

1st Quarterly  
Report 2024



Crescent Steel and  
Allied Products Limited

**CANVAS  
OF CHANGE**  
UNFOLDING ART MOVEMENTS

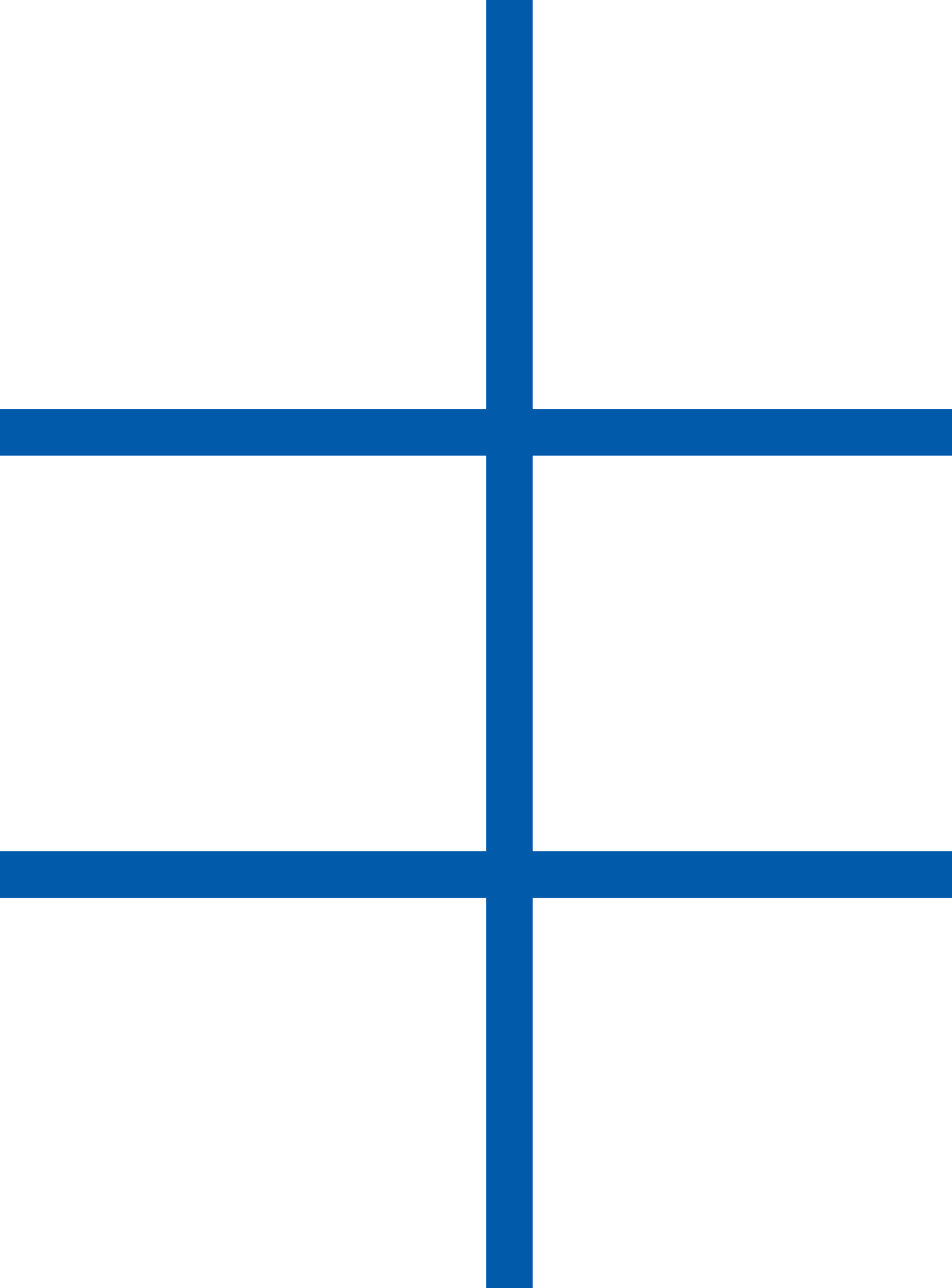
# CANVAS OF CHANGE

This year's theme explores the interplay between art and society, demonstrating how art movements have consistently mirrored the evolving faces of culture and community across centuries.

From the Renaissance to modern street art, these expressions echo historical events and serve as poignant commentaries on societal issues.

This journey through time transports us through various epochs, each art movement encapsulating its era's prevailing values, challenges, and aspirations, offering a glimpse into the narrative of human progress.

Exploring the "Canvas of Change," we discover artistic expressions and the desire for and commitment to progress and innovation. We embrace the ever-evolving narrative of human development, offering a glimpse into the limitless potential for positive change in our company and the world."



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# COMPANY PROFILE

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

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

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

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

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

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

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

## COTTON DIVISION – COTTON YARN SPINNING UNIT

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

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

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

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

## INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

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

## CS ENERGY DIVISION

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

Initially equipped with a 15MW co-generation, thermal generation power plant at Bhone, Punjab, 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 uses 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**  
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 Commercial Operations

**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

\* Year of Joining



## SHARIAH COMPLIANT

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

## 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

\*\*Registered Office and Principal office are same as Holding Company

## 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@crecident.com.pk](mailto:abdul.rouf@crecident.com.pk)

## CRESCENT HADEED DIVISION BILLET MANUFACTURING UNIT

59 Kilometer, Jhang Sargodha Road,  
Bhone, District Jhang  
Tel: +92 48 6889 210 - 12  
Email: [hasan@crecident.com.pk](mailto:hasan@crecident.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. Azeem Sarwar**  
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](mailto:company.secretary@crecident.com.pk)

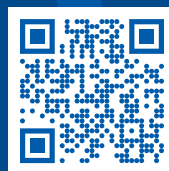
## SHARE REGISTRAR

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](mailto:info@corptec.com.pk)

## CORPORATE WEBSITE

To visit our website, go to [www.crescent.com.pk](http://www.crescent.com.pk)



## FINANCIAL STATEMENT

For 1st Quarterly Report 2024 go to:  
[https://crecident.com.pk/uploads/media/  
quarterly-report-september-2023.pdf](https://crecident.com.pk/uploads/media/quarterly-report-september-2023.pdf)



# POST- IMPRESSIONISM

1886 -  
1905

## VINCENT VAN GOGH

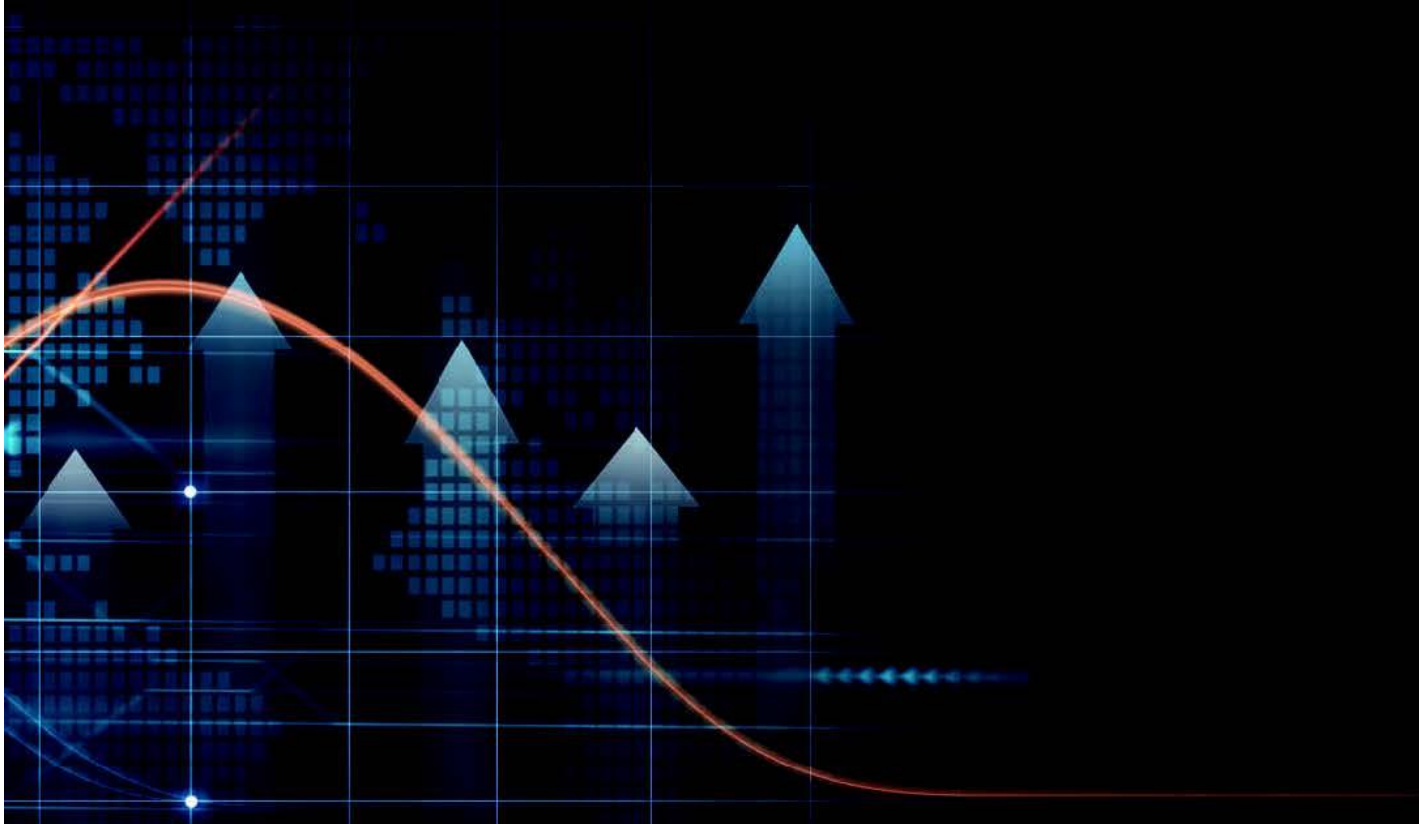
**Title:** The Starry Night

Van Gogh's night sky is a field of roiling energy. Below the exploding stars, the village is a place of quiet order. Connecting earth and sky is the flamelike cypress, a tree traditionally associated with graveyards and mourning. But death was not ominous for van Gogh. "Looking at the stars always makes me dream," he said, "Why, I ask myself, shouldn't the shining dots of the sky be as accessible as the black dots on the map of France? Just as we take the train to get to Tarascon or Rouen, we take death to reach a star."

Source: <https://artsandculture.google.com/asset/the-starry-night-vincent-van-gogh/bgEuwDxel93-Pg>







**CRESCENT STEEL AND ALLIED PRODUCTS LIMITED**

# **DIRECTORS' REPORT**

**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

# 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 three months period ended September 30, 2023.**

## ECONOMIC OUTLOOK

Pakistan closed FY23 with a GDP growth rate of 0.29% and Inflation of 29.4% YoY resulting in an average of 29.12% for the July-June 2023. As per World Bank estimates, growth is expected to stay subdued as real GDP of Pakistan is anticipated at 1.7% in FY24 and Core Inflation estimates hover at 26.5%. In compliance with the IMF agreement, the relentless escalation of electricity and fuel prices continued throughout the quarter; almost up by 20% YoY in September 2023. Additionally, as the country grapples with a low demand and growth environment, and a staggering inflation rate nearing 30%, the imposing 22% interest rate, introduced to curb inflation, is disrupting the business environment without achieving the intended goal. The Pakistani rupee has experienced a significant decline of approximately 39.61% in its value during FY23. Furthermore, inadequate FX reserves, with the State Bank of Pakistan holding a mere USD 7.61 billion, while over USD 20.81 billion are needed to manage debt obligations, highlight the continued need for external financing.

Stepping into Q1FY24 with the IMF review approaching next month, the GoP will seek to make further progress on agreed structural reforms, particularly in the energy sector to unlock the next tranche of USD 0.71 billion.

We saw a sustained decline in headline inflation from a record high of 38% in May to 28.3% in July 2023 and 27.4% in August 2023 however, the increasing power tariffs eventually caught up and CPI clocked in at 31.4% YoY for the month of September 2023

(September 2022: 23.2%). On average, CPI Inflation stood at 29.04% for the 1QFY24 when compared to 25.11% in 1QFY23.

Following a surplus in the outgoing quarter, the Current Account balance turned negative during July-Aug FY24, majorly driven by a surge in imports due to ease of LC conditions in line with IMF and subpar worker remittances. In Aug'23, Current Account Deficit clocked in at \$160 million down by 79.33% or \$614 million on a YoY basis while CAD registered for Jul-Aug 2023 was USD 935 million against USD 2.04 billion in the SPLY indicating a dip of 54.05% or USD 1.1 billion.

During the quarter under review, PKR experienced substantial volatility where August witnessed a wide spread of nearly 9% between the interbank and open market dollar rates as opposed to the 1.25% benchmark recommended by IMF. Continued downward trajectory of Pak Rupee resulted to a record low of 305/USD however, administrative measures taken by the caretaker government mainly crackdown to curtail the illegal activity in the exchange market resulted in a sharp appreciation of PKR which closed at 287.74 at quarter end.

The trade deficit for July-Aug of fiscal year 2024 stood at USD 4.41 billion against USD 6.69 billion in the SPLY depicting a decline of 34.09% or USD 2.281 billion. During July-Aug 2023 period, Exports (USD 5.8 billion) covered half of the import bill and plunged by 6.38% from USD 6.06 billion in the SPLY. Similarly, Imports were slashed by 20.92% from USD 12.75 billion in July-Aug'22 to USD 10.09 billion in July-Aug'23.

Total Liquid Foreign Reserves clocked in at USD 13.03 billion at quarter end against USD 9.18 billion at June 30, 2023 – this was despite foreign inflows from IMF, UAE, and Saudi Arabia accounting for USD 4.2 billion. As at September 28, 2023, Reserves with SBP stands at USD 7.61 billion and Reserves with Commercial Banks stands at USD 5.41 billion as compared to USD 4.57 billion and USD 4.71 billion at June 30, 2023, respectively.

## FINANCIAL AND OPERATIONAL PERFORMANCE

### Overall Unconsolidated Financial Performance

Company's sales revenue for the quarter ended September 30, 2023 (Q1FY24) stood at Rs. 1,346.8 million (Q1FY23: Rs. 1,005.7 million). Cost of Goods sold stood at Rs. 1,020.1 million (Q1FY23: Rs. 1,100.3) generating a Gross Profit (GP) of Rs. 326.7 million [Q1FY23 Gross Loss (GL) of Rs. 94.6 million] which was 24.3 percent of sales as compared to a negative margin of 9.4 percent in Q1FY23.

Quarterly performance was majorly represented by the Steel Division where revenue for the Q1FY24 amounted to Rs.1,346.8 million (Q1FY23: Rs.487.3 million). On a deemed revenue basis the Company's overall revenue for Q1FY24 amounted to Rs. 4,134 million.

During Q1FY24, GP of the Steel division amounted to Rs. 374.3 million (Q1FY23: GL of Rs. 30.9 million). The Steel Division reported Profit Before Tax (PBT) of Rs. 180.5 million [Q1FY23 Loss Before Tax (LBT): Rs. 121.1 million]. IID Division reported a PBT of Rs. 308.4 million (Q1FY23 LBT: Rs. 3.5 million) mainly due to the dividend income of Rs. 291.2 million including dividend from Altern Energy Limited amounting to Rs. 285.1 million.

Cotton Division, Hadeed (Billet) Division and CS Energy Division were not operational during the quarter as it was not viable to operate the Plants. Cotton Division reported LBT of Rs. 40.7 million whereas Hadeed (Billet) Division and CS Energy Division posted a combined LBT of Rs. 34.7 million primarily on account of fixed costs

incurred during the period including non-cash (depreciation & amortization expense) of Rs. 32.3 million.

The Company's PBT for Q1FY24 was Rs. 413.6 million as compared to LBT of Rs. 143.7 million in Q1FY23. Tax charge during Q1FY24 amounted to Rs. 88.5 million (current tax charge of Rs. 62.0 million including Super tax of Rs. 21.6 million while deferred tax charge amounted to Rs. 26.5 million).

The Company's after-tax profit amounted to Rs. 325.1 million as compared to an after-tax loss of Rs. 143.7 million in Q1FY23. Earnings per Share (EPS) for Q1FY24 were Rs. 4.19 per share as compared to Loss per Share (LPS) of Rs. 1.85 in Q1FY23.

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

- Sales revenue increased 33.9% to Rs. 1,346.8 million as compared to Rs. 1,005.7 million in Q1FY23.
- Income from Investments amounted to Rs. 317.1 million as compared to Rs. 1.1 million in Q1FY23.
- Gross profit of Rs. 326.7 million as compared to a gross loss of Rs. 94.6 million in Q1FY23.
- Profit before interest and tax (PBIT) for Q1FY24 was Rs. 543.5 million as compared to Loss before interest and tax (LBIT) Rs. 150.7 million in Q1FY23.
- Profit before interest, tax, depreciation, and amortization (EBITDA) was Rs. 602.4 million as compared to Loss before interest, tax, depreciation, and amortization (LBITDA) of Rs. 94.0 million in Q1FY23.
- EPS for Q1FY24 was Rs. 4.19, as compared to LPS of Rs. 1.85 for Q1FY23.
- Return on average capital employed (annualized) was 15.3 percent for Q1FY24 as compared to negative 2.7 percent in the corresponding period last year.

## BUSINESS SEGMENTS

### Steel Segment

Steel Division revenue for Q1FY24 amounted to Rs. 1,346.8 million (Q1FY23: Rs. 487.3 million). GP for the Q1FY24 recorded at Rs. 374.3 million i.e. 27.8% (Q1FY23: gross loss of Rs. 30.9 million i.e. - 6.3%). PBT for the period stood at Rs. 180.5 million (Q1FY23: LBT of Rs. 121.1 million).

We supplied 22 Kms of Coated Steel Line Pipes in diameters of 16" and 20" to Gas Sector. In the same period, we supplied 13 Kms of 84" diameter coated steel line pipes for supplies to the K-IV Greater Karachi Bulk Water Supply Project. The revenue excludes the cost of HRC supplied by the customer. The deemed revenue in the quarter, as such, was Rs. 4,134.2 million.

### IID Segment

#### Market Review

Despite economic downturn prevailing in the economy with policy rate at 22%, headline inflation peaking at 31.4% at quarter end and a depreciating PKR, the benchmark bourse was marked by strong performance during the 1QFY24 posting double digit growth after 11 quarters. The bullish sentiment of the investors was majorly driven by the approval of SBA with IMF that unlocked dollar inflows from IMF and other bilateral and multilateral lenders /grantors along with robust corporate sector earnings and dividend payouts earnings for FY23 (payout stood at 42% of earnings up by 3% YoY while profit growth of the corporate sector was recorded at PKR 1.2trillion or up 16% YoY). As per Bloomberg, the benchmark bourse ranked the sixth best performing market at a 12% QoQ growth.

The KSE-100 index opened FY24 at 41,452.69, gaining 4,779.90 points or 11.53%, to settle at 46,232.59 on 30th September 2023. On a CY basis, the benchmark bourse gained 6,485.24 points or 16.32% from its opening at 39,747.35 on 1st January 2023. For the first time since June 2021, KSE-100 hit the 48,764.55 mark on 2nd August 2023 up by 17.64% from its closing on 30th June 2023, the index however, remained

volatile posting a low-hi of 41,452.69 - 48,764.69.

The all-share market capitalization, currently standing at PKR 6.88 trillion, witnessed an increase of 2.96% and 5.23% on a FYTD and CYTD basis. On a QoQ basis, all share market capitalization surged by 8.10% or 517.10 billion. Similarly, KSE-100 benchmark market capitalization during the quarter ended stood at PKR 1.59 trillion-up by 7.81% or 115.45 billion (7.16% in USD terms) on a QoQ basis - primarily as the PKR/USD remained largely stable.

#### Segment Performance

The portfolio's accumulated PBT for the period ended September 30, 2023, stood at Rs. 308.43 million, as against the LBT of Rs. 3.5 million in the corresponding period last year. This translates into a per share addition of Rs. 3.97 to the Company bottom line.

The PBT includes unrealised gain Rs. 22.7 million, Dividend income for the period stood at Rs. 291.2 million, including Dividend income from strategic investments in Altern Energy Limited of Rs. 285.11 million.

During Q1FY24, the division's HFT investments recorded a positive ROI of 12.44% on weighted average investments of Rs. 217.6 million whereas the benchmark KSE-100 index increased by 11.53%. Dividend yield for the first quarter from the HFT portfolio stands at 2.54% ceteris paribus.

#### UNCONSOLIDATED BALANCE SHEET

Balance sheet footing stood at Rs. 10,941.5 million as of September 30, 2023, compared to Rs 9,948.3 million on June 30, 2023. Break-up value per share increased to Rs. 83.0 from Rs. 78.8 as at June 30, 2023.

The current ratio increased to 1.34, as compared to 1.28 as at June 30, 2023. Gearing ratio (including short-term borrowings) slightly decreased to 24.7% as compared to 24.9% as at June 30, 2023. Interest cover for Q1FY24 was 4.2 times (Q1FY23: negative 2.5 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. 294.6 million (Q1FY23: loss of Rs. 153.3 million). Consolidated profit after tax for the Group for Q1FY24 was Rs. 279.4 million as compared to loss after tax of Rs. 96.7 million in Q1FY23. Net share of profit from equity-accounted associates amounted to Rs. 199.0 million (Q1FY23: Rs. 55.9 million).

Consolidated EPS of the Group for Q1FY24 was Rs. 3.60 per share as compared to LPS of Rs. 1.25 per share respectively in the corresponding period last year.

## CONSOLIDATED BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 12,239.3 million, compared to Rs. 11,302.6 million as at June 30, 2023. Total shareholders' fund increased to Rs. 7,700.8 million from Rs. 7,426.1 million as at June 30, 2023.

## 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 during preceding quarters, which has precipitated a major slowdown in economic activity across the board. This coupled with regressive import contraction policies, 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. 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 during FY24 and may impede our ability to execute projects in hand, while influencing the velocity with which new projects are issued. Import curbs have significantly exposed us to supply side shocks and are a major risk to processing orders in hand.

Current situation in middle east as the potential of engulfing the region into the conflict; and We fear that may have a significant impact in terms of price volatility and supply disruptions for some time. Commodity markets, specifically crude and petrochemical product prices, have already risen in response.

In Q2FY24, we shall conclude balance quantities against our in-process orders of K-IV Greater Karachi Bulk Water Supply Project and gas sector for different diameter pipes. In addition, we will execute in-hand orders for bare pipe for gas company and coating only order.

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 FY25.

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

October 26, 2023

# STREET ART 1970.....

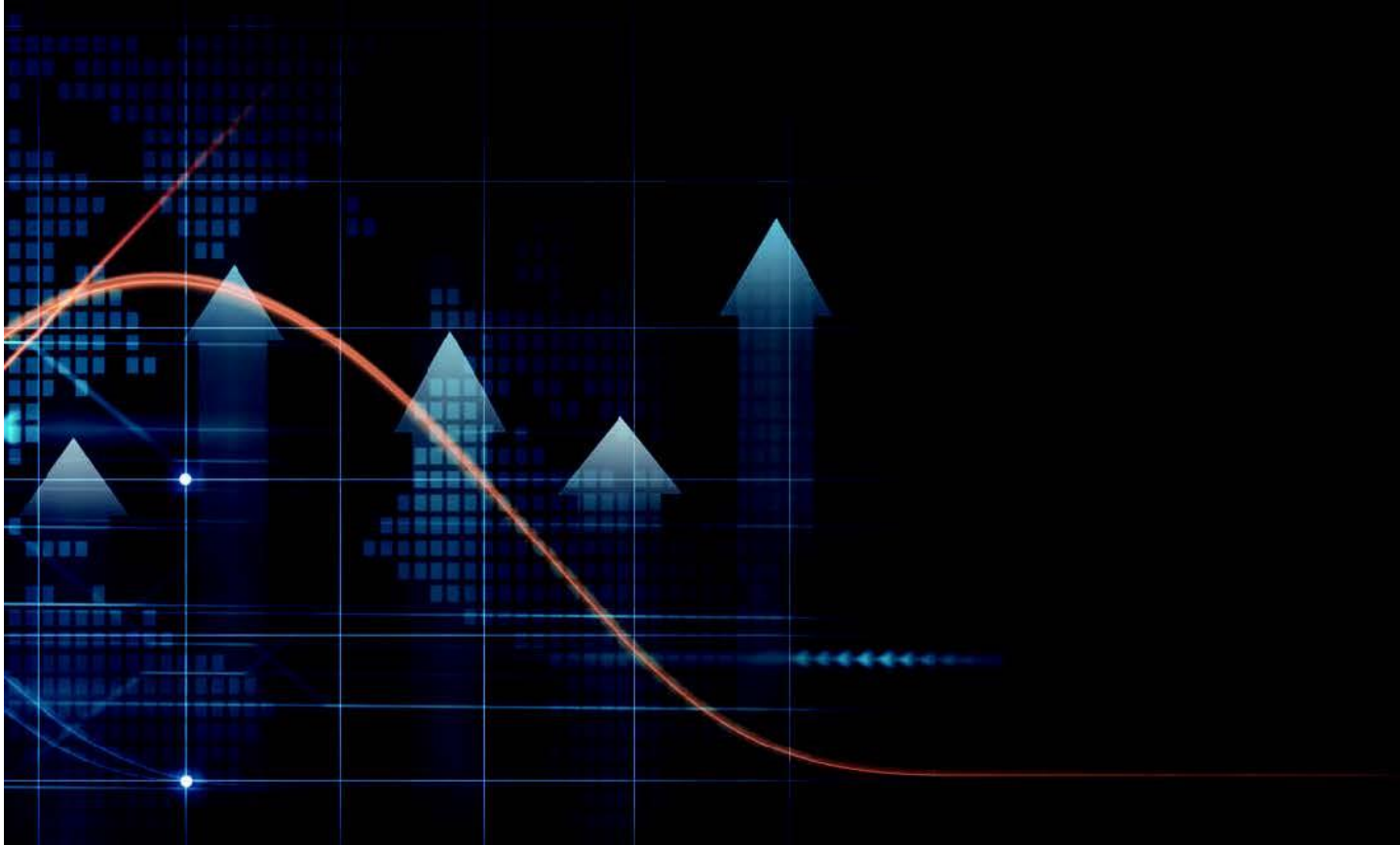
Street art is visual art created in public locations for public visibility. Street art is associated with the terms "independent art", "post-graffiti", "neo-graffiti", and guerrilla art.

## **BANKSY**

Title: Love Is In The Air







**CRESCENT STEEL AND ALLIED PRODUCTS LIMITED**

**UNCONSOLIDATED**

**FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

Crescent Steel and Allied Products Limited  
Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)  
As at 30 September 2023

Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----		
<b>ASSETS</b>		
<b>Non-current assets</b>		
	Property, plant and equipment	2,437,568
	Right-of-use assets	82,852
	Intangible assets	1,427
	Investment properties	55,030
	Long term investments	2,544,677
	Long term deposits	27,143
	Deferred taxation	876,358
	5,953,162	6,025,055
<b>Current assets</b>		
	Stores, spares and loose tools	339,707
	Stock-in-trade	1,268,967
	Trade debts	464,043
	Loans and advances	285,286
	Trade deposits and short term prepayments	13,644
	Short term Investments	552,382
	Other receivables	295,730
	Taxation - net	673,200
	Cash and bank balances	30,266
	4,987,366	3,923,225
	<b>10,940,528</b>	<b>9,948,280</b>
<b>EQUITY</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
	Authorized capital	1,000,000
	100,000,000 ordinary shares of Rs. 10 each	1,000,000
	Issued, subscribed and paid-up capital	776,325
	Capital reserves	1,020,908
	Revenue reserves	4,322,199
	6,444,432	6,119,432
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
	Long-term loans	424,748
	Lease liabilities	62,424
	Deferred income	3,837
	Deferred liability - staff retirement benefits	279,790
	766,066	770,799
<b>Current liabilities</b>		
	Trade and other payables	1,389,065
	Unclaimed dividend	16,081
	Mark-up accrued	78,369
	Short term borrowings	1,289,519
	Current portion of long-term loans	270,228
	Current portion of lease liabilities	14,249
	Current portion of deferred income	538
	3,730,030	3,058,049
	4,496,096	3,828,848
	<b>10,940,528</b>	<b>9,948,280</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

Crescent Steel and Allied Products Limited  
Condensed Interim Unconsolidated Statement of Profit or Loss and  
Other Comprehensive Income (Unaudited)  
For the first quarter ended 30 September 2023

	Note	First quarter ended	
		30 September 2023	30 September 2022
		----- (Rupees in '000) -----	
Sales	16	1,589,241	1,176,786
Less: sales tax		242,427	171,113
		<u>1,346,814</u>	<u>1,005,673</u>
Cost of sales		1,020,085	1,100,320
Gross profit / (loss)		<u>326,729</u>	<u>(94,647)</u>
Income from investments - net	17	317,069	1,090
		<u>643,798</u>	<u>(93,557)</u>
Distribution and selling expenses		18,018	4,600
Administrative expenses		80,445	78,313
Other operating expenses	18	20,697	2,928
		<u>119,160</u>	<u>85,841</u>
		<u>524,638</u>	<u>(179,398)</u>
Other income		18,829	28,672
Operating profit / (loss) before finance costs		<u>543,467</u>	<u>(150,726)</u>
Finance costs	19	129,908	59,206
Profit / (loss) before taxation		<u>413,559</u>	<u>(209,932)</u>
Taxation			
- current for the period		(61,962)	(13,339)
- deferred		(26,513)	79,540
		<u>(88,475)</u>	<u>66,201</u>
Profit / (loss) for the period		<u>325,084</u>	<u>(143,731)</u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		(84)	(611)
<b>Total comprehensive income / (loss) for the period</b>		<u><u>325,000</u></u>	<u><u>(144,342)</u></u>
		----- (Rupees) -----	
Basic and diluted earnings / (loss) per share	20	<u>4.19</u>	<u>(1.85)</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive


  
Director

  
Chief Financial Officer

Crescent Steel and Allied Products Limited  
Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)  
For the first quarter ended 30 September 2023

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Fair value reserve	General reserve	Unappropriated (loss) / profit		
------(Rupees in '000)-----							
<b>Balance as at 30 June 2022</b>	<b>776,325</b>	<b>1,020,908</b>	<b>3,913</b>	<b>3,642,000</b>	<b>655,265</b>	<b>4,301,178</b>	<b>6,098,411</b>
<b>Total comprehensive loss for the period</b>							
Loss after taxation for the period	-	-	-	-	(143,731)	(143,731)	(143,731)
Other comprehensive loss for the period	-	-	(611)	-	-	(611)	(611)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(611)</b>	<b>-</b>	<b>(143,731)</b>	<b>(144,342)</b>	<b>(144,342)</b>
<b>Balance as at 30 September 2022</b>	<b>776,325</b>	<b>1,020,908</b>	<b>3,302</b>	<b>3,642,000</b>	<b>511,534</b>	<b>4,156,836</b>	<b>5,954,069</b>
<b>Balance as at 1 July 2023</b>	<b>776,325</b>	<b>1,020,908</b>	<b>1,609</b>	<b>3,642,000</b>	<b>678,590</b>	<b>4,322,199</b>	<b>6,119,432</b>
<b>Total comprehensive income for the period</b>							
Profit after taxation for the period	-	-	-	-	325,084	325,084	325,084
Other comprehensive loss for the period	-	-	(84)	-	-	(84)	(84)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(84)</b>	<b>-</b>	<b>325,084</b>	<b>325,000</b>	<b>325,000</b>
<b>Balance as at 30 September 2023</b>	<b>776,325</b>	<b>1,020,908</b>	<b>1,525</b>	<b>3,642,000</b>	<b>1,003,674</b>	<b>4,647,199</b>	<b>6,444,432</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the first quarter ended 30 September 2023

	Note	First quarter ended	
		30 September 2023	30 September 2022
----- (Rupees in '000) -----			
<b>Cash flows from operating activities</b>			
Cash used in operations	21	(628,538)	(220,110)
Taxes refund received / (paid)		103,550	(26,811)
Finance costs paid		(79,592)	(56,276)
Contribution to gratuity and pension funds		(8,037)	(6,509)
Long term deposits - net		-	452
Net cash used in operating activities		<u>(612,617)</u>	<u>(309,254)</u>
<b>Cash flows from investing activities</b>			
Capital expenditure		(13,142)	(50,713)
Proceeds from disposal of operating fixed assets and investment property		1,238	7,359
Investments - net		251,534	7,327
Dividend income received		292,527	3,994
Interest income received		3,051	3,327
Net cash generated / (used in) from investing activities		<u>535,208</u>	<u>(28,706)</u>
<b>Cash flows from financing activities</b>			
Repayments of long term loans - net		(165)	(37,582)
Payments against finance lease obligations		(8,138)	(12,764)
Proceeds from short term loans obtained - net		331,982	180,567
Dividends paid		-	(17)
Net cash generated from financing activities		<u>323,679</u>	<u>130,204</u>
Net increase in cash and cash equivalents		<u>246,270</u>	<u>(207,756)</u>
Cash and cash equivalents at beginning of the period		<u>(433,388)</u>	<u>(334,661)</u>
Cash and cash equivalents at end of the period	22	<u><u>(187,118)</u></u>	<u><u>(542,417)</u></u>

The annexed notes from 1 to 26 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 Unconsolidated Financial Statements (Unaudited)

*For the first quarter ended 30 September 2023*

#### **1. THE COMPANY AND ITS OPERATIONS**

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

The Company operates five segments namely Steel, Cotton, Investment and Infrastructure Development (IID), Energy and Hadeed (Billet) as disclosed in note 23 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 2023. 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 Pakistani Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

### 3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the audited annual unconsolidated financial statements for the year ended 30 June 2023.

### 3.2 NEW STANDARDS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS

#### 3.2.1 Amendments to published accounting and reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which become mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

#### 3.2.2 Standards and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

There is a standard 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, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these 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 2023.

### 5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited 30 September 2023 ----- (Rupees in '000) -----	Audited 30 June 2023
Operating fixed assets	5.1	2,111,039	1,934,813
Capital work-in-progress	5.2	286,644	502,755
		<u>2,397,683</u>	<u>2,437,568</u>

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

	Unaudited First quarter ended 30 September 2023		Unaudited First quarter ended 30 September 2022	
	Additions / Transfers	Disposals / Transfers	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Plant and machinery - owned	224,000	-	49,091	-
Electrical / office equipments and installation	-	-	767	-
Computers	-	877	-	-
Motor vehicles - owned	5,900	2,775	28,829	2,121
	<u>229,900</u>	<u>3,652</u>	<u>78,686</u>	<u>2,121</u>

5.2 Net additions to capital work-in-progress during the three months period ended 30 September 2023 amounted to Rs. -216.111 million (30 September 2022: Rs. 27.818 million).

## 6. LONG TERM INVESTMENTS

	Note	Unaudited 30 September 2023 ----- (Rupees in '000) -----	Audited 30 June 2023
Subsidiary companies - at cost	6.1	705,001	705,001
Associated companies - at cost	6.2	1,286,401	1,286,401
Other long term investments	6.3	553,179	553,275
		<u>2,544,581</u>	<u>2,544,677</u>

### 6.1 Subsidiary companies - at cost

Unaudited 30 September 2023 (Number of shares)	Audited 30 June 2023	Unquoted	Note	Unaudited 30 September 2023 ----- (Rupees in '000) -----	Audited 30 June 2023
70,500,000	70,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.1	705,000	705,000
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>705,001</u>	<u>705,001</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**

<b>Unaudited 30 September 2023 (Number of shares)</b>	<b>Audited 30 June 2023</b>	<b>Note</b>	<b>Unaudited 30 September 2023 ----- (Rupees in '000) -----</b>	<b>Audited 30 June 2023</b>	
		<b>Quoted</b>			
<b>60,663,775</b>	60,663,775	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	<b>6.2.1</b>	<b>595,293</b>	595,293
<b>27,409,075</b>	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Saif Ullah)	<b>6.2.2</b>	<b>691,108</b>	691,108
				<b>1,286,401</b>	<b>1,286,401</b>

- 6.2.1** The Company holds 16.69% (30 June 2023: 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 2023: 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 30 September 2023 is Rs. 1,951.984 million (30 June 2023: Rs. 2,079.447 million).

**6.3 Other long term investments**

<b>Unaudited 30 September 2023 ----- (Rupees in '000) -----</b>	<b>Audited 30 June 2023</b>	
Fair value through other comprehensive income (FVOCI)	7,199	7,295
Fair value through profit or loss (FVTPL)	<b>545,980</b>	545,980
	<b>553,179</b>	<b>553,275</b>

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

- 6.3.2** This includes investments in Crescent Industrial Chemicals Limited and Crescent Bahuman Limited amounting to Rs. 10.470 million and Rs. 24.037 million (30 June 2023: Rs. 10.470 million and Rs. 24.037 million), respectively, which had been fully charged to profit or loss in earlier periods.
- 6.3.3** This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 341.764 million and Rs. 204.216 million, respectively.

**7. STOCK-IN-TRADE**

	<b>Unaudited 30 September 2023</b>	Audited 30 June 2023
	----- (Rupees in '000) -----	
<b>Raw materials</b>		
Hot rolled steel coils (HR Coils)	519,125	284,762
Coating materials	344,212	328,884
Steel scrap	11,999	11,999
Others	302,890	331,829
Stock-in-transit	470,867	129,198
	<u>1,638,983</u>	<u>1,086,672</u>
Work-in-process	55,397	70,993
Finished goods - net	143,897	111,099
Scrap / cotton waste	(96,984)	203
	<u>102,310</u>	<u>182,295</u>
	<u>1,741,293</u>	<u>1,268,967</u>

- 7.1** Stock in trade as at 30 September 2023 includes certain items valued at net realisable value (NRV). Charge for the period in respect of stock written down to NRV was amounting to Rs. Nil (30 June 2023: Reversal of Rs. 7.414 million) has been recognized in cost of sales.

**8. TRADE DEBTS**

	<b>Unaudited 30 September 2023</b>	Audited 30 June 2023
	----- (Rupees in '000) -----	
<b>Secured</b>		
Considered good	512,173	-
<b>Unsecured</b>		
Considered good	813,872	464,043
Considered doubtful	18,401	18,401
	832,273	482,444
Impairment loss on trade debts	(18,401)	(18,401)
	<u>1,326,045</u>	<u>464,043</u>

- 8.1** This includes balances due from following related parties:

Pak Elecktron Limited	<u>57,162</u>	<u>40,101</u>
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**9. LOANS AND ADVANCES**

**Loan to related parties - considered good**

Loan to subsidiaries	115,114	111,914
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**Advances - considered good**

Staff	1,182	830
Suppliers for goods and services	151,307	170,592
Advances to others	66	1,950

**Advances - considered doubtful**

Suppliers for goods and services	47	47
Provision for doubtful advances	(47)	(47)
	<u>267,669</u>	<u>285,286</u>

		Unaudited 30 September 2023	Audited 30 June 2023
<b>9.1</b>	These include loan due from:	----- (Rupees in '000) -----	
	Solution de Energy (Private) Limited	9.1.1	111,914
		<u>115,114</u>	<u>111,914</u>
<b>9.1.1</b>	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.		
<b>10.</b>	<b>SHORT TERM INVESTMENTS</b>		
		Unaudited 30 September 2023	Audited 30 June 2023
		----- (Rupees in '000) -----	
		Note	
	At amortised cost	10.1	84,360
	At fair value through profit or loss (FVTPL)	10.2	468,022
			<u>552,382</u>
		<u>323,602</u>	<u>552,382</u>
<b>10.1</b>	This represents investment in term deposit receipt carrying markup of 15.75% maturing on March 26, 2024.		
<b>10.2</b>	These comprise investments in ordinary shares of listed companies and units of mutual funds. These also include investments in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully provided for as the break-up value of their shares was Rs. Nil per share (30 June 2023: Rs. Nil per share).		
<b>10.3</b>	Investments having an aggregate market value of Rs. 1,113.512 million (30 June 2023: Rs. 961.586 million) have been pledged with financial institutions as security against financing facilities (refer note 14.5) out of which amount of Rs. 932.095 million (30 June 2023: Rs. 798.544 million) relates to long term investments.		
<b>11.</b>	<b>OTHER RECEIVABLES</b>		
		Unaudited 30 September 2023	Audited 30 June 2023
		----- (Rupees in '000) -----	
		Note	
	Dividend receivable		886
	Provision there against		(886)
			<u>685</u>
	Receivable against sale of investments		-
	Claim receivable		461
	Due from related parties	11.1	5,999
	Sales tax refundable		106,973
	Margin on letter of credit		4,137
	Margin on letter of guarantee		175,345
	Receivable from staff retirement benefits funds		-
	Others		2,815
			<u>295,730</u>
		<u>182,193</u>	<u>295,730</u>
<b>11.1</b>	<b>Due from related parties</b>		
	CS Capital (Private) Limited		1,079
	The Crescent Textile Mills Limited		249
	Premier Insurance Limited		1
	Shakarganj Food Products Limited		4,070
	Crescent Socks (Private) Limited		600
			<u>5,999</u>
		<u>6,723</u>	<u>5,999</u>

	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
<b>12. LONG TERM LOANS</b>			
<b>Secured - Under shariah arrangement</b>			
Long Term Sukuk Certificates	12.1	666,667	666,667
Less: Transaction cost		<u>(3,776)</u>	<u>(4,241)</u>
		<b>662,891</b>	<b>662,426</b>
<b>Secured - Under non-shariah arrangement</b>			
JS Bank Limited	12.2	<u>31,920</u>	<u>32,550</u>
		<b>31,920</b>	694,976
Less: Current portion shown under current liabilities		<u>270,249</u>	<u>270,228</u>
		<b>424,562</b>	<b>424,748</b>

**12.1** During the year ended 30 June 2023, the Company had issued 8,000 Unlisted, privately placed & secured Sukuk certificates (SUKUK Al-Istisna) on 11 October 2022, having face value of Rs. 100,000 amounting to PKR 800. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk Al-Istisna were received on 11 October 2022. The Sukuk certificates carry profit at the rate of 6-months KIBOR + 2% with semi-annual rental payments having tenure of three years from the issue date. Principal repayment in installment has commenced from April 2023.

**12.1.1** This represent the cost incurred with respect to the issuance of Sukuk certificates, amortized using effective interest rate.

**12.2** During the year ended 30 June 2021, the Company entered into a loan arrangement with JS Bank Limited in which five tranches; two tranches in March 2021 and one tranche in April 2021, one in July 2021 and one in December 2021 were disbursed. The tranches were converted into State Bank of Pakistan's (SBP) "SBP Financing Scheme for Renewable Energy". 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, the mark-up is payable at the concessional rate of 6% per annum.

The effective interest on such arrangement was 8.49% (30 June 2023: 8.49%) per annum.

13. TRADE AND OTHER PAYABLES	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
Trade creditors		190,166	44,058
Bills payable		445,586	38
Commission payable		522	522
Accrued liabilities		288,601	594,735
Advances from customers		319,743	350,464
Infrastructure fee, sales tax and damages		299,054	287,643
Due to related parties	13.1	21,117	19,534
Payable to provident fund		2,255	127
Payable to staff retirement benefit funds		2,789	2,823
Retention money		1,536	2,980
Withholding tax payable		3,532	6,892
Workers' Profit Participation Fund		28,026	18,529
Workers' Welfare Fund		8,730	7,640
Others		67,762	53,080
		<u>1,679,419</u>	<u>1,389,065</u>

#### 13.1 Due to related parties

Premier Insurance Company Limited	39	-
Shakarganj Limited	21,078	19,534
	<u>21,117</u>	<u>19,534</u>

#### 14. SHORT TERM BORROWINGS

##### Secured from banking companies

Running finances under mark-up arrangements	14.1	466,688	463,654
Short term loans	14.2	1,157,847	825,865
		<u>1,624,535</u>	<u>1,289,519</u>

**14.1** Running finances facility / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,350 million (30 June 2023: Rs. 1,150 million) out of which Rs. 300 million (30 June 2023: Rs. 300 million), Rs. 100 million (30 June 2023: Rs. 100 million) and Rs. 300 million (30 June 2023: 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 22.42% to 24.91% (30 September 2022: 15.91% to 17.92%) per annum.

**14.2** Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,850 million (30 June 2023: Rs. 3,950 million) out of which Rs. 3,000 million (30 June 2023: Rs. 3,150 million), Rs. 205 million (30 June 2023: Rs. 205 million) and Rs. 350 million (30 June 2023: 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 22.65% to 25.23% (30 September 2022: 15.91% to 17.92%) per annum.



- 14.3** The facilities for opening letters of credit amounted to Rs. 4,650 million (30 June 2023: Rs. 4,750 million) out of which Rs. 300 million (30 June 2023: Rs. 300 million), Rs. 3,000 million (30 June 2023: Rs. 3,150 million) and Rs. 205 million (30 June 2023: Rs. 205 million) are interchangeable with short term running finance, short term loans and letters of guarantee respectively as mentioned in notes 14.1 and 14.2 above. The facility for letters of guarantee as at 30 September 2023 amounted to Rs. 2,148.6 million (30 June 2023: Rs. 2,336.6 million). Amounts unutilized for letters of credit and guarantees as at 30 September 2023 were Rs. 3,698.0 million and Rs. 262.15 million (30 June 2023: Rs. 4,251.00 million and Rs. 380.15 million), respectively.
- 14.4** These includes an amount of Rs. 507 million funded facilities (30 June 2023: Rs. 438 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. Funded and Non funded facilities availed include letters of credit, bank guarantees, Wakala, Morabaha, Istisna and Ijarah financing.
- 14.5** The above facilities are expiring on various dates with maturity periods upto 31 August 2024. 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.
- 14.6** During the period, Company has settled commercial papers issued to non-banking finance companies.

## **15. CONTINGENCIES AND COMMITMENTS**

### **15.1 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 2023.

### **15.2 Commitments**

- 15.2.1** During the year ended 30 June 2020, Bank Islami Pakistan Limited (BIPL) deferred the principal payments of rentals for one year as per the directives issued by State Bank of Pakistan vide its circular no. 12 dated 26 March 2020. As at 30 September 2023, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 0 million (30 June 2023: Rs. 87.98 million), which was payable in average quarterly installments of Rs. 22.897 million (30 June 2023: Rs. 22.867 million).
- 15.2.2** Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs.1,886.45 million (30 June 2023: Rs. 1,654 million). These include guarantees issued by Islamic banks amounting to Rs. 251 million (30 June 2023: Rs. 153.591 million).
- 15.2.2** Commitments in respect of capital expenditure contracted for as at 30 September 2023 amounted to Rs. 34.659 million (30 June 2023: Rs. 34.659 million).
- 15.2.3** Commitments under letters of credit (L/C) as at 30 September 2023 amounted to Rs. 952 million (30 June 2023: 498.92 million).

**16. SALES**

		<b>Unaudited</b>	
		<b>First quarter ended</b>	
		<b>30 September</b>	<b>30 September</b>
		<b>2023</b>	<b>2022</b>
Note		----- (Rupees in '000) -----	
<b>Local sales</b>			
Bare pipes		-	498,106
Pre coated pipes	16.1	<b>1,529,454</b>	7,654
Cotton yarn / raw cotton		-	591,743
Others		<b>44,382</b>	64,533
Scrap / waste		<b>15,405</b>	14,750
		<b>1,589,241</b>	1,176,786
Sales tax		<b>(242,427)</b>	(171,113)
		<b>1,346,814</b>	1,005,673

**16.1** client.

**16.2** Revenue is disaggregated by major products and also by geographical market. Additionally, revenue by major customers is disclosed in note 23.4 to these condensed interim unconsolidated financial statements.

**17. INCOME FROM INVESTMENTS - NET**

		<b>Unaudited</b>	
		<b>First quarter ended</b>	
		<b>30 September</b>	<b>30 September</b>
		<b>2023</b>	<b>2022</b>
Note		----- (Rupees in '000) -----	
Dividend income	17.1	<b>293,212</b>	5,145
Gain on sale of FVTPL investments - net	17.2	-	2,562
Unrealized gain / (loss) on FVTPL investments - net	17.3	<b>22,742</b>	(7,650)
Rent from investment properties	17.5	<b>1,115</b>	1,033
		<b>317,069</b>	1,090

**17.1** This includes Rs. 5.523 million earned on investments in Shariah Compliant Investee Companies.

**17.2** This includes gain of Rs. Nil on investments in Shariah Compliant Investee Companies.

**17.3** This includes gain of Rs. 20.440 million on investments in Shariah Compliant Investee Companies.

**17.4** 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.

**17.5** Direct operating expenses incurred against rental income from investment properties amounted to Rs. 0.325 million (30 September 2022: Rs. 0.371 million).

**18. OTHER OPERATING EXPENSES****Unaudited  
First quarter ended****30 September 2023**      **30 September 2022**

----- (Rupees in '000) -----

Exchange loss	(1)	2,928
Provision for:		
-Workers' Profit Participation Fund	9,498	-
-Workers' Welfare Fund	1,090	-
-Stock-in-trade	10,110	-
	<u>20,697</u>	<u>2,928</u>

**19. FINANCE COSTS**

Profit on short term loans - Shariah arrangement	11,853	10,327
Interest on - Non - Shariah arrangement		
- finance lease obligations	2,779	2,147
- long term loans	41,911	4,104
- running finances / short term loans	72,622	41,817
Bank charges	743	811
	<u>129,908</u>	<u>59,206</u>

**20. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE**

Profit / (loss) for the period	<u>325,084</u>	<u>(143,731)</u>
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----- (Number of shares) -----

Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>
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----- (Rupees) -----

Basic and diluted earnings / (loss) per share	<u>4.19</u>	<u>(1.85)</u>
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21. CASH USED IN OPERATIONS

	Note	Unaudited First quarter ended	
		30 September 2023	30 September 2022
		----- (Rupees in '000) -----	
Profit / (loss) before taxation		413,559	(209,932)
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets, right-of-use assets and investment properties		58,465	56,141
Amortisation of intangible assets		492	542
Charge for the period on staff retirement benefit funds		8,037	6,498
Dividend income		(293,212)	(5,145)
Unrealized (gain) / loss on FVTPL investments - net		(22,742)	7,650
(Gain) / loss on sale of FVTPL investments - net		-	(2,562)
Provision for Workers' Welfare Fund		1,090	-
Provision for Workers' Profit Participation Fund		9,498	-
Return on deposits		(3,051)	(4,260)
Gain on disposal of operating fixed assets and investment property		(587)	(5,237)
Deferred income		(135)	(1,378)
Unwinding of discount on long term deposit		(519)	(689)
Finance costs		129,908	59,206
Working capital changes	21.1	<u>(929,341)</u>	<u>(120,944)</u>
		<u><b>(628,538)</b></u>	<u><b>(220,110)</b></u>

21.1 Working capital changes

Increase in current assets			
Stores, spares and loose tools		(3,076)	184
Stock-in-trade		(472,326)	(229,548)
Trade debts		(862,002)	15,157
Loans and advances		17,589	(41,281)
Trade deposits and short term prepayments		(2,830)	5,795
Other receivables		<u>113,537</u>	<u>(271,432)</u>
		<u><b>(1,209,108)</b></u>	<u><b>(521,125)</b></u>
Increase in current liabilities			
Trade and other payables		<u>279,767</u>	<u>400,181</u>
		<u><b>(929,341)</b></u>	<u><b>(120,944)</b></u>

22. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements		(466,688)	(749,729)
Term deposit receipt		-	120,000
Cash and bank balances		<u>279,570</u>	<u>87,312</u>
		<u><b>(187,118)</b></u>	<u><b>(542,417)</b></u>

23. SEGMENT REPORTING

23.1 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:

## 23.2 Segment revenues and results

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

For the first quarter ended  
30 September 2023

	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	1,346,814	-	-	-	-	-	1,346,814
Cost of sales	972,468	18,186	15,275	14,156	-	-	1,020,085
<b>Gross profit / (loss)</b>	<b>374,346</b>	<b>(18,186)</b>	<b>(15,275)</b>	<b>(14,156)</b>	<b>-</b>	<b>-</b>	<b>326,729</b>
Income from investments - net	3,754	-	-	-	313,315	-	317,069
	378,100	(18,186)	(15,275)	(14,156)	313,315	-	643,798
Distribution and selling expenses	16,659	948	-	411	-	-	18,018
Administrative expenses	60,018	10,806	989	3,750	4,882	-	80,445
Other expenses	10,587	10,110	-	-	-	-	20,697
	87,264	21,864	989	4,161	4,882	-	119,160
	290,836	(40,050)	(16,264)	(18,317)	308,433	-	524,638
Other income	17,166	1,663	-	-	-	-	18,829
<b>Operating profit / (loss) before finance costs</b>	<b>308,002</b>	<b>(38,387)</b>	<b>(16,264)</b>	<b>(18,317)</b>	<b>308,433</b>	<b>-</b>	<b>543,467</b>
Finance costs	127,454	2,270	-	154	30	-	129,908
<b>Profit / (loss) before taxation</b>	<b>180,548</b>	<b>(40,657)</b>	<b>(16,264)</b>	<b>(18,471)</b>	<b>308,403</b>	<b>-</b>	<b>413,559</b>
Taxation							88,475
<b>Profit for the period</b>							<b>325,084</b>

For the first quarter ended  
30 September 2022

	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	487,304	509,968	-	8,401	-	-	1,005,673
Cost of sales	518,185	540,977	15,541	25,617	-	-	1,100,320
Gross loss	(30,881)	(31,009)	(15,541)	(17,216)	-	-	(94,647)
Income from investments - net	-	-	-	-	1,090	-	1,090
	(30,881)	(31,009)	(15,541)	(17,216)	1,090	-	(93,557)
Distribution and selling expenses	3,381	894	-	325	-	-	4,600
Administrative expenses	58,435	9,908	765	4,636	4,569	-	78,313
Other expenses	-	-	-	2,928	-	-	2,928
	61,816	10,802	765	7,889	4,569	-	85,841
	(92,697)	(41,811)	(16,306)	(25,105)	(3,479)	-	(179,398)
Other income	21,013	7,659	-	-	-	-	28,672
<b>Operating loss before finance costs</b>	<b>(71,684)</b>	<b>(34,152)</b>	<b>(16,306)</b>	<b>(25,105)</b>	<b>(3,479)</b>	<b>-</b>	<b>(150,726)</b>
Finance costs	49,389	6,657	-	3,160	-	-	59,206
<b>Loss before taxation</b>	<b>(121,073)</b>	<b>(40,809)</b>	<b>(16,306)</b>	<b>(28,265)</b>	<b>(3,479)</b>	<b>-</b>	<b>(209,932)</b>
Taxation							(66,201)
<b>Loss for the period</b>							<b>(143,731)</b>

23.2.1 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 (30 September 2022: Rs. 66.237 million) and Rs. Nil million (30 September 2022: Rs. Nil) of scrap sales by Steel Segment to Hadeed (Billet) Segment.

23.2.2 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 2023. 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.

## 23.3 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 16 to these unconsolidated financial statements.

#### 23.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,332.826 million (30 September 2022: Rs. 419.154 million) of total Steel segment revenue of Rs. 1,346.814 million (30 September 2022: Rs. 487.304 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil million (30 September 2022: Rs. Nil) of total Cotton segment revenue of Rs. Nil million (30 September 2022: Rs. 509.968 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (30 September 2022: Rs. Nil) of total Energy segment revenue of Rs. Nil million (30 September 2022: Rs. Nil). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil million (30 September 2022: Rs. Nil) of total Hadeed (Billet) segment revenue of Rs. Nil million (30 September 2022: Rs. 08.401 million).

#### 23.5 Geographical information

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

23.5.2 All non-current assets of the Company as at 30 September 2023 and 30 June 2023 were located and operating in Pakistan.

#### 23.6 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) -----						
<b>As at 30 September 2023 - (Unaudited)</b>						
Segment assets for reportable segments	4,554,528	332,329	459,085	668,353	2,857,927	<b>8,872,222</b>
Unallocated corporate assets						<b>2,068,306</b>
Total assets as per unconsolidated statement of financial position						<u><b>10,940,528</b></u>
Segment liabilities for reportable segments	1,703,355	128,447	35,812	80,432	11,359	<b>1,959,405</b>
Unallocated corporate liabilities and deferred income						<b>2,536,691</b>
Total liabilities as per unconsolidated statement of financial position						<u><b>4,496,096</b></u>
<b>As at 30 June 2023 - (Audited)</b>						
Segment assets for reportable segments	3,685,849	230,380	474,161	677,091	2,836,318	7,903,799
Unallocated corporate assets						2,044,481
Total assets as per unconsolidated statement of financial position						<u>9,948,280</u>
Segment liabilities for reportable segments	1,417,450	130,373	35,812	78,752	11,333	1,673,720
Unallocated corporate liabilities and deferred income						2,155,128
Total liabilities as per unconsolidated statement of financial position						<u>3,828,848</u>

23.6.1 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.

#### 23.7 Other segment information

	Unaudited					Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	
----- (Rupees in '000) -----						
<b>For the first quarter ended 30 September 2023</b>						
Capital expenditure	<u>13,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,142</u>
Depreciation and amortisation	<u>26,057</u>	<u>4,426</u>	<u>14,930</u>	<u>12,887</u>	<u>657</u>	<u>58,957</u>
Non-cash items other than depreciation and amortisation - net	<u>136,491</u>	<u>13,582</u>	<u>-</u>	<u>154</u>	<u>(311,830)</u>	<u>(161,603)</u>
<b>For the first quarter ended 30 September 2022</b>						
Capital expenditure	<u>76,436</u>	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,686</u>
Depreciation and amortisation	<u>20,576</u>	<u>5,864</u>	<u>15,070</u>	<u>12,835</u>	<u>2,338</u>	<u>56,683</u>
Non-cash items other than depreciation and amortisation - net	<u>44,030</u>	<u>5,046</u>	<u>(12,511)</u>	<u>2,235</u>	<u>13,657</u>	<u>52,457</u>

## 24. 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	
			First quarter ended	30 September
			30 September	30 September
			2023	2022
			----- (Rupees in '000) -----	
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	480	382
Solution de Energy (Private) Limited	Subsidiary company	Loan given	-	2,716
		Reimbursable expenses	-	46
Altern Energy Limited	Associated company	Dividend Income	285,120	-
		Dividend received	285,120	-
Shakarganj Limited	Associated company	Services rendered	1,939	-
		Reimbursable expenses	394	4,273
Shakarganj Food Products Limited	Related party	Reimburseable expenses	1,282	798
		Payments received from services given	1,000	710
		Rent	727	959
Crescent Socks (Private) Limited	Related party	Payment received	300	1,000
		Rent	300	300
The Crescent Textile Mills Limited	Associated company	Payment received	1,456	1,621
		Reimburseable expenses	917	471
		Rent	591	788
The Citizens' Foundation*	Related party	Donation given	115	11,033
Pakistan Centre for Philanthropy	Related party	Annual membership fee	360	-
		Annual membership fee paid	360	-
Premier Insurance Limited*	Related party	Insurance premium	34	894
		Insurance premium paid	-	894
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	416	-
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	2,303	1,854
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	4,760	4,652
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	3,170	3,253
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	95	-
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	-	3
Key management personnel	Related parties	Remuneration and benefits	42,633	35,436
Chairman of the Board	Related party	Honorarium	450	450
Directors	Related parties	Meeting fee	790	790

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

24.1 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.

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

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

## 25. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual unconsolidated financial statements of the Company for the year ended 30 June 2023.

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

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

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

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

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

	30 September 2023 (Un-audited)				Fair value			Total	
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Level 1	Level 2	Level 3		
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- listed equity securities	239,242	7,199	-	-	246,441	246,441	-	-	246,441
- unlisted equity securities	545,980	-	-	-	545,980	-	-	545,980	545,980
	<b>785,222</b>	<b>7,199</b>	<b>-</b>	<b>-</b>	<b>792,421</b>	<b>246,441</b>	<b>-</b>	<b>545,980</b>	<b>792,421</b>
<b>Financial assets not measured at fair value</b>									
Deposits	-	-	33,307	-	33,307	-	-	-	-
Term deposit receipt	-	-	84,360	-	84,360	-	-	-	-
Trade debts	-	-	1,326,045	-	1,326,045	-	-	-	-
Loan to subsidiary	-	-	115,114	-	115,114	-	-	-	-
Other receivables	-	-	103,807	-	103,807	-	-	-	-
Bank balances	-	-	276,607	-	276,607	-	-	-	-
	<b>-</b>	<b>-</b>	<b>1,939,240</b>	<b>-</b>	<b>1,854,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>									
Long term loans	-	-	-	694,811	694,811	-	-	-	-
Lease liabilities	-	-	-	71,314	71,314	-	-	-	-
Trade and other payables	-	-	-	1,020,334	1,020,334	-	-	-	-
Mark-up accrued	-	-	-	125,906	125,906	-	-	-	-
Short term borrowings	-	-	-	1,624,535	1,624,535	-	-	-	-
Unclaimed dividend	-	-	-	16,081	16,081	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,552,981</b>	<b>3,552,981</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



30 June 2023 (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) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- listed equity securities	468,022	7,295	-	-	475,317	475,317	-	-	475,317
- unlisted equity securities	545,980	-	-	-	545,980	-	-	545,980	545,980
	1,014,002	7,295	-	-	1,021,297	475,317	-	545,980	1,021,297
<b>Financial assets not measured at fair value</b>									
Deposits	-	-	30,135	-	30,135	-	-	-	-
Term deposit receipt	-	-	84,360	-	84,360	-	-	-	-
Trade debts	-	-	464,043	-	464,043	-	-	-	-
Loan to subsidiary	-	-	111,914	-	111,914	-	-	-	-
Other receivables	-	-	188,757	-	188,757	-	-	-	-
Bank balances	-	-	30,266	-	30,266	-	-	-	-
	-	-	909,475	-	909,475	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Long term loans	-	-	-	694,976	694,976	-	-	-	-
Lease liabilities	-	-	-	76,673	76,673	-	-	-	-
Trade and other payables	-	-	-	717,897	717,897	-	-	-	-
Mark-up accrued	-	-	-	78,369	78,369	-	-	-	-
Short term borrowings	-	-	-	1,289,519	1,289,519	-	-	-	-
Unclaimed dividend	-	-	-	16,081	16,081	-	-	-	-
	-	-	-	2,873,515	2,873,515	-	-	-	-

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

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.

## 25.1 Valuation techniques and significant unobservable inputs

The valuation techniques used in measuring level 3 fair values as at 30 September 2023 for unquoted equity investments were same as at 30 June 2023. There was no change in significant unobservable inputs from 30 June 2023; therefore, carried at the same values.

## 26. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 26 October 2023.

  
Chief Executive

  
Director

  
Chief Financial Officer

# MINIMALISM

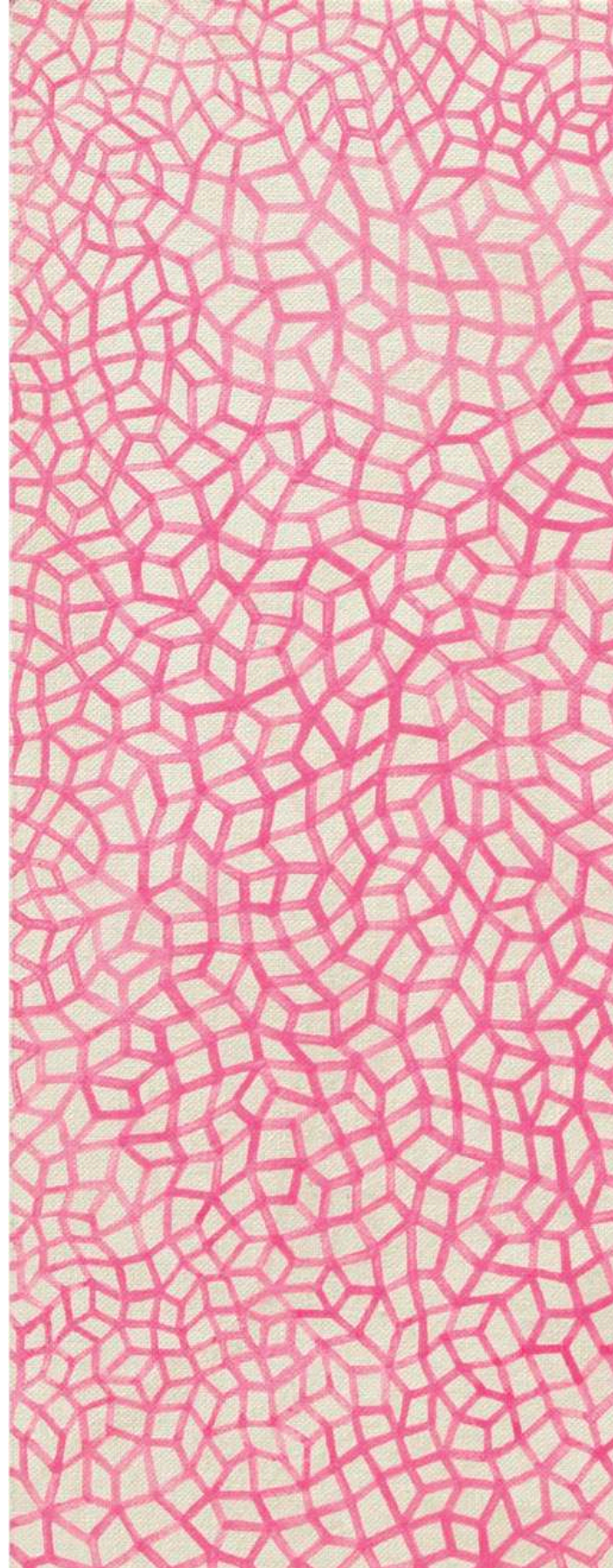
## 1960.....

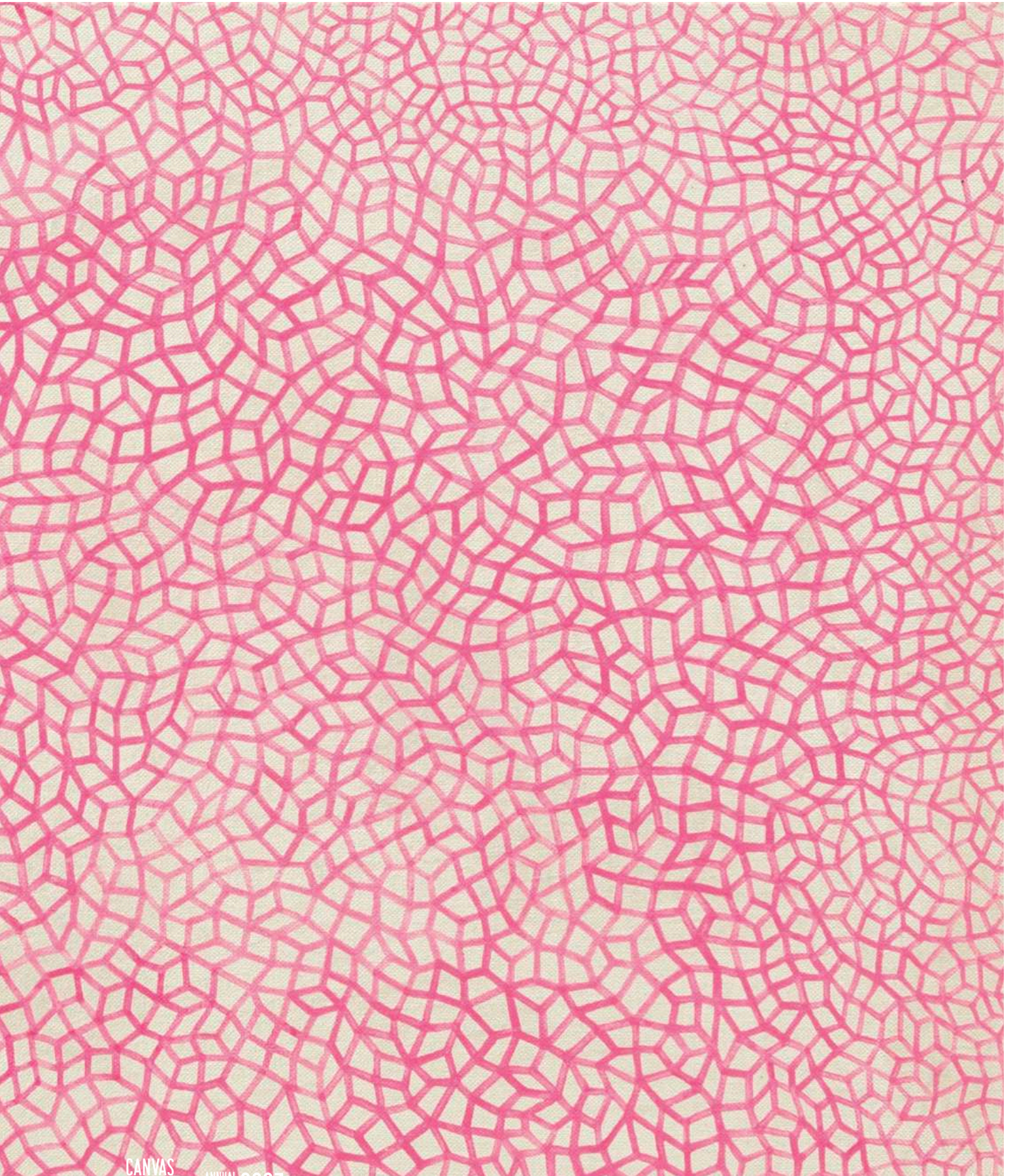
Term used in the 20th century, in particular from the 1960s, to describe a style characterized by an impersonal austerity, plain geometric configurations and industrially processed materials. It was first used by David Burlyuk in the catalogue introduction for an exhibition of John Graham's paintings at the Dudensing Gallery in New York in 1929. Burlyuk wrote: 'Minimalism derives its name from the minimum of operating means. Minimalist painting is purely realistic—the subject being the painting itself.' The term gained currency in the 1960s. Accounts and explanations of Minimalism varied considerably, as did the range of work to which it was related. This included the monochrome paintings of Yves Klein, Robert Rauschenberg, Ad Reinhardt, Frank Stell and Brice Marden, and even aspects of Pop art and Post-painterly Abstraction. Typically the precedents cited were Marcel Duchamp's ready-mades, the Suprematist compositions of Kazimir Malevich and Barnett Newman's Abstract Expressionist paintings. The rational grid paintings of Agnes Martin were also mentioned in connection with such Minimalist artists as Sol Lewitt.

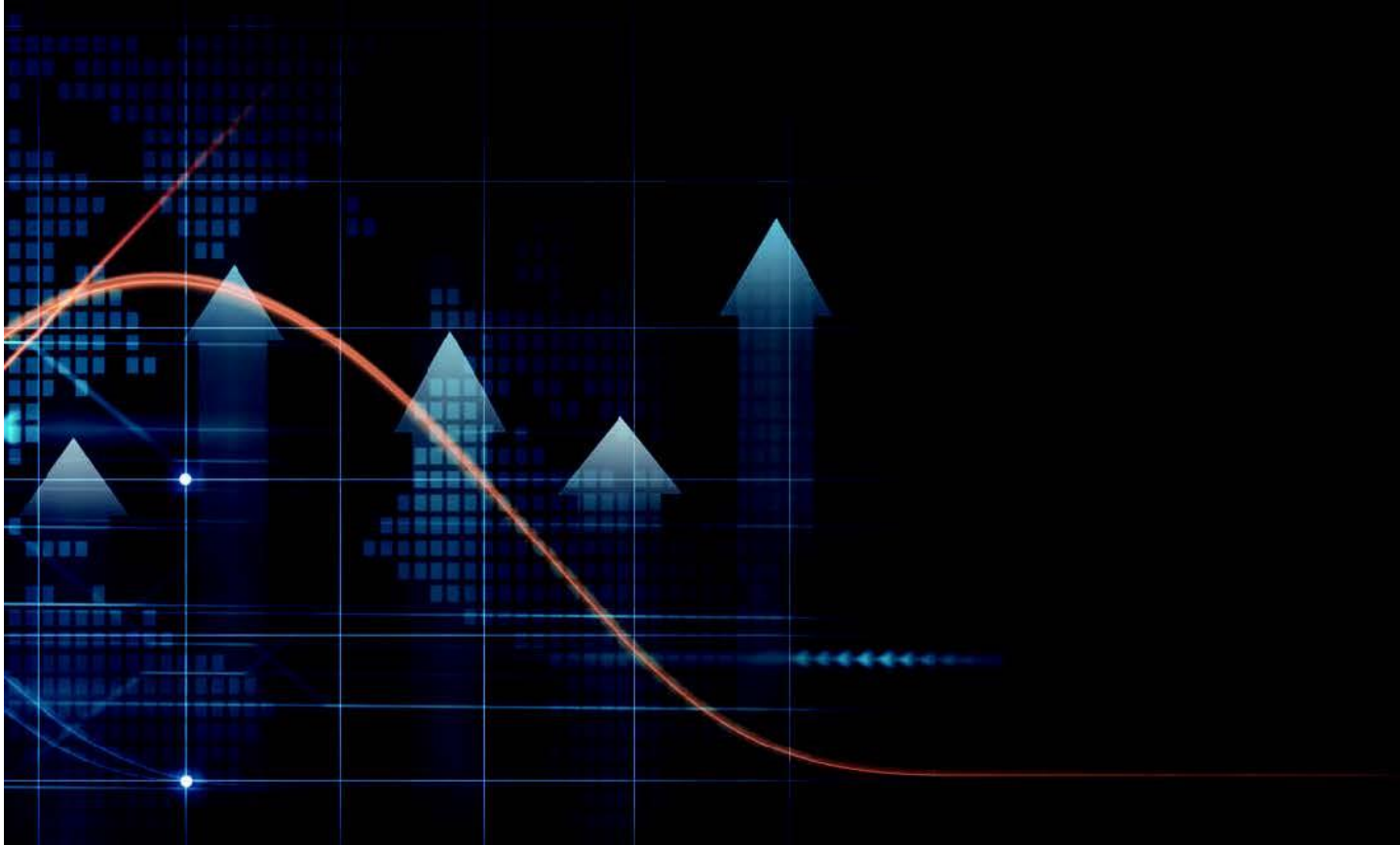
### **YAYOI KUSAMA**

**Title:** INFINITY NETS (H10)

Source: <https://artsandculture.google.com/asset/infinity-nets-h10-yayoi-kusama/oQHGzk2zSDaXsg>







**CRESCENT STEEL AND ALLIED PRODUCTS LIMITED**

**CONSOLIDATED**

**FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

Crescent Steel and Allied Products Limited  
Condensed Interim Consolidated Statement of Financial Position  
As at 30 September 2023

	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,397,755	2,437,713
Right-of-use-assets		77,738	82,852
Intangible assets		158,037	155,322
Investment properties		78,102	79,038
Investment in equity accounted investees	6	2,846,503	2,948,286
Other long term investments	7	761,451	762,807
Long term deposits	8	27,662	27,143
Deferred taxation		684,457	708,451
		<u>7,031,705</u>	<u>7,201,612</u>
<b>Current assets</b>			
Stores, spares and loose tools		342,783	339,707
Stock-in-trade	9	1,741,293	1,268,967
Trade debts	10	1,326,045	464,043
Advances	11	152,583	173,372
Trade deposits and short term prepayments		19,519	16,689
Short term investments	12	640,788	834,227
Other receivables	13	181,920	294,952
Taxation - net		507,675	672,824
Cash and bank balances		294,995	36,248
		<u>5,207,601</u>	<u>4,101,029</u>
<b>Total assets</b>		<u><u>12,239,306</u></u>	<u><u>11,302,641</u></u>
<b>EQUITY</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital		1,000,000	1,000,000
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		1,050,669	1,050,821
Revenue reserves		5,873,860	5,598,995
		<u>7,700,854</u>	<u>7,426,141</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans	14	424,562	424,748
Lease liabilities		58,012	62,424
Deferred income		3,702	3,837
Deferred liability - staff retirement benefits		279,790	279,790
		<u>766,066</u>	<u>770,799</u>
<b>Current liabilities</b>			
Trade and other payables	15	1,721,777	1,436,025
Unclaimed dividend		16,081	16,081
Mark-up accrued		125,904	79,061
Short term borrowings	16	1,624,535	1,289,519
Current portion of long term loans	14	270,249	270,228
Current portion of lease liabilities		13,302	14,249
Current portion of deferred income		538	538
		<u>3,772,386</u>	<u>3,105,701</u>
Contingencies and commitments	17	4,538,452	3,876,500
<b>Total equity and liabilities</b>		<u><u>12,239,306</u></u>	<u><u>11,302,641</u></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 first quarter ended 30 September 2023

	Note	First quarter ended	
		30 September 2023	30 September 2022
----- (Rupees in '000) -----			
Sales	18	1,589,241	1,176,786
Less: Sales tax		242,427	171,113
		<u>1,346,814</u>	<u>1,005,673</u>
Cost of sales		1,020,085	1,100,320
Gross profit / (loss)		<u>326,729</u>	<u>(94,647)</u>
Income / (loss) from investments - net	19	69,416	(187)
		<u>396,145</u>	<u>(94,834)</u>
Distribution and selling expenses		18,018	4,600
Administrative expenses		81,945	79,589
Other operating expenses	20	20,697	2,928
		<u>120,660</u>	<u>87,117</u>
		<u>275,485</u>	<u>(181,951)</u>
Other income		19,147	28,672
Operating profit / (loss) before finance costs		<u>294,632</u>	<u>(153,279)</u>
Finance costs	21	129,911	61,179
Share of profit in equity accounted investees - net of taxation		199,017	55,875
Profit / (loss) before taxation		<u>363,738</u>	<u>(158,583)</u>
Taxation			
- current for the period		(63,645)	(14,959)
- deferred		(20,731)	76,859
		<u>(84,376)</u>	<u>61,900</u>
Profit / (loss) for the period		<u>279,362</u>	<u>(96,683)</u>
<b>Other comprehensive income for the period</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		(4,497)	(7,291)
<b>Items that will be reclassified subsequently to profit or loss</b>			
Proportionate share of other comprehensive (loss) / income of equity accounted investees		(152)	(159)
		<u>(4,649)</u>	<u>(7,450)</u>
<b>Total comprehensive income / (loss) for the period</b>		<u>274,713</u>	<u>(104,133)</u>
----- (Rupees) -----			
Earnings / (loss) per share - Basic and diluted	22	<u>3.60</u>	<u>(1.25)</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 Changes in Equity (Unaudited)  
For the first quarter ended 30 September 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)									
<b>Balance as at 30 June 2022</b>	<b>776,325</b>	<b>1,020,908</b>	<b>30,072</b>	<b>1,050,980</b>	<b>8,733</b>	<b>3,642,000</b>	<b>1,546,531</b>	<b>5,197,264</b>	<b>7,024,569</b>
<b>Total comprehensive income for the period</b>									
Profit after taxation for the period	-	-	-	-	-	-	(96,683)	(96,683)	(96,683)
<b>Other comprehensive income</b>									
Other comprehensive income / (loss) for the period	-	-	(159)	(159)	(7,291)	-	-	(7,291)	(7,450)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(159)</b>	<b>(159)</b>	<b>(7,291)</b>	<b>-</b>	<b>(96,683)</b>	<b>(103,974)</b>	<b>(104,133)</b>
<b>Balance as at 30 September 2022</b>	<b>776,325</b>	<b>1,020,908</b>	<b>29,913</b>	<b>1,050,821</b>	<b>1,442</b>	<b>3,642,000</b>	<b>1,449,848</b>	<b>5,093,290</b>	<b>6,920,436</b>
<b>Balance as at 1 July 2023</b>	<b>776,325</b>	<b>1,020,908</b>	<b>29,913</b>	<b>1,050,821</b>	<b>(26,581)</b>	<b>3,642,000</b>	<b>1,983,576</b>	<b>5,598,995</b>	<b>7,426,141</b>
<b>Total comprehensive income for the period</b>									
Profit after taxation for the period	-	-	-	-	-	-	279,362	279,362	279,362
<b>Other comprehensive income</b>									
Other comprehensive (loss) / income for the period	-	-	(152)	(152)	(4,497)	-	-	(4,497)	(4,649)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(152)</b>	<b>(152)</b>	<b>(4,497)</b>	<b>-</b>	<b>279,362</b>	<b>274,865</b>	<b>274,713</b>
<b>Balance as at 30 September 2023</b>	<b>776,325</b>	<b>1,020,908</b>	<b>29,761</b>	<b>1,050,669</b>	<b>(31,078)</b>	<b>3,642,000</b>	<b>2,262,938</b>	<b>5,873,860</b>	<b>7,700,854</b>

\* 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  
Condensed Interim Consolidated Statement of Cash Flows (Unaudited)  
For the first quarter ended 30 September 2023

	Note	First quarter ended	
		30 September 2023	30 September 2022
----- (Rupees in '000) -----			
<b>Cash flows from operating activities</b>			
Cash used in operations	23	(628,690)	(220,328)
Taxes refund received / (paid)		101,504	(28,073)
Finance costs paid		(80,289)	(57,970)
Contribution to gratuity and pension funds		(8,037)	(6,509)
Long term deposits - net		-	452
Net cash used in operating activities		(615,512)	(312,428)
<b>Cash flows from investing activities</b>			
Capital expenditure		(13,142)	(48,859)
Acquisition of intangible assets		(3,207)	(2,974)
Proceeds from disposal of operating fixed assets		1,238	7,359
Investments - net		245,706	15,654
Dividend income received		313,582	10,916
Interest income received		3,369	3,327
Net cash generated from investing activities		547,546	(14,577)
<b>Cash flows from financing activities</b>			
Repayments of long term loans - net		(165)	(37,582)
Payments against finance lease obligations		(8,138)	(12,764)
Proceeds from short term loans obtained - net		331,982	180,567
Dividends paid		-	(17)
Net cash generated from financing activities		323,679	130,204
Net increase in cash and cash equivalents		255,713	(196,801)
Cash and cash equivalents at beginning of the period		(427,406)	(383,039)
Cash and cash equivalents at end of the period	24	(171,693)	(579,840)

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 Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 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 26 September 2011, the Holding Company has purchased the entire shareholding from its previous principal shareholder. Consequently, the Company becomes 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 a result of a Joint Venture (JV) agreement ("the Agreement") executed on 08 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 is not carrying on any business operations.
- 1.6 Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial statements.

### 2. BASIS OF PREPARATION

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

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

**2.2** These condensed interim consolidated financial statements of the Group do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 30 June 2023. 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 2023.

#### **3.2 NEW STANDARDS, AMENDMENTS AND REPORTING STANDARDS AND NEW INTERPRETATIONS ADOPTED BY THE GROUP**

##### **3.2.1 Amendments to published accounting and reporting standards which became effective during the period:**

There were certain amendments to the accounting and reporting standards which became mandatory for the Group during the period. However, the amendments did not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

##### **3.2.2 Standards and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Group:**

There are 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, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

### **4. USE OF ESTIMATES AND JUDGEMENTS**

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

**4.2** Estimates and judgements made by management in the preparation of these condensed interim consolidated financial statements are the same as those that were applied to the annual audited consolidated financial statements of the Group for the year ended 30 June 2023.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
Operating fixed assets	5.1	2,111,111	1,934,958
Capital work-in-progress		286,644	502,755
		<u>2,397,755</u>	<u>2,437,713</u>

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

	Unaudited First quarter ended 30 September 2023		Unaudited First quarter ended 30 September 2022	
	Additions / Transfers	Disposals / Transfers	Additions / Transfers	Disposals
----- (Rupees in '000) -----				
Plant and machinery - owned	224,000	-	49,091	-
Electrical / office equipment and installation	-	-	767	-
Computers	-	877	-	-
Motor vehicles - owned	5,900	2,775	28,829	2,121
	<u>229,900</u>	<u>3,652</u>	<u>78,687</u>	<u>2,121</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 30 September 2023	Audited 30 June 2023		Note	Unaudited 30 September 2023	Audited 30 June 2023
(Number of shares)		----- (Rupees in '000) -----			
		<b>Quoted</b>			
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.1	2,840,921	2,918,012
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Saif Ullah)	6.1	5,583	30,274
		<b>Unquoted</b>			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.1	-	-
				<u>2,846,504</u>	<u>2,948,286</u>

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

Description	30 September 2023			Total
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	
Note	Rupees in '000			
Opening balance as at 1 July 2023	2,918,012	30,274	-	2,948,286
Share of profit / (loss) 6.2	223,367	(24,350)	-	199,017
Share of equity 6.2	189	(341)	-	(152)
Dividend received	(300,647)	-	-	(300,647)
Closing balance as at 30 September 2023	<b>2,840,921</b>	<b>5,583</b>	<b>-</b>	<b>2,846,504</b>

Description	30 June 2023			Total
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	
Note	Rupees in '000			
Opening balance as at 1 July 2022	2,332,187	-	-	2,332,187
Share of profit / (loss)	585,984	67,073	-	653,057
Share of equity	(159)	(36,799)	-	(36,958)
Closing balance as at 30 June 2023	<b>2,918,012</b>	<b>30,274</b>	<b>-</b>	<b>2,948,286</b>

6.2 These figures are based on financial statements / information of these companies as at 30 June 2023.

6.3 Percentage of holding of equity in associates is as follows

	Note	Unaudited 30 September 2023	Audited 30 June 2023
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 30 September 2023 is Rs. 2,286.908 million (30 June 2023: Rs. 2,460.446 million).

## 7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
Fair value through other comprehensive income (FVOCI)	7.1	101,550	102,906
Fair value through profit or loss (FVTPL)	7.2 & 7.3	659,901	659,901
		<u>761,451</u>	<u>762,807</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. 455.685 million and Rs. 204.216 million, respectively.

## 8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. Nil million (30 June 2023: Rs. 27.143 million) under Ijarah financing arrangement.

## 9. STOCK-IN-TRADE

		Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
Raw materials			
Hot rolled steel coils (HR Coil)		519,125	284,762
Coating materials		344,212	328,884
Remelting steel scrap		11,999	11,999
Others		302,890	331,829
Stock-in-transit		470,867	129,198
		<u>1,649,093</u>	<u>1,086,672</u>
Provision for obsolescence and slow-moving raw materials		(10,110)	-
		<u>1,638,983</u>	<u>1,086,672</u>
Work-in-process		55,397	70,993
Finished goods	9.1	143,897	111,099
Scrap / cotton waste		(96,984)	203
		<u>102,310</u>	<u>182,295</u>
		<u>1,741,293</u>	<u>1,268,967</u>

**9.1** Stock in trade as at 30 September 2023 includes certain items valued at net realisable value (NRV). Charge for the period in respect of stock written down to NRV amounting to Rs. Nil (30 June 2023: Reversal of Rs.7.414 million) has been recognised in cost of sales.

**10. TRADE DEBTS**

	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
<b>Secured</b>			
Considered good		512,173	-
<b>Unsecured</b>			
Considered good	10.1	813,872	464,043
Considered doubtful		18,401	18,401
		<b>832,273</b>	482,444
Impairment loss on trade debts		<b>(18,401)</b>	(18,401)
		<b>1,326,045</b>	464,043

**10.1** This includes balance due from following related party:

Pak Elektron Limited		<b>57,162</b>	40,101
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**11. ADVANCES**

This includes advances amounting to Rs. 151.307 million (30 June 2023: Rs. 170.592 million) given to suppliers for goods and services.

**12. INVESTMENTS**

	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
At amortised cost		<b>84,360</b>	84,360
At fair value through profit or loss (FVTPL)	12.2	<b>550,854</b>	749,867
Investment in money market		<b>4,985</b>	-
		<b>640,199</b>	834,227

**12.1** This represents investment in term deposit receipt carrying markup of 15.75% maturing on March 26, 2024.

**12.2** These comprise investment in ordinary shares of listed companies and units of mutual funds. These also include investments in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully provided for as the break-up value of their shares was Rs. Nil per share (30 June 2023: Rs. Nil per share).

**12.3** Investments having an aggregate market value of Rs. 1,335.983 million (30 June 2023: Rs. 1,172.758 million) have been pledged with financial institutions as security against financing facilities (see note 16.4) out of which Rs. 1,053.012 million (30 June 2023: Rs. 918.094 million) relates to long term investments.

13. OTHER RECEIVABLES	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
Dividend receivable		2,556	886
Provision there against		(886)	(886)
		<u>1,670</u>	<u>-</u>
Receivable against rent from investment property		45	45
Claim receivable		461	461
Due from related parties	13.1	5,164	4,920
Sales tax refundable		78,386	106,973
Margin on letter of credit and guarantee		95,345	179,482
Others		849	3,071
		<u>181,920</u>	<u>294,952</u>

#### 13.1 Due from related parties

The Crescent Textile Mills Limited		301	249
Premier Insurance Limited		-	1
Shakarganj Food Products Limited		4,263	4,070
Crescent Socks (Private) Limited		600	600
		<u>5,164</u>	<u>4,920</u>

#### 14. LONG TERM LOANS

##### Secured - Under shariah arrangement

Long Term Sukuk Certificates	14.1	666,667	666,667
Less: Transaction Cost	14.1.1	(3,776)	(4,241)
		<u>662,891</u>	<u>662,426</u>

##### Secured - Under non-shariah arrangement

JS Bank Limited	14.3	31,920	32,550
		<u>694,811</u>	<u>694,976</u>
Less: Current portion shown under current liabilities		270,249	270,228
		<u>424,562</u>	<u>424,748</u>

**14.1** During the year ended 30 June 2023, the Company had issued 8,000 Unlisted, privately placed & secured Sukuk certificates (SUKUK Al-Istisna) on 11 October 2022, having face value of Rs. 100,000 amounting to PKR 800. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk Al-Istisna were received on 11 October 2022. The Sukuk certificates carry profit at the rate of 6-months KIBOR + 2% with semi-annual rental payments having tenure of three years from the issue date. Principal repayment in installment has commenced from April 2023.

**14.1.1** This represent the cost incurred with respect to the issuance of Sukuk certificates, amortized using effective interest rate.

- 14.3** During the year ended 30 June 2021, the Company entered into a loan arrangement with JS Bank Limited in which five tranches; two tranches in March 2021 and one tranche in April 2021, one in July 2021 and one in December 2021 were disbursed. The tranches were converted into State Bank of Pakistan's (SBP) "SBP Financing Scheme for Renewable Energy". 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, the mark-up is payable at the concessional rate of 6% per annum.

The effective interest on such arrangement was 8.49% (30 June 2023: 8.49%) per annum.

**15. TRADE AND OTHER PAYABLES**

	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
Trade creditors		218,463	72,355
Bills payable		445,586	38
Commission payable		522	522
Accrued liabilities		305,948	611,814
Advances from customers		318,230	348,951
Infrastructure fee, sales tax and damages		299,054	287,643
Due to related parties	15.1	21,117	19,534
Payable to provident fund		2,255	127
Payable to staff retirement benefit funds		2,789	2,823
Retention money		1,536	2,980
Withholding tax payable		3,532	6,897
Workers' Profit Participation Fund		28,026	18,529
Workers' Welfare Fund		8,730	7,640
Others		65,989	56,172
		<u>1,721,777</u>	<u>1,436,025</u>

**15.1 Due to related parties**

Premier Insurance Company Limited		39	-
Shakarganj Limited		21,078	19,534
		<u>21,117</u>	<u>19,534</u>

**16. SHORT TERM BORROWINGS**

	Note	Unaudited 30 September 2023	Audited 30 June 2023
----- (Rupees in '000) -----			
<b>Secured from banking companies</b>			
Running finances under mark-up arrangements	16.1	466,688	463,654
Short term loans	16.2	1,157,847	825,865
		<u>1,624,535</u>	<u>1,289,519</u>



- 16.1** Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2023: Rs. 1,150 million) out of which Rs. 300 million (30 June 2023: Rs. 300 million) and Rs. 100 million (30 June 2023: Rs. 100 million) and Rs. 300 million (30 June 2023: 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 8.19% to 10.54% (30 September 2022: 16.91% to 23.98%) per annum.
- 16.2** Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,850 million (30 June 2023: Rs. 3,950 million) out of which Rs. 3,000 million (30 June 2023: Rs. 3,150 million), Rs. 350 million (30 June 2023: Rs. 350 million) and Rs. 205 million (30 June 2023: Rs. 205 million) are interchangeable with letters of credit, short-term running finance and letters of guarantee facility, respectively. During the period, the mark-up on such arrangements ranged from 22.65% to 25.23% (30 September 2022: 9.14% to 9.57%) per annum.
- 16.3** The facilities for opening letters of credit amounted to Rs. 4,650 million (30 June 2023: Rs. 4,750 million) out of which Rs. 300 million (30 June 2023: Rs. 300 million), Rs. 3,000 million (30 June 2023: Rs. 3,150 million) and Rs. 205 million (30 June 2023: Rs. 205 million) are interchangeable with short term running finance, short term loans and letters of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 30 September 2023 amounted to Rs. 2,148.60 million (30 June 2023: Rs. 2,368.6 million). Amounts unutilized for letters of credit and guarantees as at 30 September 2023 were Rs. 3,698.0 million and Rs. 262.150 million (30 June 2023: Rs. 4,251.0 million and Rs. 380.15 million), respectively.
- 16.4** The above facilities (refer note 16.1 to 16.3) are expiring on various dates with maturing periods upto 31 August 2024 and are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 12.2) and cotton / cotton yarn; and lien over import / export document.

## **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 2023.

### **17.2 Commitments**

- 17.2.1** Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 1,886.45 million (30 June 2023: Rs. 1,988.45 million). These include guarantees issued by Islamic banks amounting to Rs. 207.590 million (30 June 2023: Rs. 257.84 million).
- 17.2.2** Commitments in respect of capital expenditure contracted for by the Holding Company as at 30 September 2023 amounted to Rs. 34.659 million (30 June 2023: Rs. 34.659 million).
- 17.2.3** Commitments under letters of credit as at 30 September 2023 amounted to Rs. 952 million (30 June 2023: Rs. 498.92 million).

18. SALES	Note	Unaudited First quarter ended	
		30 September 2023	30 September 2022
----- (Rupees in '000) -----			
<b>Local sales</b>			
Bare pipes		-	498,106
Pre coated pipes	18.1	1,529,454	7,654
Cotton yarn / raw cotton		-	591,743
Others		44,382	64,533
Scrap / waste		15,405	14,750
		<u>1,589,241</u>	<u>1,176,786</u>
Sales tax		<u>(242,427)</u>	<u>(171,113)</u>
		<u>1,346,814</u>	<u>1,005,673</u>

18.1 This includes revenue amounting to Rs. 573.494 million, where Hot Rolled Coil (HRC) was supplied by client.

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 / (LOSS) FROM INVESTMENTS - NET	Note	Unaudited First quarter ended	
		30 September 2023	30 September 2022
----- (Rupees in '000) -----			
Dividend income	19.1	14,605	13,818
Gain on sale of FVTPL investments - net	19.2	21	5,473
Unrealized gain / (loss) on FVTPL investments - net	19.3	52,541	(21,411)
Rent from investment properties	19.5	2,015	1,933
		<u>69,182</u>	<u>(187)</u>

19.1 This includes Rs. 10.78 million earned on investments in Shariah Compliant Investee Companies.

19.2 This represents gain earned on disposal of investments of Shariah Compliant Investee Companies.

19.3 This includes gain of Rs. 50.699 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. 1.016 million (30 September 2022: Rs. 1.062 million).

20. OTHER OPERATING EXPENSES		Unaudited First quarter ended	
		30 September 2023	30 September 2022
----- (Rupees in '000) -----			
Exchange loss		(1)	2,928
Provision for:			
Workers' Profit Participation Fund		9,498	-
Workers' Welfare Fund		1,090	-
Stock-in-trade		10,110	-
		<u>20,697</u>	<u>2,928</u>

21. FINANCE COSTS		Unaudited First quarter ended	
		30 September 2023	30 September 2022
----- (Rupees in '000) -----			
Mark-up on short term loans - Shariah arrangement		11,853	10,327
Interest on - Non - Shariah arrangement			
- finance lease obligations		2,779	2,147
- long term loan		41,911	4,104
- running finances / short term loans		72,622	43,788
Bank charges		746	813
		<u>129,911</u>	<u>61,179</u>

		Unaudited First quarter ended	
		30 September 2023	30 September 2022
		----- (Rupees in '000) -----	
<b>22. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE</b>			
Profit / (loss) for the period		279,362	(96,683)
		----- (Number of shares) -----	
Weighted average number of ordinary shares in issue		77,632,491	77,632,491
		----- (Rupees) -----	
Earnings / (loss) per share - Basic and diluted		3.60	(1.25)
<b>23. CASH USED IN OPERATIONS</b>			
		Unaudited First quarter ended	
	Note	30 September 2023	30 September 2022
		----- (Rupees in '000) -----	
Profit / (loss) before taxation		363,738	(158,583)
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets and investment properties		59,150	54,971
Amortization of intangible assets		492	542
Charge for the period on staff retirement benefit funds		8,037	6,498
Dividend income		(14,605)	(13,818)
Unrealized (gain) / loss on FVTPL investments - net		(52,541)	21,411
Gain on sale of FVTPL investments - net		(21)	(5,473)
Unrealized gain on money market		(234)	-
Provision for stock-in-trade		10,110	-
Provision for Workers' Welfare Fund		1,090	-
Provision for Workers' Profit Participation Fund		9,498	-
Return on deposits		(3,369)	(4,260)
Gain on disposal of operating fixed assets		(587)	(5,237)
Deferred income		(135)	(1,378)
Unwinding of discount on long term deposit		(519)	(689)
Finance costs		129,911	61,179
Share of profit from equity accounted investees - net of taxation		(199,017)	(55,875)
Working capital changes	23.1	(939,688)	(119,617)
		(628,690)	(220,328)
<b>23.1 Working capital changes</b>			
<i>Increase in current assets</i>			
Stores, spares and loose tools		(3,076)	184
Stock-in-trade		(482,436)	(229,548)
Trade debts		(862,002)	15,157
Advances		20,789	(38,565)
Trade deposits and short term prepayments		(2,830)	5,795
Other receivables		114,702	(272,573)
		(1,214,853)	(519,550)
<i>Increase in current liabilities</i>			
Trade and other payables		275,165	399,933
		(939,688)	(119,617)
<b>24. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(466,688)	(787,356)
Term deposit receipt		-	120,000
Cash and bank balances		294,995	87,516
		(171,693)	(579,840)
<b>25. SEGMENT REPORTING</b>			
<b>25.1 Reportable segments</b>			
The Group's reportable segments are as follows:			
<ul style="list-style-type: none"> <li>- Steel segment - It comprises of manufacturing and coating of steel pipes.</li> <li>- Cotton segment - It comprises of manufacturing of yarn.</li> <li>- 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).</li> <li>- Energy segment - It comprises of generating and supplying electricity/power.</li> <li>- Hadeed (Billet) segment - It comprises of manufacturing billets.</li> </ul>			
Information regarding the Group's reportable segments is presented below:			

## Segment revenues and results

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

For the first quarter ended 30 September 2023	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
(Rupees in '000)							
Sales - net	1,352,783	-	(5,969)	-	-	-	1,346,814
Cost of sales	978,437	18,186	15,275	8,187	-	-	1,020,085
<b>Gross profit / (loss)</b>	<b>374,346</b>	<b>(18,186)</b>	<b>(21,244)</b>	<b>(8,187)</b>	<b>-</b>	<b>-</b>	<b>326,729</b>
Income from investments	3,754	-	-	-	65,662	-	69,416
	378,100	(18,186)	(21,244)	(8,187)	65,662	-	396,145
Distribution and selling expenses	16,659	948	-	411	-	-	18,018
Administrative expenses	60,018	10,806	1,024	3,750	6,347	-	81,945
Other operating expenses	10,587	10,110	-	-	-	-	20,697
	87,264	21,864	1,024	4,161	6,347	-	120,660
	290,836	(40,050)	(22,268)	(12,348)	59,315	-	275,485
Other income	17,166	1,663	-	-	318	-	19,147
<b>Operating profit / (loss) before finance costs</b>	<b>308,002</b>	<b>(38,387)</b>	<b>(22,268)</b>	<b>(12,348)</b>	<b>59,633</b>	<b>-</b>	<b>294,632</b>
Finance costs	127,454	2,270	2	154	31	-	129,911
Share of profit in equity accounted investees - net of taxation	-	-	-	-	199,017	-	199,017
<b>Profit / (loss) before taxation</b>	<b>180,548</b>	<b>(40,657)</b>	<b>(22,270)</b>	<b>(12,502)</b>	<b>258,619</b>	<b>-</b>	<b>363,738</b>
Taxation							(84,376)
<b>Profit for the period</b>							<b>279,362</b>

For the first quarter ended 30 September 2022	Unaudited						Total
	Steel segment (Restated)	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
(Rupees in '000)							
Sales - net	487,304	509,968	-	8,401	-	-	1,005,673
Cost of sales	518,185	540,977	15,541	25,617	-	-	1,100,320
Gross loss	(30,881)	(31,009)	(15,541)	(17,216)	-	-	(94,647)
Loss from investments - net	-	-	-	-	(187)	-	(187)
	(30,881)	(31,009)	(15,541)	(17,216)	(187)	-	(94,834)
Distribution and selling expenses	3,381	894	-	325	-	-	4,600
Administrative expenses	58,435	9,908	793	4,636	5,817	-	79,589
Other operating expenses	-	-	-	2,928	-	-	2,928
	61,816	10,802	793	7,889	5,817	-	87,117
	(92,697)	(41,811)	(16,334)	(25,105)	(6,004)	-	(181,951)
Other income	21,013	7,659	-	-	-	-	28,672
Operating loss before finance costs	(71,684)	(34,152)	(16,334)	(25,105)	(6,004)	-	(153,279)
Finance costs	49,389	6,657	1	3,160	1,972	-	61,179
Share of profit in equity accounted investees - net of taxation	-	-	-	-	55,875	-	55,875
<b>(Loss) / profit before taxation</b>	<b>(22,295)</b>	<b>(27,495)</b>	<b>(16,333)</b>	<b>(21,945)</b>	<b>51,843</b>	<b>-</b>	<b>(36,225)</b>
Taxation							(61,900)
<b>Loss for the period</b>							<b>(98,125)</b>

25.2.1 Revenue reported above represents revenue generated from external customers.

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 2023. 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 consolidated financial statements.

### 25.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,332.826 million (30 September 2022: Rs. 419.154 million) of total Steel segment revenue of Rs. 1,352.783 million (30 September 2022: Rs. 487.304 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil million (30 September 2022: Rs. Nil) of total Cotton segment revenue of Rs. Nil million (30 September 2022: Rs. 509.968 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (30 September 2022: Rs. Nil) of total Energy segment revenue of Rs. Nil (30 September 2022: Rs. Nil). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil (30 September 2022: Rs. Nil) of total Hadeed (Billet) segment revenue of Rs. Nil million (30 September 2022: Rs. 8.401 million).

### 25.5 Geographical information

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

### 25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
<b>As at 30 September 2023 - Unaudited</b>						
Segment assets for reportable segments	4,554,528	332,329	618,932	668,353	1,431,948	<b>7,606,090</b>
Investment in equity accounted investees	-	-	-	-	2,846,503	<b>2,846,503</b>
Unallocated corporate assets						<b>1,786,713</b>
Total assets as per consolidated statement of financial position						<b>12,239,306</b>
Segment liabilities for reportable segments	1,703,355	128,447	81,263	80,432	8,264	<b>2,001,761</b>
Unallocated corporate liabilities and deferred income						<b>2,536,691</b>
Total liabilities as per consolidated statement of financial position						<b>4,538,452</b>
<b>As at 30 June 2023 - Audited</b>						
Segment assets for reportable segments	3,685,849	230,380	630,821	677,091	1,617,029	6,841,170
Investment in equity accounted investees	-	-	-	-	2,948,286	2,948,286
Unallocated corporate assets						1,763,582
Total assets as per consolidated statement of financial position						<b>11,553,038</b>
Segment liabilities for reportable segments	1,417,450	130,373	81,238	78,752	13,559	1,721,372
Unallocated corporate liabilities and deferred income						2,155,128
Total liabilities as per consolidated statement of financial position						<b>3,876,500</b>

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
<b>Unaudited</b>						
<b>For the first quarter ended 30 September 2023</b>						
Capital expenditure	13,142	-	3,207	-	-	16,349
Depreciation and amortization	26,057	4,498	14,930	12,887	1,270	59,642
Non-cash items other than depreciation and amortization	136,491	13,582	2	154	(262,695)	(112,466)
<b>For the first quarter ended 30 September 2022</b>						
Capital expenditure	76,436	-	-	2,975	-	79,411
Depreciation and amortization	20,576	5,864	1,168	12,835	15,070	55,513
Non-cash items other than depreciation and amortization	44,070	6,632	(46,032)	1	(2,313)	2,358

## 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 First quarter ended	
			30 September 2023	30 September 2022
			----- (Rupees in '000) -----	
Altern Energy Limited	Associated company	Dividend income	<u>300,647</u>	<u>-</u>
		Dividend received	<u>300,647</u>	<u>-</u>
Shakarganj Limited	Associated company	Services rendered	<u>1,939</u>	<u>-</u>
		Reimbursable expenses	<u>394</u>	<u>4,273</u>
Shakarganj Food Products Limited	Related party	Reimbursable expenses	<u>1,282</u>	<u>798</u>
		Payments received from services given	<u>1,000</u>	<u>710</u>
		Rent	<u>727</u>	<u>959</u>
The Crescent Textile Mills Limited	Associated company	Reimbursable expenses	<u>917</u>	<u>471</u>
		Payment received	<u>1,456</u>	<u>1,621</u>
		Rent	<u>591</u>	<u>788</u>
Crescent Socks (Private) Limited	Related party	Services rendered	<u>300</u>	<u>300</u>
		Payment received	<u>300</u>	<u>1,000</u>
The Citizens' Foundation*	Related party	Donation given	<u>115</u>	<u>11,033</u>
Pakistan Centre for Philanthropy	Related party	Annual membership fee	<u>360</u>	<u>-</u>
		Annual membership fee paid	<u>360</u>	<u>-</u>
Premier Insurance Limited*	Related party	Insurance premium	<u>34</u>	<u>894</u>
		Insurance premium paid	<u>-</u>	<u>894</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>416</u>	<u>-</u>
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>95</u>	<u>-</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>2,303</u>	<u>1,854</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>4,760</u>	<u>4,652</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>3,170</u>	<u>3,253</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>-</u>	<u>3</u>
Key management personnel	Related parties	Remuneration and benefits	<u>42,633</u>	<u>35,436</u>
Chairman of the Board	Related party	Honorarium	<u>450</u>	<u>450</u>
Directors	Related parties	Meeting fee	<u>790</u>	<u>790</u>

\* 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 2023.

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

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

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

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

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

	30 September 2023				Fair value				
	Carrying amount		Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
Fair value through profit or loss	Fair value through other comprehensive income								
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investment									
- Listed equity securities	550,854	101,550	-	-	652,404	652,404	-	-	652,404
- Unlisted equity securities	659,901	-	-	-	659,901	-	-	659,901	659,901
	<u>1,210,755</u>	<u>101,550</u>	-	-	<u>1,312,305</u>	<u>652,404</u>	-	<u>659,901</u>	<u>1,312,305</u>
<b>Financial assets not measured at fair value</b>									
Deposits	-	-	36,352	-	36,352	-	-	-	-
Investment in debt security	-	-	89,345	-	89,345	-	-	-	-
Trade debts	-	-	1,326,045	-	1,326,045	-	-	-	-
Other receivables	-	-	103,534	-	103,534	-	-	-	-
Bank balances	-	-	292,032	-	292,032	-	-	-	-
	-	-	<u>1,847,308</u>	-	<u>1,847,308</u>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Long term loans	-	-	-	694,811	694,811	-	-	-	-
Lease liabilities	-	-	-	71,314	71,314	-	-	-	-
Trade and other payables	-	-	-	1,064,205	1,064,205	-	-	-	-
Mark-up accrued	-	-	-	125,904	125,904	-	-	-	-
Short term borrowings	-	-	-	1,624,535	1,624,535	-	-	-	-
	-	-	-	<u>3,580,769</u>	<u>3,580,769</u>	-	-	-	-

30 June 2023 (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)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investment									
- Listed equity securities	749,867	102,906	-	-	852,773	852,773	-	-	852,773
- Unlisted equity securities	659,901	-	-	-	659,901	-	-	659,901	659,901
	<u>1,409,768</u>	<u>102,906</u>	<u>-</u>	<u>-</u>	<u>1,512,674</u>	<u>852,773</u>	<u>-</u>	<u>659,901</u>	<u>1,512,674</u>
<b>Financial assets not measured at fair value</b>									
Deposits	-	-	33,180	-	33,180	-	-	-	-
Term deposit receipt	-	-	84,360	-	84,360	-	-	-	-
Trade debts	-	-	464,043	-	464,043	-	-	-	-
Other receivables	-	-	187,979	-	187,979	-	-	-	-
Bank balances	-	-	36,248	-	36,248	-	-	-	-
	<u>-</u>	<u>-</u>	<u>805,810</u>	<u>-</u>	<u>805,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Long term loan	-	-	-	694,976	694,976	-	-	-	-
Lease liabilities	-	-	-	76,673	76,673	-	-	-	-
Trade and other payable	-	-	-	766,364	766,364	-	-	-	-
Unclaimed dividend	-	-	-	16,081	16,081	-	-	-	-
Mark-up accrued	-	-	-	79,061	79,061	-	-	-	-
Short term borrowings	-	-	-	1,289,519	1,289,519	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,922,674</u>	<u>2,922,674</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 repriced 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 valuation techniques used in measuring level 3 fair values as at 30 September 2023 for unquoted equity investments were same as at 30 June 2023. There was no change in significant unobservable inputs from 30 June 2023; therefore, carried at same values.

**28. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 26 October 2023.



Chief Executive



Director



Chief Financial Officer



