	13,752	-	7,863	-	-	44,094
	202,628	48,253	5,719	28,057	19,453	-	304,110
	(318,101)	201,296	(9,757)	(26,611)	(19,124)	-	(172,297)
Other income	29,719	15,405	1,018	-	-	-	46,142
Operating (loss) / profit before finance costs	(288,382)	216,701	(8,739)	(26,611)	(19,124)	-	(126,155)
Finance costs	132,536	21,334	-	30,394	3,864	-	188,128
Share of profit in equity accounted investees - net of taxation	-	-	-	-	136,836	-	136,836
(Loss) / profit before taxation	(420,918)	195,367	(8,739)	(57,005)	113,848	-	(177,447)
Taxation							79,153
Loss for the period							(98,294)

25.2.1 Revenue reported above represents revenue generated from external customers and inter-segment sales of electricity by Energy Segment to Hadeed (Billet) Segment of Rs. Nil million (31 March 2022: Rs. 78.78 million).

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

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

25.3 Revenue from major products and services

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

25.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 2,288.353 million (31 March 2022: Rs. 2,591.828 million) of total Steel segment revenue of Rs. 2,420.962 million (31 March 2022: Rs. 1,260.703 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil million (31 March 2022: Rs. 490.056 million) of total Cotton segment revenue of Rs. 975.061 million (31 March 2022: Rs. 1,817.555 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (31 March 2022: Rs. 458.316 million) of total Energy segment revenue of Rs. Nil (31 March 2022: Rs. 590.947 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil (31 March 2022: Rs. 1,190.646 million) of total Hadeed (Billet) segment revenue of Rs. 94.025 million (31 March 2022: Rs. 1,507.327 million).

25.5 Geographical information

25.5.1 All non-current assets of the Group as at 31 March 2023 and 30 June 2022 were located and operating in Pakistan.

25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
As at 31 March 2023 - Unaudited						
Segment assets for reportable segments	3,617,768	262,406	637,796	708,794	1,349,771	6,576,535
Investment in equity accounted investees	-	-	-	-	2,717,558	2,717,558
Unallocated corporate assets						1,953,955
Total assets as per consolidated statement of financial position						<u>11,248,048</u>
Segment liabilities for reportable segments	1,311,295	124,764	83,637	104,062	35,330	1,659,088
Unallocated corporate liabilities and deferred income						2,352,238
Total liabilities as per consolidated statement of financial position						<u>4,011,326</u>
As at 30 June 2022 - Audited						
Segment assets for reportable segments	1,982,178	539,559	775,478	927,419	1,613,018	5,837,652
Investment in equity accounted investees	-	-	-	-	3,429,031	3,429,031
Unallocated corporate assets						1,512,194
Total assets as per consolidated statement of financial position						<u>10,778,877</u>
Segment liabilities for reportable segments	568,762	164,977	77,680	52,840	33,614	897,873
Unallocated corporate liabilities and deferred income						1,912,584
Total liabilities as per consolidated statement of financial position						<u>2,810,457</u>

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

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

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

25.7 Other segment information

	Unaudited					
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
For the nine months ended 31 March 2023						
Capital expenditure	204,271	2,250	3,657	16,099	-	226,277
Depreciation and amortization	69,735	17,753	45,026	38,675	3,661	174,850
Non-cash items other than depreciation and amortization	199,445	19,989	1	6,179	(387,656)	(162,042)
For the nine months ended 31 March 2022						
Capital expenditure	41,144	975	2,383	-	-	44,502
Depreciation and amortization	55,049	21,970	45,548	40,474	3,450	166,491
Non-cash items other than depreciation and amortization	153,885	11,219	239	17,530	(569,371)	(386,498)

26. TRANSACTIONS WITH RELATED PARTIES

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months ended	
			31 March 2023	31 March 2022
			----- (Rupees in '000) -----	
Altern Energy Limited	Associated company	Dividend income	-	1,187,399
		Dividend received	-	1,187,399
Shakarganj Limited	Associated company	Sales of electricity and steam	-	512,166
		Services received	-	-
		Sale of polyester / cotton	-	45,270
		Reimbursable expenses	7,541	5,059
		Sale of assets	-	46,000
		Advance given for raw material	-	94,070
		Payment received	-	80,985
		Purchase of raw material	-	540,638
		Payment made	-	23,762
Shakarganj Food Products Limited	Related party	Reimbursable expense	-	2,121
		Rent	1,881	2,534
		Services Rendered	2,313	-
		Receiving of services	2,045	-
		Expenses incurred on behalf of the company	-	1,849
		Payments received	2,500	1,500
The Crescent Textile Mills Limited	Associated company	Rent	1,379	3,417
		Payment received	2,485	4,433
		Reimbursable expense	933	1,012
Crescent Socks (Private) Limited	Related party	Services given	900	900
		Rent	1,500	800
The Citizens' Foundation*	Related party	Donation given	13,723	26,051
Indus Valley School of Arts and Architecture	Related party	Donation given	-	2,500
CSAP Foundation *	Related party	Donation given	-	48
Pakistan Centre for Philanthropy *	Related party	Donation given	-	3,000
Premier Insurance Limited*	Related party	Receiving of services	6,855	4,757
		Payments made	7,259	4,541
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	3	18
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	-	1,815
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	-	557
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	6,424	5,469
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	16,238	13,895
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	10,387	7,415
Key management personnel	Related parties	Remuneration and benefits	137,055	121,888
	Chairman of the Board	Related party	Honorarium	1,350
Directors	Related parties	Meeting fee	1,585	1,175

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

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

27. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

31 March 2023 (Unaudited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----								
On-balance sheet								
financial instruments								
Financial assets								
measured at fair value								
Investment								
- Listed equity securities	618,332	91,818	-	710,150	710,150	-	-	710,150
- Unlisted equity securities	612,622	-	-	612,622	-	206,250	406,372	612,622
	1,230,954	91,818	-	1,322,772	710,150	206,250	406,372	1,322,772
Financial assets not								
measured at fair value								
Deposits	-	-	64,368	64,368	-	-	-	-
Trade debts	-	-	622,750	622,750	-	-	-	-
Term deposit receipt	-	-	84,360	84,360	-	-	-	-
Other receivables	-	-	284,778	284,778	-	-	-	-
Bank balances	-	-	226,603	226,603	-	-	-	-
	-	-	1,367,219	1,367,219	-	-	-	-
Financial liabilities not								
measured at fair value								
Long term loans	-	-	846,448	846,448	-	-	-	-
Lease liabilities	-	-	95,652	95,652	-	-	-	-
Trade and other payables	-	-	647,404	647,404	-	-	-	-
Mark-up accrued	-	-	109,341	109,341	-	-	-	-
Short term borrowings	-	-	1,349,503	1,349,503	-	-	-	-
	-	-	3,048,348	3,048,348	-	-	-	-

30 June 2022 (Audited)

	Carrying amount				Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
On-balance sheet									
financial instruments									
Financial assets									
measured at fair value									
Investment									
- Listed equity securities	779,945	143,510	-	-	923,455	923,455	-	-	923,455
- Unlisted equity securities	612,622	-	-	-	612,622	-	206,250	406,372	612,622
	<u>1,392,567</u>	<u>143,510</u>	<u>-</u>	<u>-</u>	<u>1,536,077</u>	<u>923,455</u>	<u>206,250</u>	<u>406,372</u>	<u>1,536,077</u>
Financial assets not measured at fair value									
Deposits	-	-	47,393	-	47,393	-	-	-	-
Term deposit receipt	-	-	159,360	-	159,360	-	-	-	-
Trade debts	-	-	175,214	-	175,214	-	-	-	-
Other receivables	-	-	24,103	-	24,103	-	-	-	-
Bank balances	-	-	6,317	-	6,317	-	-	-	-
Cash	-	-	490	-	490	-	-	-	-
	<u>-</u>	<u>-</u>	<u>412,877</u>	<u>-</u>	<u>412,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Long term loan	-	-	-	163,167	163,167	-	-	-	-
Lease liabilities	-	-	-	88,981	88,981	-	-	-	-
Trade and other payable	-	-	-	891,006	891,006	-	-	-	-
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>2,068,754</u>	<u>2,068,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

27.1 Valuation techniques and significant unobservable inputs

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

28. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 28th April 2023.



Chief Executive



Director



Chief Financial Officer

