

Half Yearly
Report 2024



Crescent Steel and
Allied Products Limited

**CANVAS
OF CHANGE**
UNFOLDING ART MOVEMENTS

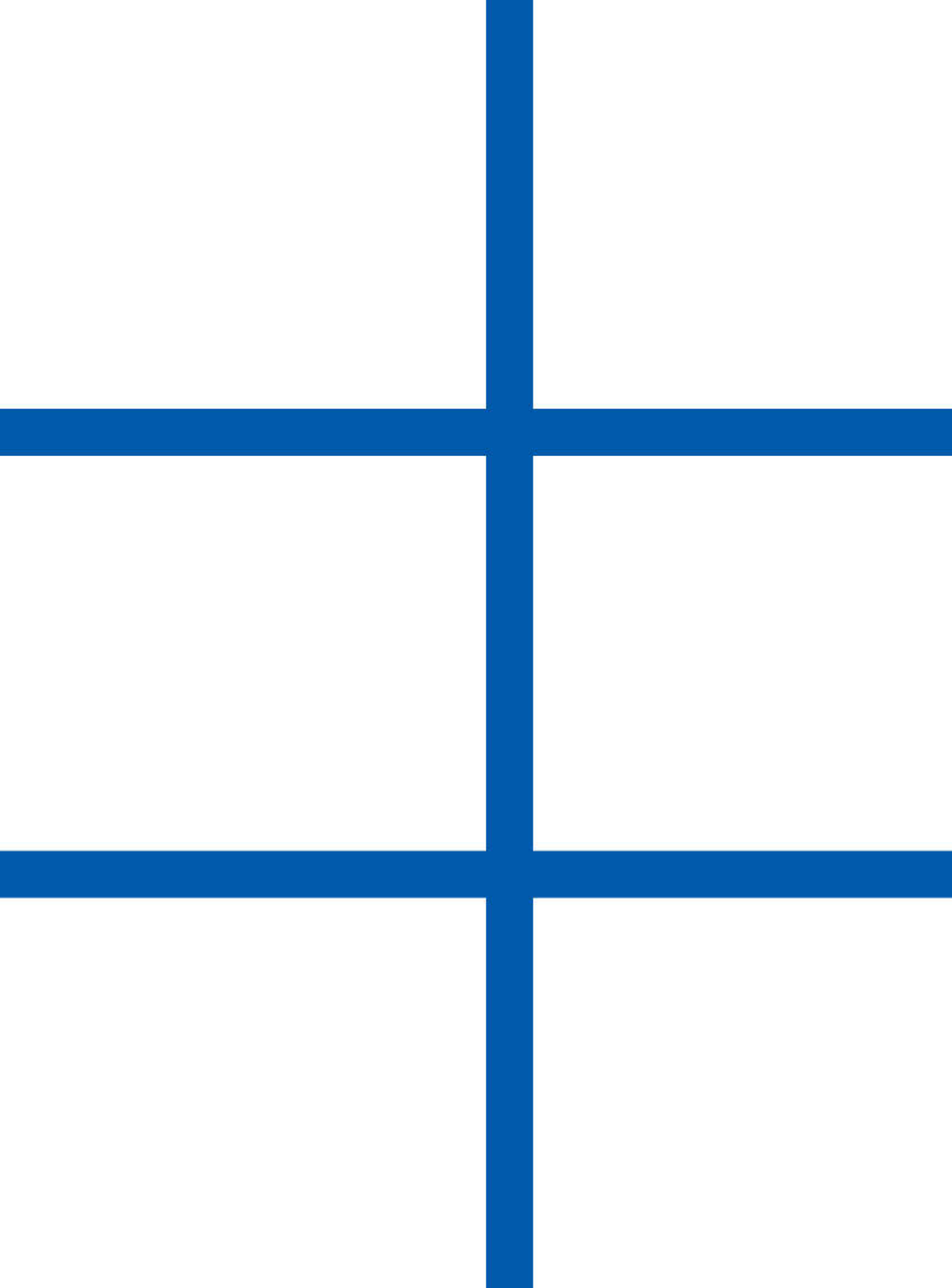
CANVAS OF CHANGE

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

Ahmad Shafi

Non-Executive Director

Muhammad Kamran Saleem

Non-Executive Director (Independent)

Nadeem Maqbool

Non-Executive Director (Independent)

Nausheen Ahmad

Non-Executive Director (Independent)

Nihal Cassim

Non-Executive Director (Independent)

S.M. Ehtishamullah

Non-Executive Director

COMPANY SECRETARY

Azeem Sarwar

AUDIT COMMITTEE

Nihal Cassim

Chairman, Non-Executive Director (Independent)

Ahmad Shafi

Member, Non-Executive Director

Nadeem Maqbool

Member, Non-Executive Director (Independent)

S.M. Ehtishamullah

Member, Non-Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Nadeem Maqbool

Chairman, Non-Executive Director (Independent)

Ahmad Shafi

Member, Non-Executive Director

Ahmad Waqar

Member, Non-Executive Director

Nausheen Ahmad

Member, Non-Executive Director (Independent)

GOVERNANCE AND NOMINATION COMMITTEE

Ahmad Waqar

Chairman, Non-Executive Director

Ahsan M. Saleem

Member, Chief Executive Officer

Muhammad Kamran Saleem

Member, Non-Executive Director (Independent)

Nausheen Ahmad

Member, Non-Executive Director (Independent)

RISK MANAGEMENT COMMITTEE

S.M. Ehtishamullah

Chairman, Non-Executive Director

Muhammad Kamran Saleem

Non-Executive Director (Independent)

Nihal Cassim

Member, Non-Executive Director (Independent)

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

MANAGEMENT TEAM

Ahsan M. Saleem – 1983*
Chief Executive Officer

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

Abdul Rouf – 2000*
Business Unit Head – Cotton Division

Arif Raza – 1985*
Business Unit Head – Steel Division

Hajerah A. Saleem – 2012*
Business Unit Head – Investments and Infrastructure Development Division and Head of Corporate Affairs and CEO CS Capital (Private) Limited

Hasan Altaf Saleem – 2010*
Business Unit Head – Crescent Hadeed

Abdullah A. Saleem – 2017*
Head of 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

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

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

SHARE REGISTRAR

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

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

CORPORATE WEBSITE

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

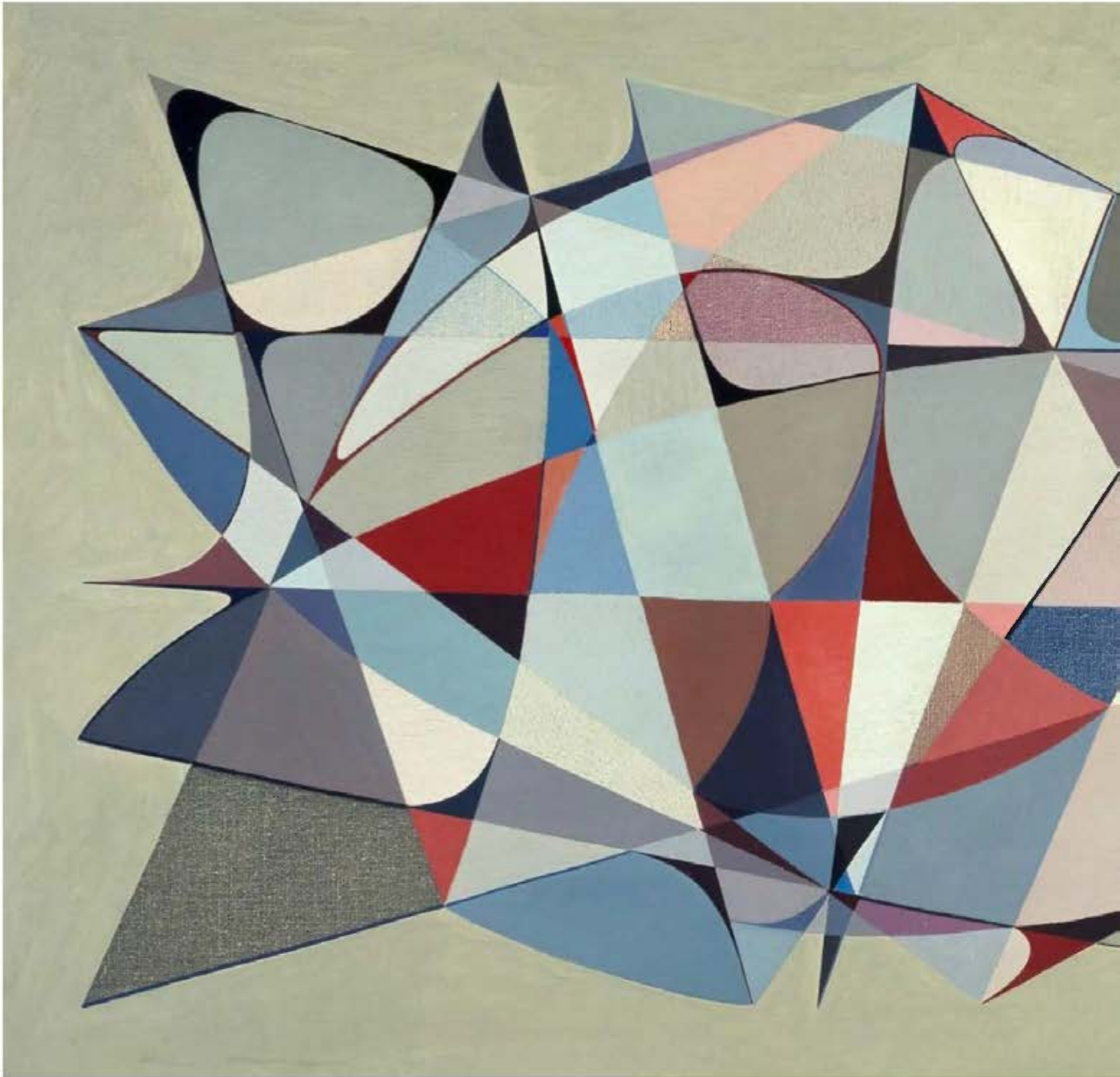


FINANCIAL STATEMENT

For Half Yearly Report 2024 go to:
[https://crescent.com.pk/uploads/media/
half-yearly-report-december-2023.pdf](https://crescent.com.pk/uploads/media/half-yearly-report-december-2023.pdf)



CONSTRUCTIVISM 1919-1932



Source: https://artsandculture.google.com/asset/inven%C3%A7%C3%A3o-baiana-no-1/kQG9rL8Q_inVA

Avant-garde tendency in 20th-century painting, sculpture, photography, design and architecture, with associated developments in literature, theatre and film. The term was first coined by artists in Russia in early 1921 and achieved wide international currency in the 1920s. Russian Constructivism refers specifically to a group of artists who sought to move beyond the autonomous art object, extending the formal language of abstract art into practical design work.

SAMSON FLEXOR

Title: Invenção baiana no. 1





CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED DECEMBER 31, 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 half year ended December 31, 2023.

ECONOMIC OUTLOOK

Pakistan closed FY23 with a GDP growth rate of 0.3% and Inflation of 29.4% year-on-year (YoY) resulting in an average of 29.1% 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%.

On the macroeconomic front, the Current Account Deficit (CAD) is projected to be 1.4% of GDP in FY24 due to increased imports, while the fiscal deficit is planned to be 7.7% of GDP in the current fiscal year.

Growth was recorded at 2.1% in Q1FY24 as against 1.0% in Q1FY23 indicating, moderate economic recovery and driven largely by recovery in the agriculture segment.

There has been a 34% contraction in the trade deficit during 1H FY24 with December 2023 recording a 13% month-on-month (MoM) and a 40% YoY decrease and fiscal measures have marginally eased the deficit.

Average inflation for H1FY24 clocked in at 28.05% as compared to 25.1% during H1FY23, rising on the back of energy and food prices. On a CY basis, average inflation stood at 30.9% in 2023 against 19.7% in 2022. Food and energy inflation contributes 58.2% to the National CPI Index (Dec 23) and remain the main drivers of the cost push inflation, increasing 28% and 38% YoY in December 2023, respectively. The State Bank of Pakistan (SBP) in its Monetary policy meetings maintained the policy rate at 22% consecutively in all five meetings.

With monetary tightening and some fiscal consolidation measures in place along with IMF funding and other bilateral flows the external financing position improved, and the PKR stabilized between PKR 280/USD- PKR 285/USD after a depreciation of 26%. Current Account Deficit for Jul-Dec FY24 clocked in at USD 0.83 billion against USD 3.6 billion in the SPLY, depicting a massive decline of USD 2.8 billion or 77%.

Fiscal indicators show continued improvement, with strong growth in both tax and non-tax revenues. FY24 to-date collections stood at PKR 4.4 trillion. H1FY23 collections of PKR 3.4 trillion, up 35% YoY; and in line with the IMF program target of PKR 4.4. Consequently, fiscal deficit shrank from PKR 1,265.8 billion (1.5% of GDP) to PKR 861.7 billion (0.8% of GDP) 25 trillion for H1FY24 (FY24 (T): PKR 12.4 trillion).

Total Liquid Foreign Reserves clocked in at USD 12.67 billion at the end of December 2023 against USD 9.16 billion at June 30th – this includes inflows from IMF of USD 1.2 billion, UAE and Saudi Arabia aggregating USD 3 billion.

During the period July-Dec 2023 remittances clocked in at USD 13.43 billion against USD 14.42 billion in the same period last year indicating a decline of USD 0.98 billion or 6.82% YoY for the period.

The LSM index showed a slight recovery in November with a MoM and YoY growth of 3.63% and 1.6%, respectively, following a previous contraction. The MoM improvements are primarily on the back of a pick-up in activity, improved dollar liquidity and the easing of import restrictions.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overall Unconsolidated Financial Performance

Company's after tax profit for half year ended December 31, 2023 (HYFY24) amounted to Rs. 1,004.2 million as compared to after tax loss of Rs. (202.3) million in HYFY23 mainly contributed by the Steel Division and dividends from investments. Earnings per share (EPS) for HYFY24 was Rs. 12.93 per share as compared to Loss per Share of Rs. (2.61) in HYFY23.

Company's sales revenue for HYFY24 stood at Rs. 4,277.4 million (HYFY23: Rs. 2,216.5 million). Cost of Goods sold stood at Rs. 2,931.9 million (HYFY23: Rs. 2,205.8) generating a Gross Profit (GP) of Rs. 1,345.5 million (HYFY23 GP of Rs. 10.6 million) which was 31.5 percent of sales as compared to 0.5 percent in HYFY23.

Half yearly performance was majorly represented by the Steel Division where revenue for HYFY24 amounted to Rs. 4,277.4 million (HYFY23: Rs. 1,405.0 million). The revenue excludes the cost of steel supplied by the customer. On a deemed revenue basis the Company's overall revenue for HYFY24 amounted to Rs. 7,343.9 million.

During HYFY24, GP of the Steel division amounted to Rs. 1,481.5 million (HYFY23: GP of Rs. 130.1 million). The Steel Division reported Profit Before Tax (PBT) of Rs. 944.2 million [HYFY23: Loss before tax (LBT) of Rs. 107.1 million]. IID Division reported a PBT of Rs. 743.7 million (HYFY23 LBT: Rs. 6.0 million).

Cotton Division, Hadeed (Billet) Division and CS Energy Division were not operational during the half year ended December 31, 2023 as it was not viable to operate the Plants. Cotton Division reported LBT of Rs. (118.1) million whereas Hadeed (Billet) Division and CS Energy Division posted a combined LBT of Rs. 76.8 million primarily on account of fixed costs incurred during the period including non-cash (depreciation & amortization expense) of Rs. 55.6 million.

The Company's PBT for HYFY24 was Rs. 1,493.0 million as compared to LBT of Rs. (279.3) million in HYFY23. Tax charge during HYFY24 amounted to Rs. 488.8 million (current tax charge of Rs. 320.3 million including Super tax of Rs. 148.8 million while deferred tax charge amounted to Rs. 168.5 million).

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

- Sales revenue increased by 93.0% to Rs. 4,277.4 million as compared to Rs. 2,216.5 million in HYFY23.
- Income from Investments amounted to Rs. 760.8 million as compared to Rs. 3.1 million in HYFY23.
- Gross profit was Rs. 1,345.5 million as compared to a gross profit of Rs. 10.6 million in HYFY23.
- Profit before interest and tax (PBIT) for HYFY24 was Rs. 1,758.9 million as compared to Loss before interest and tax (LBIT) Rs. (133.6) million in HYFY23.
- Profit before interest, tax, depreciation, and amortization (EBITDA) was Rs. 1,889.3 million as compared to Loss before interest, tax, depreciation, and amortization (LBITDA) of Rs. (19.6) million in HYFY23.
- EPS for HYFY24 was Rs. 12.93, as compared to LPS of Rs. (2.61) for HYFY23.
- Return on average capital employed (annualized) was 23.0 percent for HYFY24 as compared to negative 5.3 percent in the corresponding period last year.

BUSINESS SEGMENTS

Steel Segment

Steel Division revenue for HIFY24 amounted to Rs. 4,277.4 million (QIFY23: Rs. 1,405.1 million). GP for the HIFY24 recorded at Rs. 1,481.5 million i.e. 34.6% (HIFY23: GP of Rs. 130.1 million i.e. 9.4%).

PBT for the period stood at Rs. 944.2 million (Q1FY23: LBT of Rs. 107.1 million).

We supplied 35 Kms of Coated Steel Line Pipes in diameters of 16" and 20" and 46 km of Bare Steel Line Pipes in diameters of 16" and 24" to Gas Sector. In the same period, we supplied 20 Kms of 84" and 68" diameters coated steel line pipes for supplies to the K-IV Greater Karachi Bulk Water Supply Project. The K-IV project revenue of Rs. 845.5 excludes the cost of HRC supplied by the customer. The deemed revenue would be higher by Rs. 3,066.5 million. An external coating of 104 km of 8" diameter pipes was also executed during the period.

IID Segment

Market Review

Fiscal year 2024 saw the KSE-100 dominating global indices, posting gains of 55% YoY in inclusive of dividends during the half year period on the back of a stable PKR and improving macro-economic indicators, particularly the fiscal and external account positions and exchange rate stability.

On a half year basis the local bourse was up 50.7% or 20,998 points from its fiscal year opening of 41,452.7 points, closing CY2023 at 62,451.0 points on December 29, 2023. On a CY/YoY and Q2FY24/Quarter-on-Quarter (QoQ) basis, the index was up 22,031.04 points or 54.5% and, 16,218.45 points or 35.1%, respectively. During the half year period the index traded between a low-high of 45,002-66,426 points or, +8.6% to +60.3% from its opening on July 03, 2023 – on a QoQ basis the KSE-100 marked a low-hi of 46,627 and 66,427 or between 0.8% and 43.7% from its Q1 closing. As per Bloomberg data, Pakistan's KSE-100 Index was amongst 3rd best performing market in local return in 2023.

The index maintained its upward momentum with each passing trading session to record an all-time high of 66,426 points on December 12, 2023 – albeit marking a quick correction of c.11% or 7,256 points during the last week of December. This was driven primarily by investors booking gains and closing year-end positions, as well as margin calls on leveraged buying amidst high financing rates.

Trading at a PE of 4.1 times at present and a forward P/E of 4 times, compared to a 10-year historical PE of 7.5 times, the KSE-100 index continues to offer attractive valuations and a significant upside.

Segment Performance

The portfolio's accumulated PBT for the period ended December 31, 2023, stood at Rs. 743.7 million, as against the LBT of Rs. 6.4 million in the corresponding period last year. This translates into a per share addition of Rs. 9.56 to the Company bottom line.

The PBT includes unrealised gain Rs. 156.1 million, Dividend income for the period stood at Rs. 597.3 million, including Dividend income from strategic investments in Altern Energy Limited of Rs. 573.3 million.

During H1FY24, the division's HFT investments recorded a positive ROI of 61.1% on weighted average investments of Rs. 218.1 million whereas the benchmark KSE-100 index increased by 50.6%. Dividend yield for the first half from the HFT portfolio stands at 6.0% ceteris paribus.

UNCONSOLIDATED BALANCE SHEET

Balance sheet footing stood at Rs. 11,181.4 million as of December 31, 2023, compared to Rs 9,948.3 million on June 30, 2023. Break-up value per share increased to Rs. 91.8 from Rs. 78.8 as at June 30, 2023.

The current ratio increased to 1.66, as compared to 1.28 as at June 30, 2023. Gearing ratio (including short-term borrowings) decreased to 19.5% as compared to 24.9% as at June 30, 2023. Interest cover for H1FY24 was 6.6 times [H1FY23: (0.9) 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.

1,367.6 million (HIFY23: loss of (Rs. 144.2 million)]. Consolidated profit after tax for the Group for HIFY24 was Rs. 863.2 million as compared to loss after tax of (Rs. 10.4 million) in HIFY23. Net share of profit from equity-accounted associates amounted to Rs. 256.4 million (HIFY23: Rs. 221.5 million).

Consolidated EPS of the Group for HIFY24 was Rs. 11.12 per share as compared to LPS of Rs. 0.13 per share respectively in the corresponding period last year. Break-up value per share increased to Rs. 106.83 from Rs. 95.66 as at June 30, 2023.

CONSOLIDATED BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 12,453.2 million, compared to Rs. 11,302.6 million as at June 30, 2023. Total shareholders' fund increased to Rs. 8,294.2 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, 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. Domestically, rising utilities costs, higher financing costs, higher employment costs, and additional taxation have increased input costs for manufacturing and have resultantly reduced customer demand. These measures have also impacted on cashflows. These challenges are expected to persist through to the end of FY25 and may impede our ability to execute projects in hand, while influencing the

velocity with which new projects are issued. While import curbs have significantly enhanced our ability to supply to segments that were generally wholly dependent on imported pipes, such as the oil sector, and have also reduced competition in our existing customer segments from foreign suppliers. These measures have exposed us to supply side shocks and are a major risk to processing orders in hand. The geo-political conflicts have already impacted shipping corridors and has consequently impacted commodity markets, specifically crude and petrochemical product prices have already risen in response and we expect that the conflict will have significant impact on business as usual, for some time.

In H2FY24, we shall continue manufacturing 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 companies.


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

February 14, 2024

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ بالترتیب کمپنی اور گروپ کی غیر یکجا اور یکجا منگلز عبوری مالیاتی دستاویزات بابت ششماہی اختتامیہ 31 دسمبر 2023 آپ کی خدمت میں پیش کر رہے ہیں۔

معاشی منظر نامہ

پاکستان میں مالی سال 2023 کا اختتام 0.3% جی ڈی پی اور سال بہ سال کی بنیاد پر افراط زر %29.4 پر ہوا۔ اور اس طرح اوسطاً جون تا جولائی 2023 افراط زر کی شرح %29.1 رہی۔ عالمی بینک کے تخمینے کے مطابق ترقی کی شرح زبردباؤ رہنے کی توقع ہے کیونکہ مالی سال 2024 کے دوران جی ڈی پی %1.7 رہنے کا امکان ہے اور افراط زر %26.5 کے قریب قریب رہنے کی توقع ہے۔

کلی معاشیات کے تناظر میں، مالی سال 2024 کے دوران کرنٹ اکاؤنٹ خسارہ کل جی ڈی پی کا %1.4 رہنے کی توقع ہے جس کی وجہ درآمدات میں اضافہ ہے، جبکہ زیر نظر مالی سال کے دوران مالیاتی خسارہ کل جی ڈی پی کا %7.7 رہنے کی توقع ہے۔

مالی سال 2024 کی پہلی سہ ماہی کے دوران شرح نمو %2.1 ریکارڈ کی گئی جبکہ مالی سال 2023 میں شرح نمو %1.0 ریکارڈ کی گئی تھی، جس سے ظاہر ہوتا ہے کہ معاشی بحالی کی رفتار قدرے ست رہی اور اس بحالی کا سہرا بنیادی طور پر شعبہ زراعت کو جاتا ہے۔

مالی سال 2024 کی پہلی سہ ماہی کے دوران تجارتی خسارے میں %34 کا سکڑاؤ ریکارڈ کیا گیا ہے جبکہ ماہانہ بنیادوں پر دسمبر 2023 میں %13 اور سال بہ سال کی بنیاد پر %40 ریکارڈ کیا گیا تھا، مالیاتی اقدامات کی وجہ سے خسارے میں قدرے کمی واقع ہوئی ہے۔

مالی سال 2024 کی پہلی سہ ماہی کے دوران افراط زر کی شرح %28.05 رہی جو کہ مالی سال 2023 کی پہلی سہ ماہی کے دوران %25.1 ریکارڈ کی گئی تھی۔ افراط زر میں ہونے والا اضافہ بنیادی طور پر توانائی اور غذائی اجناس کی قیمتوں میں اضافے کے باعث ہوا۔ کلینڈر ایئر کی بنیاد پر مالی سال 2023 کے دوران افراط زر %30.9 ریکارڈ کی گئی اور مالی سال 2022 کے دوران افراط زر %19.7 ریکارڈ کی گئی تھی۔ قومی کنزیومر پرائس انڈیکس (دسمبر 2023) میں غذائی اجناس اور توانائی کا حصہ %58.2 ریکارڈ کیا گیا ہے، بلحاظ طلب مہنگائی کیلئے یہ بنیادی عوامل ہیں، جو کہ دسمبر 2023 میں سال بہ سال کی بنیاد پر بالترتیب %28 اور %38 ریکارڈ کی گئیں۔ اسٹیٹ بینک آف پاکستان کی جانب سے اپنے مسلسل پانچ اجلاسوں میں اپنی مانیٹری پالیسی کے تحت پالیسی ریٹ کو %22 پر رکھنے کی منظوری دی ہے۔

مانیٹری پالیسی میں سختی اور اور مالیاتی نظام کو مربوط بنانے کی غرض سے اٹھائے جانے والے اقدامات بشمول آئی ایم ایف سے فنڈنگ کے دو طرفہ مالیاتی ترسیل اور بین الاقوامی فنڈنگ کی صورت حال میں بہتری آئی ہے اور %26 کی کمی کے بعد پاکستانی روپے کی قدر ڈالر کے مقابلے میں 280 سے 285 روپے کے درمیان رہا۔ مالی سال 2024 جولائی تا دسمبر کرنٹ اکاؤنٹ خسارہ %10.38 ارب ڈالر رہا جو مالی سال 2023 کے مالی عرصے کے دوران %3.6 ارب ڈالر ریکارڈ کیا گیا تھا، جس سے ظاہر ہوتا ہے کہ %2.8 ارب ڈالر یعنی %77 کی کمی واقع ہوئی ہے۔

مالیاتی اشاریے بہتری کی جانب اشارہ کر رہے ہیں، ٹیکس اور نان ٹیکس ریونیو دونوں میں ہی شرح نمو میں بہتری دکھائی دیتی ہے۔ مالی سال 2024 میں اب تک 4.4 ٹریلین روپے جمع کئے جا چکے ہیں، مالی سال 2023 میں اسی عرصے کے دوران 3.4 ٹریلین روپے ریونیو حاصل کیا گیا تھا جو کہ سال بہ سال کی بنیاد پر 35% ہے جو کہ آئی ایم ایف کے ٹارگٹ 4.4 کے مطابق ہے۔ نتیجتاً مالیاتی خسارہ 1,265.8 ارب روپے (کل جی ڈی پی کا 1.5%) سے کم ہو کر 861.7 ارب روپے (کل جی ڈی پی کا 0.8%) ہو چکا ہے جو کہ پہلی سرمایہ مالی سال 2024 میں 25 ٹریلین روپے ہے۔

دسمبر 2023 کے اختتام پر کل لیوی ڈیفارنریز روز 12.67 ارب ڈالر تھے جو کہ 30 جون تک 9.16 ارب ڈالر تھے۔ اس میں آئی ایم ایف سے ملنے والے 1.2 ارب ڈالر اور عرب امارات اور سعودی عرب سے اوسطاً ملنے والے 3 ارب ڈالر شامل ہیں۔

جولائی تا دسمبر 2023 تریلیٹ زر 13.43 ارب ڈالر تھے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ رقم 14.42 ارب ڈالر تھی، یعنی 0.98 ارب ڈالر یا 6.82% کی کمی واقع ہوئی ہے جو کہ سال بہ سال کی بنیاد پر ہے۔

گزشتہ کمی کے بعد بڑے پیمانے پر مینوفیکچرنگ کے سلسلے میں نومبر کے مہینے میں معمولی سا اضافہ دیکھا گیا ہے جو کہ ماہانہ اور سالانہ بنیادوں پر بالترتیب 3.63% اور 1.6% ریکارڈ کیا گیا ہے۔ ماہانہ بنیادوں پر نظر آنے والی اصلاحات کے پس منظر میں ڈالر کی لیکویڈیٹی اور درآمدات پر لگائی جانے والی پابندیوں میں پیدا کی جانے والی زمینیاں تھیں۔

مالیاتی و کاروباری کارکردگی

مجموعی غیر یکجا معاشی کارکردگی

زیر نظر 31 دسمبر 2023 کو ختم ہونے والی ششماہی (2023) کے دوران کمپنی کا بعد از ٹیکس منافع 1,004.2 ملین روپے رہا جبکہ گزشتہ مالی سال (2023) کے اسی عرصے کے دوران کمپنی کو 202.3 ملین روپے کا نقصان ہوا تھا جس کا سہرا بنیادی طور پر اسٹیل ڈویژن اور سرمایہ کاری سے حاصل ہونے والے ڈیویڈنڈ کو جاتا ہے۔ مالی سال 2024 کی ششماہی کے دوران فی حصص آمدن 12.93 روپے درج کیا گیا ہے جبکہ مالی سال 2023 کی ششماہی کے دوران 2.61.37 روپے فی حصص نقصان درج کیا گیا تھا۔

مالی سال 2024 کی ششماہی کے دوران آمدن از فروخت 4,277.4 ملین روپے رہی (بمطابق ششماہی 2023 یہ آمدن 2,216.5 ملین روپے تھی)۔ فروخت شدہ مصنوعات کی پیداواری لاگت 2,931.9 ملین روپے تھی (بمطابق ششماہی 2023 یہ لاگت 2,205.8 تھی)، اس آمدن سے 1,345.5 ملین روپے کا خام منافع حاصل ہوا (بمطابق ششماہی 2023 خام منافع 10.6 ملین روپے تھا)، یعنی خام منافع کل فروخت کا 31.5% بنتا ہے جبکہ ششماہی 2023 میں یہ تناسب 0.5% تھا۔

اسٹیل ڈویژن کی جانب سے ششماہی کے دوران کارکردگی کا مظاہرہ کیا گیا، اس شعبے میں ششماہی کی آمدن 4,277.4 ملین روپے ریکارڈ کیا گیا (بمطابق ششماہی 2023 یہ آمدن 1,405.0 ملین روپے تھی)۔ اس آمدن میں سے صارفین کی جانب سے مہیا کردہ اسٹیل کی پیداواری لاگت کو منہا کیا گیا ہے۔ ششماہی 2024 کے دوران کمپنی کی تخمینہ شدہ مجموعی آمدن 7,343.9 ملین روپے بنتی ہے۔

ششماہی 2024 کے دوران اسٹیل ڈویژن کا خام منافع 1,481.5 ملین روپے رہا (بمطابق ششماہی 2023 یہ منافع 130.1 ملین روپے تھا)۔ اسٹیل ڈویژن کی جانب سے منافع قبل از ٹیکس 944.2 ملین روپے ریکارڈ کیا گیا ہے (بمطابق ششماہی 2023 نقصان قبل از ٹیکس 107.1 ملین روپے درج کیا گیا تھا)۔ آئی آئی ڈی ڈویژن کی جانب سے منافع قبل از ٹیکس 743.7 ملین روپے رہا (بمطابق ششماہی 2023 نقصان قبل از ٹیکس 6.0 ملین روپے درج کیا گیا تھا)۔

کاشن ڈویژن، حدید (بلٹ) ڈویژن اور سی ایس ایز جی ڈویژن ششماہی اختتامیہ 31 دسمبر 2023 فعال نہیں تھے کیونکہ اس عرصے کے دوران ان پلانٹس کو چلانا ممکن نہ تھا۔ کاشن ڈویژن کی جانب سے قبل از ٹیکس نقصان 118.1 ملین روپے رہا جبکہ حدید (بلٹ) ڈویژن اور سی ایس ڈویژن کی جانب سے مجموعی طور پر 76.8 ملین روپے کا نقصان درج کیا گیا ہے، ان نقصان کی بنیادی وجہ دوران ششماہی کے جانے والے مستقل نوعیت کے اخراجات ہیں جس میں غیر نقد (فرسودگی اور بے باقی قرضے) اخراجات 55.6 ملین روپے بھی شامل ہیں۔

ششماہی 2024 کے دوران کمپنی کا منافع قبل از ٹیکس 1,493.0 ملین روپے ہے، جبکہ ششماہی 2023 کے دوران نقصان قبل از ٹیکس 279.3 ملین روپے تھا۔ ششماہی 2024 میں ٹیکس چارج 488.8 ملین روپے ہے (اس میں رواں ٹیکس چارج 320.3 ملین روپے بشمول سپر ٹیکس 148.8 ملین روپے اور منو ٹر ٹیکس 168.5 ملین روپے شامل ہے)۔

کمپنی کی غیر کیجا، مرکبوری مالیاتی دستاویزات کے مطابق کاروباری نتائج

☆ آمدن از فروخت گزشتہ مالی سال کی ششماہی 2023 کے دوران 2,216.5 ملین روپے کے مقابلے میں 93% اضافے کے بعد 4,277.4 ملین روپے ہو چکی ہے۔

☆ ششماہی 2023 کے دوران آمدن از سرمایہ کاری 3.1 ملین روپے درج کی گئی اور اس کے مقابلے میں زیر نظر ششماہی کے دوران یہ آمدن 760.8 ملین روپے درج کی گئی ہے۔

☆ خام منافع 1,345.5 ملین روپے درج کیا گیا ہے جبکہ ششماہی 2023 کے اختتام پر 10.6 ملین روپے کا خام منافع درج کیا گیا تھا۔

☆ ششماہی 2024 کا اختتام پر نقصان قبل از سود ٹیکس 1,758.9 ملین روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال کی ششماہی 2023 کے دوران قبل از سود ٹیکس نقصان 1,33.6 ملین روپے درج کیا گیا تھا۔

☆ آمدن قبل از سود ٹیکس و فرسودگی 1889.3 ملین روپے درج کی گئی ہے جبکہ ششماہی 2023 کے اختتام پر آمدن قبل از سود ٹیکس و فرسودگی نقصان 19.6 ملین روپے درج کیا گیا تھا۔

☆ مالی سال 2024 کی ششماہی کے دوران آمدن فی حصص 12.93 روپے درج کی گئی ہے جبکہ مالی سال 2023 کی ششماہی کے دوران نقصان فی حصص 2.61 روپے درج کیا گیا تھا۔

☆ اوسط لاگائے گئے سرمائے (سالانہ) پر ششماہی 2024 کے اختتام پر 23.0% فیصد منافع حاصل ہوا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ تناسب منفی 5.3% درج کیا گیا تھا۔

کاروباری شعبے

اسٹیل کا شعبہ

ششماہی 2024 کے اختتام پر اسٹیل کے شعبے کی آمدن گزشتہ مالی سال کے مقابلے میں بڑھ کر 4,277.4 ملین روپے ہو گئی ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ آمدن 1,405.0 ملین روپے درج کی گئی تھی۔ زیر نظر ششماہی کے اختتام پر خام منافع 1481.5 ملین روپے درج کیا گیا ہے یعنی 34.6% جبکہ گزشتہ مالی سال 2023 کی ششماہی کے دوران 130.1 ملین روپے کا منافع درج کیا گیا تھا جو کہ 9.4% تھا۔ منافع قبل از ٹیکس زیر نظر ششماہی کے دوران 944.2 ملین روپے رہا (بمطابق پہلی سہ ماہی 2023 نقصان قبل از ٹیکس 107.1 ملین روپے تھا)۔

ہماری جانب سے 35 کلومیٹر کوئڈ اسٹیل لائن پائپس 16 اور 20 انچ قطر کے اور 46 کلومیٹر صرف اسٹیل لائن پائپس 16 اور 24 انچ قطر گیس سیکٹر کو پلائی کی گئی ہیں۔ اسی عرصے کے دوران ہماری جانب سے 20 کلومیٹر 84 اور 68 انچ قطر کے پائپس گریڈ کراچی K-IV منصوبے پر وجیکٹ کیلئے پلائی کی گئی ہے۔ گریڈ کراچی K-IV منصوبے سے حاصل ہونے والی آمدن 845.5 ملین روپے میں ایچ آری کی لاگت شامل نہیں ہے۔ تخمینہ شدہ آمدن 3,066.5 ملین روپے زائد ہوگی۔ اسی عرصے کے دوران 8 انچ قطر کی 104 کلومیٹر پائپ لائن کی بیرونی کونٹک کا کام بھی کیا گیا۔

آئی آئی ڈی کا شعبہ

مارکیٹ کا جائزہ

مالی سال 2024 میں کے ایس سی-100 گلوبل انڈیکس کی بہتر پوزیشن دیکھی گئی ہے، ان کی جانب سے سالانہ بنیادوں پر 55% منافع حاصل کیا گیا، جس میں ششماہی کے دوران ڈیویڈنڈ سے حاصل ہونے والی آمدن شامل ہے جس کے پس منظر میں روپے کی قدر میں استحکام اور کئی معاشی اشاریوں میں بہتری شامل ہے، بالخصوص مالی اور بیرونی اکاؤنٹ پوزیشنز اور شرح مبادلہ میں استحکام شامل ہیں۔

ششماہی کی بنیاد پر مقامی باؤرز %50.7 یا 20,998 پوائنٹس پر تھا جبکہ مالی سال کے آغاز پر اوپننگ پوائنٹس 41,452.7 تھے، 29 دسمبر 2023 کو کلوزنگ CY2023 41,452.7 پوائنٹس تھے۔ کلوزنگ ایئر یا سالانہ بنیادوں پر اور دوسری سہ ماہی 2024 یا سہ ماہی کی بنیادوں پر انڈیکس بالترتیب 22,031.04 پوائنٹس یا %54.5 اور 16,218 پوائنٹس یا %35.1 کے ساتھ اوپر تھا۔ ششماہی کے دوران 3 جولائی 2023 کو اپنی اوپننگ سے انڈیکس میں کم از کم اور زیادہ سے زیادہ 45,002-66,426 پوائنٹس یا %60.3+ - %8.6+ کے درمیان کاروبار ہوا۔ پہلی سہ ماہی میں کلوزنگ کے بعد سے سہ ماہی کی بنیاد پر 100 - KSE انڈیکس میں کم از کم اور زیادہ سے زیادہ 66,427 - 46,627 یا %43.7- - 0.85 کے درمیان کاروبار ہوا۔

بلوم برگ کے ڈیٹا کے مطابق 2023 میں مقامی طور پر کارکردگی کے لحاظ سے 100 - KSE انڈیکس تیسرا بہترین انڈیکس تھا۔

ہرٹریڈنگ سیشن کے بعد انڈیکس میں اضافے کا رجحان برقرار رہا اور 12 دسمبر 2023 بلند ترین پوائنٹس کی حد 66,426 تک انڈیکس جا پہنچا۔ البتہ دسمبر کے آخری ہفتے میں %11 یا 7,256 پوائنٹس کی کانیک کریکشن کی گئی۔ ایسی صورتحال بنیادی طور پر سرمایہ کاروں کی جانب سے منافع حاصل کرنے اور سال کے آخر میں پوزیشن کلیر کرنے کی وجہ سے پیدا ہوئی، علاوہ ازیں بلند شرح تمویل کے باعث قرضوں کی بنیاد پر خرید و فروخت کی وجہ سے مارجن کالز سے بھی یہ صورتحال پیدا ہوئی۔ کمپنی کی آمدن اور اس کی قیمت کے مابین پایا جانے والا تناسب PE ٹریڈنگ کے دوران 4.1 اور 4 گنا تھا، جبکہ گزشتہ دس سالہ تاریخ کے تناظر میں یہ تناسب 7.5 گنا رہا، KSE-100 انڈیکس اچھی قدر کے ساتھ اضافے کے رجحان کو پیش کرتا رہا۔

شعبے کی کارکردگی

مالی سال 2024 کی ششماہی کے اختتام پر پورٹ فولیو کا جمع شدہ منافع قبل از ٹیکس 743.7 ملین روپے درج کیا گیا ہے، جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران نقصان قبل از ٹیکس 6.4 ملین روپے درج کیا گیا تھا۔ اس طرح بلحاظ منافع کمپنی کے فی حصص 9.56 روپے کا اضافہ ہوا۔

منافع قبل از ٹیکس ڈیویڈنڈ سے حاصل ہونے والی آمدن 597.3 ملین روپے، آمدن یعنی تخمینہ 156.1 ملین روپے پر مشتمل ہے جس میں آلٹرن ایز جی لمیٹڈ میں کی جانے والی اہم سرمایہ کاری سے حاصل شدہ 573.3 ملین روپے کا ڈیویڈنڈ نفع بھی شامل ہیں۔

ششماہی 2024 کے دوران شعبے کی جانب سے کی گئی اچھا ایف ٹی سرمایہ کاری پر حاصل ہونے والے ROI کی شرح %61.1 درج کی گئی ہے جو کہ وینڈیا یورٹج 218.1 ملین روپے کی سرمایہ پر ہے جبکہ KSE-100 انڈیکس میں %56.6 کے تناسب سے اضافہ ہوا ہے۔ دیگر حالات بدستور رہنے کی صورت میں، زیر نظر ششماہی کے دوران اچھا ایف ٹی پورٹ فولیو پر ڈیویڈنڈ کی آمدن %6.0 ریکارڈ کی گئی ہے۔

غیر منجانبہ شہادتیں

تاریخ 31 دسمبر 2023 بیلنس شیٹ کا میزانیہ 11,181.4 ملین روپے تھا جبکہ 30 جون 2023 کو بیلنس شیٹ کا میزانیہ 9,948.3 ملین روپے تھا۔ فی حصص بریک اپ ویلیو برائے حصص بڑھ کر 91.8 روپے ہو گئی جو کہ 30 جون 2023 کو 78.8 روپے تھی۔

کرنٹ ریٹو بڑھ کر 1.66 ہو گیا ہے کہ 30 جون 2023 کو 1.28 تھا۔ گھیرنگ ریٹو (بشمول قلیل المیعاد قرضے) کم ہو کر %19.5 تک آ گیا جو کہ 30 جون 2023 کو %24.29 تھا۔ انٹرسٹ کورریٹو ششماہی 2024 کے اختتام پر 6.6 گنا تھا (ششماہی 2023 کے اختتام پر یہ ریٹو 0.9 گنا تھا)۔

مجموعی مربوط مالیاتی کارکردگی

کیکبانیادوں پر تمویلی لاگت سے قبل کاروبار میں منافع اور اکیویٹی سے حاصل ہونے والا حصص منافع 1,367.6 ملین روپے درج کیا گیا ہے (بمطابق ششماہی 2023 یہ نقصان 144.2 ملین روپے تھا)۔ گروپ کا کیکبانیاد منافع بعد از ٹیکس برائے ششماہی 2024 کے اختتام پر 863.2 ملین روپے درج کیا گیا تھا جبکہ ششماہی 2023 کے اختتام پر بعد از ٹیکس نقصان 10.4 ملین روپے درج کیا گیا تھا۔ اکیویٹی اکاؤنٹ ایسوسی اٹس کی جانب سے ملنے والا ڈیویڈنڈ 256.4 ملین روپے درج کیا گیا ہے (بمطابق ششماہی 2023 یہ ڈیویڈنڈ 221.5 ملین روپے تھا)۔

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

ششماہی 2024 کیلئے گروپ کی یکجا آمدن فی حصص 11.12 روپے ہے جبکہ گزشتہ مالی سال کی ششماہی کے دوران فی حصص 0.13 کا نقصان درج کیا گیا تھا۔ فی حصص منقسم قدر بڑھ کر 106.83 ہو چکی ہے جو کہ گزشتہ مالی سال کی ششماہی اختتامیہ 30 جون 2023 کے دوران 95.66 روپے درج کی گئی تھی۔

یکجا بیلنس شیٹ

گروپ کی بنیاد پر مربوط بیلنس شیٹ کا میگزانیہ 12,453.2 ملین روپے رہا جبکہ 30 جون 2023 کو میگزانیہ 11,302.6 ملین روپے تھا۔ حصص داران کا کل فنڈ 30 جون 2023 کو 7,426.1 ملین روپے سے بڑھ کر 8,294.2 ملین روپے ہو چکا ہے۔

مستقبل پر نظر

بے مثال سیاسی عدم استحکام و معاشی مسائل کی وجہ سے موجودہ حالات تناؤ کا شکار ہیں۔ وطن عزیز کو غیر ملکی زرمبادلہ کے ذخائر کے سلسلے میں بھی بحران کا سامنا ہے جس کے باعث تمام کاروباری شعبے ست روی کا شکار ہیں۔ علاوہ ازیں درآمدات پر پابندی کی پالیسی کے نفاذ سے، انتہائی بلند افراط زر کی شرح اور غیر مستحکم شرح مبادلہ کی وجہ سے نہ صرف صنعتی ترقی کا یہیہ ست روی کا شکار ہے بلکہ تمام کاروباری شعبوں میں طلب بھی سز چکی ہے۔ انجینئرنگ کا شعبہ بالخصوص ان حالات سے بری طرح متاثر ہوا ہے کیونکہ خام مال، اشیاء صرف اور فاضل پر زہ جات درآمد کئے جاتے ہیں۔ مقامی سطح پر ٹیلنی بلز میں اضافہ، بلند شرح تمویل، بلند لاگت برائے روزگار اور اضافی ٹیکسوں کی وجہ سے پیداواری لاگت میں خاطر خواہ اضافہ ہوا ہے جس کی باعث صارفین کی جانب سے طلب میں بھی کمی آئی ہے۔ ان حالات کے تحت نقد قوم کی ترسیلات بھی متاثر ہوئی ہیں تو قی توقع کی جا رہی ہے کہ مالی سال 2025 کے اختتام تک ان ہی حالات کا سامنا رہے گا اور اس بات کے خدشات موجود ہیں کہ ہمارے پاس موجود پروڈیکٹس کو مکمل کرنے کے سلسلے میں ہماری قابلیت متاثر ہوگی اور نئے پروڈیکٹس کے اجرا، رفتار بھی متاثر ہوگی۔ جبکہ درآمدات پر پابندی کے بعد ان سیکٹرز میں ہماری سپلائی میں اضافہ ہوا ہے جو کہ مکمل طور پر درآمد شدہ پائپس پر منحصر تھے۔ جیسا کہ آئل کاسٹنگ اور ہمارے شعبے میں بھی غیر ملکی برآمد کنندگان کے مقابلے میں ہماری مسابقت کی صلاحیت میں اضافہ ہوا ہے۔ ان حالات میں ہمیں سپلائی کے سیکٹر میں مسائل کا ادراک ہوا ہے اور ہمارے پاس موجود پروڈیکٹس کی تکمیل کیلئے بڑے رسک پائے جاتے ہیں۔

مختلف علاقوں میں جاری جنگوں کی وجہ سے پہلے ہی شپنگ کی گزرگاہیں متاثر ہیں جس کے باعث اشیاء کی مارکیٹس بری طرح متاثر ہوئی ہیں، بالخصوص ان حالات میں خام تیل اور تیل کی مصنوعات کی قیمتیں بڑھ چکی ہیں۔ ہمیں توقع ہے کہ کچھ عرصے تک ان حالات سے بالعموم کاروبار متاثر رہے گا۔

ششماہی 2024 میں ہم گریڈ کراچی بلک واٹر سپلائی پروجیکٹ K-IV اور گیس سیکٹر سے متعلق اپنے پاس موجود بقیہ کام جاری رکھیں گے جو کہ مختلف قطر کے پائپس پر مشتمل ہے۔ علاوہ ازیں، ہماری جانب سے گیس کمپنیوں کے پائپ کا کام بھی جاری رکھا جائے گا۔

آئل و گیس اور پانی کے سیکٹرز میں جو پائپ کی طلب ہمارے علم میں ہے، آنے والے وقت میں اس طلب سے متعلق بولیاں پیش کی جانے اور اجرائگی توقع ہے اور اگر ہم ان بولیوں میں کامیاب قرار پائے تو مالی سال 2025 میں ان آرڈرز پر کام کیا جائے گا۔

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

برائے و منجانب بورڈ آف ڈائریکٹرز

ندیم مقبول
ڈائریکٹر

احسان ایم سلیم
چیف ایگزیکٹو

مؤرخہ 14 فروری 2024

FUTURISM

1909 – 1914

Italian movement, literary in origin, that grew to embrace painting, sculpture, photography and architecture, which was launched by the publication on 20 February 1909 of 'Le Futurisme' by Filippo Tommaso Marinetti in the Paris newspaper Le Figaro. Marinetti's intention was to reject the past, to revolutionize culture and make it more modern. The new ideology of Futurism set itself with violent enthusiasm against the weighty inheritance of an art tied to the Italian cultural tradition and exalted the idea of an aesthetic generated by the modern myth of the machine and of speed.

CHRISTOPHER R. W. NEVINSON

Title: The Arrival

Source: https://artsandculture.google.com/asset/the-arrival-christopher-richard-wynne-nevinson/ugE0zUyRMJ_1Sg





CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

UNCONSOLIDATED

FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED DECEMBER 31, 2023



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CRESCENT STEEL AND ALLIED PRODUCTS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Crescent Steel and Allied Products Limited as at December 31, 2023 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

Scope of Review

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

Conclusion

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

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

A. F. Ferguson & Co.,
Chartered Accountants
Karachi

Date: February 28, 2024

UDIN: RR202310056AEp9FxcNz

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigor Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

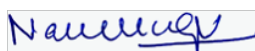
CRESCENT STEEL AND ALLIED PRODUCTS LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT DECEMBER 31, 2023

		Unaudited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,153,554	2,437,568
Right-of-use assets	6	252,328	82,852
Intangible assets		445	1,427
Investment properties		54,380	55,030
Long term investments	7	2,590,192	2,544,677
Long term deposits		70,071	27,143
Deferred taxation - net		707,699	876,358
		<u>5,828,669</u>	<u>6,025,055</u>
Current assets			
Stores, spares and loose tools		371,331	339,707
Stock-in-trade	8	1,658,275	1,268,967
Trade debts	9	1,246,924	464,043
Loans and advances	10	232,235	285,286
Trade deposits and short term prepayments		20,511	13,644
Short term investments	11	818,454	552,382
Other receivables	12	291,886	295,730
Taxation - net		312,704	673,200
Cash and bank balances		400,459	30,266
		<u>5,352,779</u>	<u>3,923,225</u>
Total assets		<u><u>11,181,448</u></u>	<u><u>9,948,280</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital 100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserve		1,020,908	1,020,908
Revenue reserves		<u>5,327,519</u>	<u>4,322,199</u>
		<u>7,124,752</u>	<u>6,119,432</u>
LIABILITIES			
Non-current liabilities			
Long term loans	13	290,929	424,748
Lease liabilities		228,919	62,424
Deferred income		3,566	3,837
Deferred liability - staff retirement benefits		300,198	279,790
		<u>823,612</u>	<u>770,799</u>
Current liabilities			
Trade and other payables	14	1,523,594	1,389,065
Unclaimed dividend		16,074	16,081
Mark-up accrued		87,527	78,369
Short term borrowings	15	1,293,182	1,289,519
Current portion of long term loans	13	270,193	270,228
Current portion of lease liabilities		41,976	14,249
Current portion of deferred income		538	538
		<u>3,233,084</u>	<u>3,058,049</u>
Total liabilities		<u>4,056,696</u>	<u>3,828,848</u>
Contingencies and commitments	16		
Total equity and liabilities		<u><u>11,181,448</u></u>	<u><u>9,948,280</u></u>

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




Chief Executive



Director



Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND SIX MONTHS ENDED DECEMBER 31, 2023

	Note	Quarter ended		Six months ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----					
Sales		3,458,606	1,398,238	5,047,847	2,575,024
Less: Sales tax		528,002	187,431	770,429	358,544
	17	2,930,604	1,210,807	4,277,418	2,216,480
Cost of sales		1,901,766	1,105,511	2,931,960	2,205,831
Gross profit		1,028,838	105,296	1,345,458	10,649
Income from investments - net	18	443,740	1,972	760,809	3,062
		1,472,578	107,268	2,106,267	13,711
Distribution and selling expenses		28,939	8,711	46,957	13,311
Administrative expenses		159,903	85,585	240,348	163,898
Other operating expenses	19	104,365	-	114,953	-
		293,207	94,296	402,258	177,209
		1,179,371	12,972	1,704,009	(163,498)
Other income		36,089	4,106	54,918	29,850
Operating profit / (loss) before finance costs		1,215,460	17,078	1,758,927	(133,648)
Finance costs	20	136,023	86,457	265,931	145,663
Profit / (loss) before taxation		1,079,437	(69,379)	1,492,996	(279,311)
Taxation					
- Current for the period		(258,372)	(17,172)	(320,334)	(30,511)
- Prior year		-	782	-	782
- Deferred		(141,983)	27,246	(168,496)	106,786
		(400,355)	10,856	(488,830)	77,057
Profit / (loss) after taxation for the period		679,082	(58,523)	1,004,166	(202,254)
Other Comprehensive income / (loss)					
Items that will not be reclassified subsequently to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		1,238	(2,307)	1,154	(2,918)
Total comprehensive income / (loss) for the period		680,320	(60,830)	1,005,320	(205,172)
----- (Rupees) -----					
Basic and diluted - earnings / (loss) per share	21	8.75	(0.75)	12.93	(2.61)

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


Chief Executive


Director


Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves			Total revenue reserves	Total
		Share premium	Fair value reserve	General reserve	Unappropriated profit		
(Rupees in '000)							
Balance as at July 1, 2022	776,325	1,020,908	3,913	3,642,000	655,265	4,301,178	6,098,411
Total comprehensive loss for the period							
Loss after taxation for the period	-	-	-	-	(202,254)	(202,254)	(202,254)
Other comprehensive loss for the period	-	-	(2,918)	-	-	(2,918)	(2,918)
Total comprehensive loss for the period	-	-	(2,918)	-	(202,254)	(205,172)	(205,172)
Balance as at December 31, 2022	776,325	1,020,908	995	3,642,000	453,011	4,096,006	5,893,239
Balance as at July 1, 2023	776,325	1,020,908	1,609	3,642,000	678,590	4,322,199	6,119,432
Total comprehensive income for the period							
Profit after taxation for the period	-	-	-	-	1,004,166	1,004,166	1,004,166
Other comprehensive income for the period	-	-	1,154	-	-	1,154	1,154
Total comprehensive income for the period	-	-	1,154	-	1,004,166	1,005,320	1,005,320
Balance as at December 31, 2023	776,325	1,020,908	2,763	3,642,000	1,682,756	5,327,519	7,124,752

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

AG


 Chief Executive


 Director


 Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

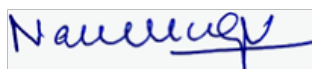
	Note	Six months ended	
		December 31, 2023	December 31, 2022
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash generated from / (used in) operations	22	153,691	(776,775)
Taxes refund / (paid)		40,162	(59,782)
Finance costs paid		(238,369)	(108,274)
Contribution to staff retirement benefits		(14,623)	(13,434)
Long term deposits - net		(41,819)	(4,512)
Net cash used in operating activities		(100,958)	(962,777)
Cash flows from investing activities			
Capital expenditure		(57,202)	(136,086)
Proceeds from disposal of operating fixed assets		214,156	16,509
Investments - net		98,786	(187,345)
Dividend income received		599,508	21,825
Interest income received		30,283	8,947
Net cash generated from / (used in) investing activities		885,531	(276,150)
Cash flows from financing activities			
(Repayments of) / proceeds from long term loans - net		(133,854)	720,249
Payments against finance lease obligations - net		(34,182)	(21,730)
Proceeds from short term loans - net		202,909	454,738
Dividends paid		(7)	(44)
Net cash generated from financing activities		34,866	1,153,213
Net increase / (decrease) in cash and cash equivalents		819,439	(85,714)
Cash and cash equivalents at beginning of the period		(433,388)	(334,661)
Cash and cash equivalents at end of the period	23	386,051	(420,375)

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

AS



Chief Executive



Director



Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Crescent Steel and Allied Products Limited ("the Company") was incorporated on August 1, 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on the Pakistan Stock Exchange. The registered office of the Company is located at E-floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore, whereas its principal office is situated at 9th floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi.
- 1.2** The Company operates five segments namely Steel, Cotton, Investment and Infrastructure Development (IID), Energy and Hadeed (Billet) segment as disclosed in note 24 to these condensed interim unconsolidated financial statements.
- 1.3** These condensed interim unconsolidated financial statements of the Company are the separate financial statements of the Company in which investments in subsidiaries and associates have been accounted for at cost less accumulated impairment, if any.

2. BASIS OF PREPARATION

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

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

- 2.2** These condensed interim unconsolidated financial statements of the Company do not include all the information and disclosures required in the unconsolidated annual financial statements, and should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023. However, selected explanatory notes are included in these condensed interim unconsolidated financial statements to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited unconsolidated financial statements.
- 2.3** The figures included in the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the six months ended December 31, 2023.
- 2.4** These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand rupees, except otherwise stated.

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3. SIGNIFICANT ACCOUNTING POLICIES

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

3.2 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED 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 became 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 Amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, the amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023.

	Note	Unaudited December 31, 2023 ----- (Rupees in '000) -----	Audited June 30, 2023
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,891,295	1,934,813
Capital work-in-progress	5.2	262,259	502,755
		2,153,554	2,437,568

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

	Unaudited Six months ended December 31, 2023		Unaudited Six months ended December 31, 2022	
	Additions / Transfers	Disposals / Transfers (cost)	Additions / Transfers	Disposals / Transfers (cost)
----- (Rupees in '000) -----				
Leasehold land	14,250	-	-	-
Buildings on freehold land	-	-	4,472	-
Plant and machinery - owned	242,199	210,000	64,085	1,903
Electrical / office equipment and installation	723	86	1,690	-
Computers	1,341	1,997	2,252	783
Motor vehicles - owned	5,900	9,391	74,686	20,482
	<u>264,413</u>	<u>221,474</u>	<u>147,185</u>	<u>23,168</u>

- 5.2 Additions to capital work-in-progress during the six months period ended December 31, 2023 amounted to Rs. 16.789 million netted off with transfers and provisions of Rs. 224 million and Rs. 33.223 million respectively (December 31, 2022: additions and transfers of Rs. 48.557 million and Rs. 49.090 million respectively).

6. RIGHT-OF-USE ASSETS

During the six months period ended December 31, 2023, the Company entered into a sale and lease back arrangement for its machinery amounting to Rs. 210 million. The lease term of such arrangement is five years and rentals are payable monthly in arrears, whereas markup is payable at three months KIBOR + 4.75% per annum. Security deposit amounting to Rs. 42 million, classified under 'long term deposits', shall be applied by the Company to the residual value at the end of the lease period or any renewal thereof.

7. LONG TERM INVESTMENTS

	Note	Unaudited	Audited
		December 31, 2023	June 30, 2023
----- (Rupees in '000) -----			
Subsidiary companies - at cost	7.1	705,001	705,001
Associated companies - at cost	7.2	1,286,401	1,286,401
Other long term investments	7.3	598,790	553,275
		<u>2,590,192</u>	<u>2,544,677</u>

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7.1 Subsidiary companies - at cost

Unaudited December 31, 2023	Audited June 30, 2023		Note	Unaudited December 31, 2023	Audited June 30, 2023
---- (Number of shares) ----		Unquoted		----- (Rupees in '000) -----	
70,500,000	70,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	7.1.1	705,000	705,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	7.1.2	-	-
100	100	Solution de Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	7.1.3	1	1
				<u>705,001</u>	<u>705,001</u>

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

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

7.1.3 This represents the Company's investment in 100% ordinary shares of Solution de Energy (Private) Limited that was acquired through amalgamation on June 30, 2019.

7.2 Associated companies - at cost

Unaudited December 31, 2023	Audited June 30, 2023		Note	Unaudited December 31, 2023	Audited June 30, 2023
---- (Number of shares) ----		Quoted		----- (Rupees in '000) -----	
60,663,775	60,663,775	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	7.2.1	595,293	595,293
27,409,075	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Saif Ullah)	7.2.2	691,108	691,108
				<u>1,286,401</u>	<u>1,286,401</u>

7.2.1 The Company holds 16.69% (June 30, 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 International Accounting Standards 28 'Investments in Associates and Joint Ventures' (IAS 28), therefore it has been treated as an associate as per IAS 28.

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7.2.2 The Company holds 21.93% (June 30, 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, therefore it has been treated as an associate as per IAS 28.

7.2.3 The fair value of investments in associated companies as at December 31, 2023 amounted to Rs. 2,252.531 million (June 30, 2023: Rs. 2,079.477 million).

		Unaudited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
7.3 Other long term investments			
Fair value through other comprehensive income (FVOCI)	7.3.1	8,612	7,295
Fair value through profit or loss (FVTPL)	7.3.2 & 7.3.3	590,178	545,980
		<u>598,790</u>	<u>553,275</u>

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

7.3.2 This includes investments in Crescent Industrial Chemicals Limited and Crescent Bahuman Limited amounting to Rs. 10.470 million and Rs. 24.037 million (June 30, 2023: Rs. 10.470 million and Rs. 24.037 million), respectively, which had been fully charged to profit or loss in earlier periods.

7.3.3 This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 376.362 million and Rs. 213.816 million (June 30, 2023: Rs. 341.764 million and Rs 204.216 million) respectively.

		Unaudited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
8. STOCK-IN-TRADE			
Raw materials			
Hot rolled steel coils (HR Coils)		282,435	284,762
Coating materials		714,654	328,884
Steel scrap		11,999	11,999
Raw cotton		55,401	-
Stock-in-transit		228,550	129,198
Others		239,396	331,829
		<u>1,532,435</u>	<u>1,086,672</u>
Work-in-process		37,515	70,993
Finished goods - net	8.1	87,953	111,099
Scrap / cotton waste		372	203
		<u>125,840</u>	<u>182,295</u>
		<u>1,658,275</u>	<u>1,268,967</u>

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- 8.1 Stock in trade as at December 31, 2023 includes certain items valued at net realisable value (NRV). Charge in respect of stock written down to NRV amounting to Rs. 38.636 million (December 31, 2022: Reversal of Rs. 7.296 million) and has been recognized in cost of sales.

		Unaudited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
9. TRADE DEBTS			
Secured			
Considered good		8,972	-
Unsecured			
Considered good	9.1	1,237,952	464,043
Considered doubtful		19,248	18,401
		1,257,200	482,444
Impairment loss on trade debts		(19,248)	(18,401)
		1,246,924	464,043

- 9.1 This includes amount due from Pak Elektron Limited (a related party) amounting to Rs. 62.032 million (June 30, 2023: Rs. 40.101 million).

		Unaudited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
10. LOANS AND ADVANCES			
10.1 These include loan to:			
Solution de Energy (Private) Limited	10.1.1	115,464	111,914

- 10.1.1 The Company has provided short term interest free loan to the wholly owned subsidiary Company in order to meet its requirements for the purposes of feasibility, legal approvals and other related activities in respect of its project of 100 MW Solar Power Plant in Solar Power Park being established by the Government of Punjab in the Cholistan desert. The loan is repayable on demand.

		Unaudited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
11. SHORT TERM INVESTMENTS			
At amortized cost	11.1	334,360	84,360
At fair value through profit or loss (FVTPL)	11.2 & 11.3	484,094	468,022
		818,454	552,382

- 11.1** This represents investment in term deposit receipts having markup rate ranging from 15.75% to 24.5% (December 31, 2022: 12.67% to 12.89%) per annum and maturing upto March 26, 2024.
- 11.2** This represents investments in ordinary shares of listed companies and units of mutual funds.
- 11.3** Investments having an aggregate market value of Rs. 1,501.573 million (June 30, 2023: Rs. 961.586 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which amount of Rs. 1,258.990 million (June 30, 2023: Rs. 798.544 million) relates to long term investments.

	Note	Unaudited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----			
12. OTHER RECEIVABLES			
Dividend receivable		886	886
Provision there against		(886)	(886)
		-	-
Receivable against sale of investments		32	-
Claim receivable		461	461
Due from related parties	12.1	7,845	5,999
Sales tax refundable		105,378	106,973
Margin on letters of credit		79,851	4,137
Margin on letters of guarantee		95,327	175,345
Others		2,992	2,815
		<u>291,886</u>	<u>295,730</u>
12.1 Due from related parties			
CS Capital (Private) Limited		2,394	1,079
The Crescent Textile Mills Limited		466	249
Shakarganj Food Products Limited		4,385	4,070
Crescent Socks (Private) Limited		600	600
Premier Insurance Limited		-	1
		<u>7,845</u>	<u>5,999</u>
13. LONG TERM LOANS			
Secured - Under shariah arrangement			
Sukuk Certificates	13.1	533,333	666,667
Less: Unamortized transaction cost	13.1.1	(3,311)	(4,241)
		<u>530,022</u>	<u>662,426</u>
Secured - Under non-shariah arrangement			
JS Bank Limited	13.2	31,100	32,550
		<u>561,122</u>	<u>694,976</u>
Less: Current portion shown under current liabilities		<u>270,193</u>	<u>270,228</u>
		<u>290,929</u>	<u>424,748</u>

13.1 During the year ended June 30, 2023, the Company issued 8,000 unlisted, privately placed and secured Sukuk certificates (SUKUK-AI-Istisna) on October 11, 2022, having face value of Rs. 100,000 each, amounting to Rs. 800 million. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk-al-istisna were received on October 11, 2022. The Sukuk certificates carry profit at the rate of 6-months KIBOR + 2% per annum with semi-annual rental payments having tenure of three years from the issue date on arrear basis. Principal repayments in installment had commenced from April 2023. During the period, the Company has made repayments of Rs. 133.333 million (December 31, 2022: Rs. Nil) of the principal amount. During the period, profit on such arrangement ranged from 24.08% to 24.76% (December 31, 2022: 17.78%) per annum.

13.1.1 This represents the unamortized portion of cost incurred with respect to issuance of SUKUK certificates which is being amortized using effective interest rate.

13.2 During the year ended June 30, 2021, the Company entered into a loan arrangement with JS Bank Limited in which 5 tranches were received. The tranches were converted into the 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 was payable quarterly at the rate of 1 month KIBOR plus 1% per annum up till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.

The effective interest on such arrangement is 8.47% to 11.35% (December 31, 2022: 8.47% to 11.35%) per annum.

14. TRADE AND OTHER PAYABLES

		Unaudited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
Trade creditors		48,247	44,058
Bills payable		158,054	38
Commission payable		596	522
Accrued liabilities		490,614	594,735
Advances from customers		302,568	350,464
Infrastructure fee, sales tax and damages		317,542	287,643
Due to related parties	14.1	22,443	19,534
Contribution payable to provident fund		2,956	127
Contribution payable to staff retirement benefit funds		3,469	2,823
Retention money		110	2,980
Withholding tax payable		3,868	6,892
Workers' Profit Participation Fund		68,332	18,529
Workers' Welfare Fund		25,000	7,640
Others		79,795	53,080
		1,523,594	1,389,065

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		Unaudited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
14.1	Due to related parties		
	Premier Insurance Limited	56	-
	Shakarganj Limited	<u>22,387</u>	<u>19,534</u>
		<u>22,443</u>	<u>19,534</u>

15. SHORT TERM BORROWINGS

Secured from banking companies

Running finances under mark-up arrangements	15.1	264,408	463,654
Short term loans	15.2 & 15.4	<u>1,028,774</u>	<u>825,865</u>
		<u>1,293,182</u>	<u>1,289,519</u>

- 15.1** Running finance / money market facilities are available from conventional side of various commercial banks under mark-up arrangements amounting to Rs. 850 million (June 30, 2023: Rs. 1,100 million) out of which Rs. 300 million (June 30, 2023: Rs. 300 million), Rs. 100 million (June 30, 2023: Rs. 100 million) and Rs. 300 million (June 30, 2023: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loan, respectively. During the period, mark-up on such arrangements ranged from 22.47% to 24.91% (December 31, 2022: 15.91% to 18.81%) per annum.
- 15.2** Short term loan available from various commercial banks under mark-up arrangements amounting to Rs. 3,550 million (June 30, 2023: Rs. 3,950 million) out of which Rs. 3,050 million (June 30, 2023: Rs. 3,150 million), Rs. 205 million (June 30, 2023: Rs. 205 million) and Rs. 300 million (June 30, 2023: Rs. 350 million) are interchangeable with letters of credit, letters of guarantee and running finance facility, respectively. During the period, the mark-up on such arrangements ranged from 23.78% to 25.22% (December 31, 2022: 15.91% to 18.81%) per annum.
- 15.3** The facilities for opening letters of credit amounting to Rs. 3,800 million (June 30, 2023: Rs. 4,750 million) out of which Rs. 300 million (June 30, 2023: Rs. 300 million), Rs. 3,050 million (June 30, 2023: Rs. 3,150 million) and Rs. 205 million (June 30, 2023: Rs. 205 million) are interchangeable with short term running finance, short term loan and letters of guarantee respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at December 31, 2023 amounted to Rs. 1,388.6 million (June 30, 2023: Rs. 2,336.6 million). Amounts unutilized for letters of credit and guarantees as at December 31, 2023 were Rs. 2,393.393 million and Rs. 335.094 million (June 30, 2023: Rs. 4,251 million and Rs. 378.6 million), respectively.
- 15.4** This includes an amount of Rs. 1,205 million (June 30, 2023: Rs. 438 million) outstanding against Islamic mode of financing. Facilities availed during the period include letters of credit, bank guarantees, Wakala, Murabaha, Istisna and Ijarah financing.
- 15.5** The above facilities are expiring on various dates with maturity period upto March 31, 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 11.3), and lien over import / export documents. Further, these facilities (refer notes 15.1 to 15.3) are also secured against pledge of shares amounting to Rs. 121.446 million owned by CS Capital (Private) Limited (subsidiary company).

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no significant change in the status of the matters as set out in note 15, 28.2 and 29.1 to the Company's annual audited unconsolidated financial statements for the year ended June 30, 2023.

16.2 Commitments

16.2.1 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 1,053 million (June 30, 2023: Rs. 1,958 million). This includes guarantees issued by Islamic banks amounting to Rs. 250.846 million (June 30, 2023: Rs. 257.841 million).

16.2.2 Commitments in respect of capital expenditure contracted for as at December 31, 2023 amounted to Rs. 41.659 million (June 30, 2023: Rs. 34.659 million).

16.2.3 Commitments under letters of credit as at December 31, 2023 amounted to Rs. 1,406.607 million (June 30, 2023: Rs. 498.924 million).

17. SALES

	Note	Unaudited Quarter ended		Unaudited Six months ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- (Rupees in '000) -----			
		----- (Rupees in '000) -----			
Local sales					
Bare pipes		1,624,262	916,461	3,153,716	1,414,567
Pipe coating		410,713	16,331	410,713	16,331
Coated Pipes	17.1	1,207,886	33,565	1,207,886	41,219
Cotton yarn / raw cotton		-	305,618	-	897,361
Others		52,278	54,295	96,660	118,828
Scrap / waste		163,467	71,968	178,872	86,718
		3,458,606	1,398,238	5,047,847	2,575,024
Sales tax		(528,002)	(187,431)	(770,429)	(358,544)
		2,930,604	1,210,807	4,277,418	2,216,480

17.1 This includes revenue amounting to Rs. 997.666 million (December 31, 2022: Rs. Nil), where HRC (Hot Rolled Coil) was supplied by the customer.

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

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18. INCOME FROM INVESTMENTS - NET

	Note	Unaudited Quarter ended		Unaudited Six months ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----					
Dividend income	18.1	306,296	16,680	599,508	21,825
Realized gain on sale of FVTPL investments - net	18.2	2,937	2,443	2,937	5,005
Unrealized gain / (loss) on FVTPL investments - net	18.3	133,377	(18,184)	156,119	(25,834)
Rental income from investment properties	18.5	1,130	1,033	2,245	2,066
		443,740	1,972	760,809	3,062

- 18.1** This includes Rs. 16.98 million (December 31, 2022: Rs. 14.326 million) earned on investments in Shariah compliant investee companies.
- 18.2** This includes gain of Rs. 1.182 million gain (December 31, 2022: loss of Rs. 0.1 million) on sale of shares of Shariah compliant investee companies.
- 18.3** This includes unrealized gain of Rs. 100.63 million (December 31, 2022: unrealized loss of Rs. 23.557 million) on investments in Shariah compliant investee companies.
- 18.4** Income from investment was categorized as Shariah / Non-Shariah compliant investee companies on the basis of All Shares Islamic Index as circulated by the Pakistan Stock Exchange.
- 18.5** Direct operating expenses incurred against rental income from investment properties amounted to Rs. 0.747 million (December 31, 2022: Rs. 0.745 million).

19. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----				
Impairment charge relating to capital work-in-progress	33,223	-	33,223	-
Impairment loss on trade debts	848	-	848	-
Provision for:				
- Workers' Profit Participation Fund	40,305	-	49,803	-
- Workers' Welfare Fund	16,270	-	17,360	-
- Slow moving stores, spares and loose tools	9,032	-	9,032	-
Assets written off	4,657	-	4,657	-
Others	30	-	30	-
	104,365	-	114,953	-

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	Unaudited Quarter ended		Unaudited Six months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
20. FINANCE COSTS	----- (Rupees in '000) -----			
Profit on short term loans - Shariah arrangements	19,076	9,671	30,929	19,998
Interest on Non - Shariah arrangements - finance lease obligations	16,068	2,013	18,847	4,160
- long term loans	35,477	36,002	77,388	40,106
- running finances / short term loans	62,985	37,546	135,607	79,363
Bank charges	2,417	1,225	3,160	2,036
	<u>136,023</u>	<u>86,457</u>	<u>265,931</u>	<u>145,663</u>
21. Basic and diluted - earnings / (loss) per share				
Profit / (loss) after taxation for the period	<u>679,082</u>	<u>(58,523)</u>	<u>1,004,166</u>	<u>(202,254)</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
	----- (Rupees) -----			
Basic and diluted - earnings / (loss) per share	<u>8.75</u>	<u>(0.75)</u>	<u>12.93</u>	<u>(2.61)</u>
22. CASH GENERATED FROM / (USED IN) OPERATIONS				
			Unaudited Six months ended	
			December 31, 2023	December 31, 2022
			----- (Rupees in '000) -----	
		Note		
Profit / (loss) before taxation			1,492,996	(279,311)
Adjustments for non cash charges and other items				
Depreciation on operating fixed assets, right-of-use assets and investment properties			129,367	112,934
Amortisation of intangible assets			982	1,085
Charge on staff retirement benefit funds			38,506	13,830
Dividend income		18	(599,508)	(21,825)
Unrealized (gain) / loss on FVTPL investments - net		18	(156,119)	25,834
Realized gain on sale of FVTPL investments - net		18	(2,937)	(5,005)
NRV provision for stock-in-trade		8.1	38,636	7,296
Charge / (reversal) for provision on stores, spares and loose tools - net		19	9,032	(3,856)
Impairment charge relating to capital work-in-progress		19	33,223	-
Impairment loss on trade debts		19	848	-
Provision for Workers' Welfare Fund		19	17,360	-
Provision for Workers' Profit Participation Fund		19	49,803	-
Assets written off		19	4,657	-
Return on deposits			(30,283)	(10,612)
Loss / (gain) on disposal of operating fixed assets			987	(6,775)
Amortization of deferred income			(271)	(3,799)
Unwinding of discount on long term deposit			(1,109)	(1,213)
Finance costs		20	265,931	145,663
Working capital changes		22.1	(1,138,410)	(751,021)
			<u>153,691</u>	<u>(776,775)</u>

Unaudited	
Six months ended	
December	December
31, 2023	31, 2022

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

22.1 Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	(40,656)	(33,391)
Stock-in-trade	(427,944)	(399,504)
Trade debts	(783,729)	(50,545)
Loans and advances	53,051	(99,803)
Trade deposits and short term prepayments	(6,867)	(15,078)
Other receivables	3,844	(444,456)
	<u>(1,202,301)</u>	<u>(1,042,777)</u>

Increase / (decrease) in current liability

Trade and other payables	<u>63,891</u>	<u>291,756</u>
	<u>(1,138,410)</u>	<u>(751,021)</u>

23. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	15	(264,408)	(441,481)
Term deposit receipt		250,000	-
Cash and bank balances		400,459	21,106
		<u>386,051</u>	<u>(420,375)</u>

24. SEGMENT REPORTING

24.1 Reportable segments

The Company's reportable segments are as follows:

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

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

24.2 Segment revenues and results

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

For the six months ended December 31, 2023	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	4,277,418	-	-	-	-	-	4,277,418
Cost of sales	2,795,918	73,665	30,732	31,645	-	-	2,931,960
Gross profit / (loss)	1,481,500	(73,665)	(30,732)	(31,645)	-	-	1,345,458
Income from investments - net	2,230	-	-	-	758,579	-	760,809
	1,483,730	(73,665)	(30,732)	(31,645)	758,579	-	2,106,267
Distribution and selling expenses	44,100	1,987	-	870	-	-	46,957
Administrative expenses	181,558	34,961	990	7,951	14,888	-	240,348
Other operating expenses	105,444	4,983	(204)	4,700	30	-	114,953
	331,102	41,931	785	13,521	14,918	-	402,258
	1,152,628	(115,596)	(31,518)	(45,166)	743,661	-	1,704,009
Other income	51,501	3,417	-	-	-	-	54,918
Operating profit / (loss) before finance costs	1,204,129	(112,179)	(31,518)	(45,166)	743,661	-	1,758,927
Finance costs	259,898	5,879	-	154	-	-	265,931
Profit / (loss) before taxation	944,231	(118,058)	(31,518)	(45,320)	743,661	-	1,492,998
Taxation							488,830
Profit for the period							1,004,168
For the six months ended December 31, 2022	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	1,405,013	784,822	-	26,645	-	-	2,216,480
Cost of sales	1,274,921	835,649	31,575	63,686	-	-	2,205,831
Gross profit / (loss)	130,092	(50,827)	(31,575)	(37,041)	-	-	10,649
Income from investments - net	-	-	-	-	3,062	-	3,062
	130,092	(50,827)	(31,575)	(37,041)	3,062	-	13,711
Distribution and selling expenses	10,167	2,237	-	907	-	-	13,311
Administrative expenses	123,350	22,186	767	6,531	9,064	-	163,898
Other operating expenses	-	-	-	-	-	-	-
	133,517	24,423	767	9,438	9,064	-	177,209
	(3,425)	(75,250)	(32,342)	(46,479)	(6,002)	-	(163,498)
Other income / (loss)	23,006	9,674	-	(2,830)	-	-	29,850
Operating profit / (loss) before finance costs	19,681	(65,576)	(32,342)	(49,309)	(6,002)	-	(133,648)
Finance costs	126,722	13,925	-	5,015	-	-	145,663
(Loss) / profit before taxation	(107,141)	(79,502)	(32,342)	(54,324)	(6,002)	-	(279,311)
Taxation							(77,057)
Loss for the period							(202,254)

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24.2.1 Revenue reported above represents revenue generated from external customers.

24.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies as described in the annual audited unconsolidated financial statements of the Company for the preceding year ended June 30, 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.

24.3 Revenue from major products and services

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

24.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 3,695.430 million (December 31, 2022: Rs. 1,062.225 million) of total Steel segment revenue of Rs. 4,277.418 million (December 31, 2022: Rs. 1,405.013 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil (December 31, 2022: Rs. Nil) of total Cotton segment revenue of Rs. Nil (December 31, 2022: Rs. 784.822 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (December 31, 2022: Rs. Nil) of total Energy segment revenue of Rs. Nil (December 31, 2022: Rs. Nil). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil (December 31, 2022: Rs. Nil) of total Hadeed (Billet) segment revenue of Rs. Nil (December 31, 2022: Rs. 26.645 million).

24.5 Geographical information

24.5.1 All revenues from external customers were generated in Pakistan.

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

24.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
----- (Rupees in '000) -----						
As at December 31, 2023 - (Unaudited)						
Segment assets for reportable segments	4,627,986	282,219	447,028	703,103	2,978,622	9,038,958
Unallocated corporate assets						2,142,490
Total assets as per condensed interim unconsolidated statement of financial position						<u>11,181,448</u>
Segment liabilities for reportable segments	1,732,573	131,557	36,175	82,998	12,461	1,995,764
Unallocated corporate liabilities and deferred income						2,060,932
Total liabilities as per condensed interim unconsolidated statement of financial position						<u>4,056,696</u>

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	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
(Rupees in '000)						
As at June 30, 2023 - (Audited)						
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						9,948,280
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						3,828,848

24.6.1 For the purposes of monitoring segment performance and allocating resources among 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 liabilities.

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

24.7 Other segment information

	Unaudited					Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	
(Rupees in '000)						
For the six months ended December 31, 2023						
Capital expenditure	57,202	-	-	-	-	57,202
Depreciation and amortization	63,917	8,837	29,860	25,774	1,961	130,349
Non-cash items other than depreciation and amortization - net	136,681	46,407	2,193	4,781	(157,436)	32,626
For the six months ended December 31, 2022						
Capital expenditure	133,836	2,250	-	-	-	136,086
Depreciation and amortization	45,081	11,876	30,095	25,765	1,202	114,019
Non-cash items other than depreciation and amortization - net	113,101	14,979	(1,109)	(9,861)	(409)	116,701

25. TRANSACTIONS WITH RELATED PARTIES

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

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

Name	Nature of relationship	Nature of transaction	Unaudited	
			Six months ended	
			December 31, 2023	December 31, 2022
----- (Rupees in '000) -----				
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	1,316	779
Solution de Energy (Private) Limited	Subsidiary company	Loan given	3,550	3,007
		Reimbursable expenses	-	48
Altern Energy Limited	Associated company	Dividend income	573,273	-
		Dividend received	573,273	-
Shakarganj Limited	Associated company	Services received	3,651	-
		Reimbursable expenses	791	5,742
		Sharing of expenses	8	-
Shakarganj Food Products Limited	Related party	Services rendered	-	1,322
		Services received	1,606	-
		Rent income	1,416	1,560
		Reimbursable expenses	2,005	1,403
		Payments received against services rendered	1,500	2,000
Crescent Socks (Private) Limited	Associated company	Services rendered	600	600
		Payment received	600	1,500
The Crescent Textile Mills Limited*	Related party	Payment received	3,296	1,646
		Rent income	1,576	1,182
		Dividend income	565	-
		Dividend received	565	-
		Services rendered	1,937	616
The Citizens' Foundation*	Related party	Donation given	10,227	11,103
Pakistan Centre For Philanthropy*	Related party	Annual membership fee	360	-
		Payment annual membership fee	360	-
Premier Insurance Limited*	Related party	Insurance premium	3,280	5,977
		Insurance premium paid	3,228	6,381
Pak Electron Limited*	Related party	Sale of goods	82,932	98,837
		Payment received	61,000	110,217
Pak-Qatar Asset Management Company Limited*	Related party	Units in Cash plan	100,000	-
		Loan repayment	20,000	-
		Profit repayment	12,073	-

Continued ... Note 25: TRANSACTIONS WITH RELATED PARTIES

Name	Nature of relationship	Nature of transaction	Six months ended	
			December 31, 2023	December 31, 2022
			----- (Rupees in '000) -----	
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>879</u>	<u>879</u>
Crescent Steel and Allied Products Product Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>4,693</u>	<u>3,913</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>11,908</u>	<u>9,857</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>7,551</u>	<u>5,208</u>
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>-</u>	<u>397</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>-</u>	<u>3</u>
Key management personnel	Related parties	Remuneration and benefits	<u>120,013</u>	<u>71,033</u>
Chairman of the Board	Related party	Honorarium	<u>900</u>	<u>900</u>
Directors	Related parties	Meeting fee	<u>1,420</u>	<u>1,195</u>

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

- 25.1** Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 25.2** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company. There were no transactions with the key management personnel during the period other than under their terms of employment / entitlements.
- 25.3** Balances with related parties are disclosed in the respective receivable and payable notes in these condensed interim unconsolidated financial statements.

26. FINANCIAL RISK MANAGEMENT

- 26.1** The Company's financial risk management objectives and policies are consistent with those disclosed in annual audited unconsolidated financial statements of the Company for the year ended June 30, 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:

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December 31, 2023 (Un-audited)									
Carrying amount					Fair value				
Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Recurring fair value measurements									
Investments									
- listed equity securities and units of mutual funds	484,094	8,612	-	-	492,706	342,306	160,400	-	492,706
- unlisted equity securities	690,178	-	-	-	690,178	-	-	690,178	690,178
	1,074,272	8,612	-	-	1,082,884	342,306	160,400	690,178	1,082,884
Financial assets not measured at fair value									
Deposits	-	-	77,233	-	77,233	-	-	-	-
Trade debts	-	-	1,246,924	-	1,246,924	-	-	-	-
Term deposit receipts	-	-	334,360	-	334,360	-	-	-	-
Loan to subsidiary	-	-	116,464	-	116,464	-	-	-	-
Other receivables	-	-	188,508	-	188,508	-	-	-	-
Cash and bank balances	-	-	400,469	-	400,469	-	-	-	-
	-	-	2,360,948	-	2,360,948	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	661,122	661,122	-	-	-	-
Lease liabilities	-	-	-	270,896	270,896	-	-	-	-
Trade and other payables	-	-	-	799,869	799,869	-	-	-	-
Mark-up accrued	-	-	-	87,627	87,627	-	-	-	-
Short term borrowings	-	-	-	1,293,182	1,293,182	-	-	-	-
Unclaimed dividend	-	-	-	16,074	16,074	-	-	-	-
	-	-	-	3,028,669	3,028,669	-	-	-	-
June 30, 2023 (Audited)									
Carrying amount					Fair value				
Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Recurring fair value measurements									
Investments									
- listed equity securities and units of mutual funds	468,022	7,295	-	-	475,317	224,922	250,395	-	475,317
- unlisted equity securities	545,980	-	-	-	545,980	-	-	545,980	545,980
	1,014,002	7,295	-	-	1,021,297	224,922	250,395	545,980	1,021,297
Financial assets not measured at fair value									
Deposits	-	-	30,135	-	30,135	-	-	-	-
Trade debts	-	-	84,360	-	84,360	-	-	-	-
Trade deposit receipt	-	-	484,043	-	484,043	-	-	-	-
Loan to subsidiary	-	-	111,914	-	111,914	-	-	-	-
Other receivables	-	-	188,757	-	188,757	-	-	-	-
Cash and bank balances	-	-	30,266	-	30,266	-	-	-	-
	-	-	909,475	-	909,475	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	694,976	694,976	-	-	-	-
Lease liabilities	-	-	-	76,673	76,673	-	-	-	-
Trade and other payables	-	-	-	714,947	714,947	-	-	-	-
Mark-up accrued	-	-	-	78,369	78,369	-	-	-	-
Short term borrowings	-	-	-	1,289,519	1,289,519	-	-	-	-
Unclaimed dividend	-	-	-	18,081	18,081	-	-	-	-
	-	-	-	2,870,565	2,870,565	-	-	-	-

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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 less accumulated impairment, if any. The fair value of listed equity securities were taken from rates quoted on the Pakistan Stock Exchange and are classified under level 1 in fair value hierarchy.

26.2 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values at December 31, 2023 for unquoted equity investment measured at fair value in the unconsolidated statement of financial position, as well as the significant unobservable inputs used.

Name of investee company	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Shakarganj Food Products Limited	- Discounted free cash flows with terminal growth: The valuation model considers the present value of expected free cash flows. Discounted using Weighted Average Cost of Capital.	- Expected free cash flows - Terminal growth rate - Weighted Average Cost of Capital	The estimated fair value would increase (decrease) if: - The expected free cash flows were higher / (lower) - The terminal growth rate were higher / (lower) - The Weighted Average Cost of Capital were lower / (higher)
Central Depository Company of Pakistan Limited	- Dividend growth model: The valuation model considers the present value of future dividends, discounted using Weighted Average Cost of Capital.	- Dividend growth rate - Weighted Average Cost of Capital	The estimated fair value would increase / (decrease) if: - The dividend growth rate were higher / (lower) - The Weighted Average Cost of Capital were lower / (higher)

26.3 Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	(Rupees in '000)
Balance at July 1, 2023	
- Shakarganj Food Products Limited	341,764
- Central Depository Company of Pakistan Limited	204,216
	<u>545,980</u>
Fair value recognized in profit or loss during the period	
- Shakarganj Food Products Limited	34,598
- Central Depository Company of Pakistan Limited	9,600
	<u>44,198</u>
Balance at December 31, 2023	
- Shakarganj Food Products Limited	376,362
- Central Depository Company of Pakistan Limited	213,816
	<u>590,178</u>

AKS

Sensitivity analysis

For the fair value of unquoted equity investments, reasonably possible changes as at December 31, 2023 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Shakarganj Food Products Limited

	Profit or loss	
	Increase	Decrease
	----- (Rupees in '000) -----	
- Expected cash flows (10% movement)	88,186	(88,186)
- Terminal growth rate (100 bps)	28,679	(24,642)
- Weighted Average Cost of Capital (100 bps)	(37,346)	43,427

Central Depository Company of Pakistan Limited

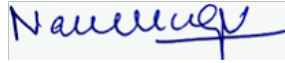
- Dividend growth rate (100 bps)	11,224	(9,391)
- Weighted Average Cost of Capital (100 bps)	(8,502)	10,140

27. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on February 14, 2024..



Chief Executive

Director



Chief Financial Officer

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REALISM

1970.....

Movement in mid- to late 19th-century art, in which an attempt was made to create objective representations of the external world based on the impartial observation of contemporary life. Realism was consciously democratic, including in its subject-matter and audience activities and social classes previously considered unworthy of representation in high art. The most coherent development of Realism was in French painting, where it centred on the work of Gustave Courbet, who used the word réalisme as the title for a manifesto that accompanied an exhibition of his works in 1855. Though its influence extended into the 20th century its later manifestations are usually labelled as Social Realism.

IVAN SHISHKIN

Title: Rye







CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

CONSOLIDATED

FINANCIAL STATEMENTS

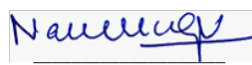
FOR THE HALF-YEAR ENDED DECEMBER 31, 2023

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

	Note	Unaudited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,153,554	2,437,713
Right-of-use-assets		252,328	82,852
Intangible assets		157,825	155,322
Investment properties		77,164	79,038
Investment in equity accounted investees	6	2,600,001	2,948,286
Other long term investments	7	819,707	762,807
Long term deposits	8	70,071	27,143
Deferred taxation - net		545,777	708,451
		<u>6,676,427</u>	<u>7,201,612</u>
Current assets			
Stores, spares and loose tools		371,331	339,707
Stock-in-trade	9	1,658,275	1,268,967
Trade debts	10	1,246,924	464,043
Advances	11	116,771	173,372
Trade deposits and short term prepayments		23,556	16,689
Short Term Investments	12	1,313,288	834,227
Other receivables	13	296,265	294,952
Taxation - net		311,974	672,824
Cash and bank balances		438,346	36,248
		<u>5,776,730</u>	<u>4,101,029</u>
Total assets		<u>12,453,157</u>	<u>11,302,641</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,013,870	1,050,821
Revenue reserves		<u>6,503,975</u>	<u>5,598,995</u>
		<u>8,294,170</u>	<u>7,426,141</u>
LIABILITIES			
Non-current liabilities			
Long term loans	14	290,929	424,748
Lease liabilities		228,919	62,424
Deferred income		3,566	3,837
Deferred liability - staff retirement benefits		300,198	279,790
		<u>823,612</u>	<u>770,799</u>
Current liabilities			
Trade and other payables	15	1,579,248	1,436,025
Unclaimed dividend		16,074	16,081
Mark-up accrued		87,833	79,061
Short term borrowings	16	1,339,513	1,289,519
Current portion of long term loans	14	270,193	270,228
Current portion of lease liabilities		41,976	14,249
Current portion of deferred income		538	538
		<u>3,335,375</u>	<u>3,105,701</u>
Total liabilities		<u>4,158,987</u>	<u>3,876,500</u>
Contingencies and commitments	17		
Total equity and liabilities		<u>12,453,157</u>	<u>11,302,641</u>

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


Chief Executive


Director


Chief Financial Officer

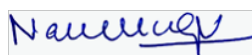
Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For the quarter and six months ended December 31, 2023

	Note	Quarter ended		half-year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----					
Sales	18	3,458,606	1,398,238	5,047,847	2,575,024
Less: Sales tax		528,002	187,431	770,429	358,544
		<u>2,930,604</u>	<u>1,210,807</u>	<u>4,277,418</u>	<u>2,216,480</u>
Cost of sales		1,911,875	1,105,511	2,931,960	2,205,831
Gross profit		<u>1,018,729</u>	<u>105,296</u>	<u>1,345,458</u>	<u>10,649</u>
Income / (loss) from investments - net	19	302,584	(4,778)	371,766	(4,965)
		<u>1,321,313</u>	<u>100,518</u>	<u>1,717,224</u>	<u>5,684</u>
Distribution and selling expenses		28,939	8,711	46,957	13,311
Administrative expenses		161,813	86,885	243,758	166,473
Other operating expenses	20	94,982	-	115,679	-
		<u>285,734</u>	<u>95,596</u>	<u>406,394</u>	<u>179,784</u>
		<u>1,035,579</u>	<u>4,923</u>	<u>1,310,830</u>	<u>(174,100)</u>
Other income		37,668	4,106	56,815	29,850
Operating profit / (loss) before finance costs		<u>1,073,247</u>	<u>9,029</u>	<u>1,367,645</u>	<u>(144,250)</u>
Finance costs	21	136,336	87,542	266,247	148,721
Share of profit in equity accounted investees - net of taxation		57,343	165,668	256,360	221,543
Profit / (loss) before taxation		<u>994,254</u>	<u>87,155</u>	<u>1,357,758</u>	<u>(71,428)</u>
Taxation					
- current for the period		(264,493)	(50,029)	(328,138)	(35,070)
- current for prior year		-	782	-	782
- deferred		(145,739)	172,179	(166,470)	95,320
		<u>(410,232)</u>	<u>122,932</u>	<u>(494,608)</u>	<u>61,032</u>
Profit / (loss) for the period		<u>584,022</u>	<u>210,087</u>	<u>863,150</u>	<u>(10,396)</u>
Other comprehensive income / (loss) for the period					
Items that will not be reclassified subsequently to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		9,089	(28,551)	4,592	(35,842)
Items that will be reclassified subsequently to profit or loss					
Proportionate share of other comprehensive loss of equity accounted investees		-	-	(152)	(159)
		<u>9,089</u>	<u>(28,551)</u>	<u>4,440</u>	<u>(36,001)</u>
Total comprehensive income / (loss) for the period		<u>593,111</u>	<u>181,536</u>	<u>867,590</u>	<u>(46,397)</u>
----- (Rupees) -----					
Basic and diluted - earnings / (loss) per share	22	7.52	2.71	11.12	(0.13)

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 half-year ended December 31, 2023

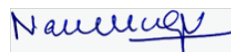
	Issued, subscribed and paid-up capital	Capital reserves		Total capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Others *		Fair value reserve	General reserve	Unappropriated profit		
(Rupees in '000)									
Balance as at 30 June 2022	776,325	1,020,908	30,072	1,050,980	8,733	3,642,000	1,546,531	5,197,264	7,024,569
Total comprehensive loss for the period									
Loss after taxation for the period	-	-	-	-	-	-	(10,396)	(10,396)	(10,396)
Other comprehensive loss for the period	-	-	(159)	(159)	(35,842)	-	-	(35,842)	(36,001)
Total comprehensive loss for the period	-	-	(159)	(159)	(35,842)	-	(10,396)	(46,238)	(46,397)
Balance as at December 31, 2022	776,325	1,020,908	29,913	1,050,821	(27,109)	3,642,000	1,536,135	5,151,026	6,978,172
Balance as at 30 June 2023	776,325	1,020,908	29,913	1,050,821	(26,581)	3,642,000	1,983,576	5,598,995	7,426,141
Total comprehensive income for the period									
Profit after taxation for the period	-	-	-	-	-	-	863,150	863,150	863,150
Other comprehensive income									
Unrealized appreciation during the period on remeasurement of investments classified as 'available for sale'	-	-	-	-	5,031	-	-	5,031	5,031
Proportionate share of other comprehensive income of equity accounted investees	-	-	(152)	(152)	-	-	-	-	(152)
Reclassification of share of other comprehensive income of equity accounted investees	-	-	(36,799)	(36,799)	36,799	-	-	36,799	-
Total comprehensive income for the period	-	-	(36,951)	(36,951)	41,830	-	863,150	904,980	868,029
Balance as at December 31, 2023	776,325	1,020,908	(7,038)	1,013,870	15,249	3,642,000	2,846,726	6,503,975	8,294,170

* 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)

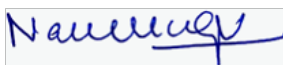
For the half-year ended December 31, 2023

	Note	half-year ended	
		December 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash used in operations	23	163,980	(776,158)
Taxes refunded / (paid)		32,712	(64,886)
Finance costs paid		(239,071)	(111,942)
Contribution to gratuity and pension funds		(14,623)	(13,870)
Long term deposits - net		(41,819)	(4,267)
Net cash used in operating activities		(98,820)	(971,123)
Cash flows from investing activities			
Capital expenditure		(57,202)	(135,941)
Acquisition of intangible assets		(3,341)	(3,481)
Proceeds from disposal of operating fixed assets		214,156	16,509
Investments - net		18,771	(176,661)
Dividend income received		664,455	48,047
Interest income received		31,454	8,947
Net cash used in investing activities		868,293	(242,580)
Cash flows from financing activities			
Proceeds from / (repayments of) long term loans - net		(133,854)	720,249
Payments against finance lease obligations		(34,182)	(21,730)
Proceeds from short term loans obtained - net		202,909	454,738
Dividends paid		(7)	(43)
Net cash generated from financing activities		35,305	1,153,214
Net decrease in cash and cash equivalents		804,778	(60,489)
Cash and cash equivalents at beginning of the period		(427,406)	(383,039)
Cash and cash equivalents at end of the period	24	377,372	(443,528)

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the half-year ended December 31, 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 August 1, 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 subsidiary companies are located at E- Floor, IT Tower, 73-E/1, Hali Road, Gulberg III, Lahore, whereas 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 provisions of the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The head office of the Subsidiary Company is located at principal office of the Holding Company. The principal activity of the Subsidiary Company is to effectively manage investment portfolios in shares, commodities and other securities (strategic as well as short term). On 26 September 2011, the Holding Company has purchased the entire shareholding from its previous principal shareholder. Consequently, the Company becomes the wholly owned subsidiary of the Holding Company.
- 1.4 Solution de Energy (Private) Limited was incorporated as a private limited company in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a result of Joint Venture Agreement ("the Agreement") executed on 8 October 2013 between Management de Consortium Capital (MdeCC), a partnership concern and the Holding Company. During the year ended 30 June 2019, the Agreement was dissolved and the Holding Company and MdeCC entered into a management contract, whereby MdeCC is responsible for managing the project.

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

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

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

2. BASIS OF PREPARATION

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

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

2.2 These condensed interim consolidated financial statements of the Group do not include all of the information and disclosure required in the annual consolidated financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended June 30, 2023. However, selected explanatory notes are included in these condensed interim consolidated financial statements 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 consolidated annual audited 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. SIGNIFICANT ACCOUNTING POLICIES

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

3.2 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED 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 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.

3.3 Amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Group:

There is certain amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2023. However, the 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. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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 June 30, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----			
Operating fixed assets	5.1	1,891,295	1,934,958
Capital work-in-progress	5.2	262,259	502,755
		<u>2,153,554</u>	<u>2,437,713</u>

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

	Unaudited half-year ended December 31, 2023		Unaudited half-year ended December 31, 2022	
	Additions / Transfers	Disposals / Transfers Cost	Additions / Transfers	Disposals / Transfers Cost
----- (Rupees in '000) -----				
Land	14,250	-	-	-
Buildings on leasehold land	-	-	4,472	-
Plant and machinery - owned	242,199	210,000	64,085	1,903
Electrical / office equipment and installation	723	86	1,690	-
Computers and accessories	1,341	1,997	2,252	783
Motor vehicles - owned	5,900	9,391	74,686	20,482
	<u>264,413</u>	<u>221,474</u>	<u>147,185</u>	<u>23,168</u>

- 5.2 Additions to capital work-in-progress during the six months period ended December 31, 2023 amounted to Rs. 16.789 million netted off with transfers and provisions of Rs. 224 million and Rs. 33.223 million respectively (December 31, 2022: additions and transfers of Rs. 48.557 million and Rs. 49.090 million respectively).

6. RIGHT-OF-USE ASSETS

During the six months period ended December 31, 2023, the Holding Company entered into a sale and lease back arrangement for its machinery amounting to Rs. 210 million. The lease term of such arrangement is five years and rentals are payable monthly in arrears, whereas markup is payable at three months KIBOR + 4.75% per annum. Security deposit amounting to Rs. 42 million, classified under 'long term deposits', shall be applied by the Holding Company to the residual value at the end of the lease period or any renewal thereof.

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 December 31, 2023	Audited June 30, 2023		Note	Unaudited December 31, 2023	Audited June 30, 2023
(Number of shares)		----- (Rupees in '000) -----			
Quoted					
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.1	2,594,418	2,918,012
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Saif Ullah)	6.1	5,583	30,274
				<u>2,600,001</u>	<u>2,948,286</u>

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

Description	December 31, 2023			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	----- Rupees in '000 -----			
Opening balance as at July 1, 2023	2,918,012	30,274	-	2,948,286
Share of profit	6.2 280,710	(24,350)	-	256,360
Share of equity	6.2 189	(341)	-	(152)
Dividend received	(604,493)	-	-	(604,493)
Closing balance as at December 31, 2023	2,594,418	5,583	-	2,600,001

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

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

6.3 Percentage of holding of equity in associates is as follows

	Note	Unaudited December 31, 2023	Audited June 30, 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 holding company directly and / or indirectly has significant influence as per IAS 28 'Investments in Associates', therefore only for the purpose of the equity accounting as required under IAS 28 it has been treated as an associate.

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

6.4 The fair value of investments in associates as at December 31, 2023 is Rs. 2,598.203 million (June 30, 2023: Rs. 2,460.446 million).

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited December 31, 2023	Audited June 30, 2023
(Rupees in '000)			
Fair value through other comprehensive income (FVOCI)	7.1	104,075	102,906
Fair value through profit or loss (FVTPL)	7.2 & 7.3	715,632	659,901
		819,707	762,807

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 (June 30, 2023: 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. 501.816 million and Rs. 213.816 million, respectively.

8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 54.284 million (June 30, 2023: Rs. 18.119 million) under ljarah financing arrangement.

9. STOCK-IN-TRADE

		Unaudited December 31, 2023	Audited June 30, 2023
(Rupees in '000)			
Raw materials			
Hot rolled steel coils (HR Coil)		282,435	284,762
Coating materials		714,654	328,884
Remelting steel scrap		11,999	11,999
Others		239,396	331,829
Raw cotton		55,401	-
Stock-in-transit		228,550	129,198
		1,532,435	1,086,672
Work-in-process		37,515	70,993
Finished goods	9.1	87,953	111,099
Scrap / cotton waste		372	203
		125,840	182,295
		1,658,275	1,268,967

9.1 Stock in trade as at December 31, 2023 includes certain items valued at net realisable value (NRV). Charge in respect of stock written down to NRV was amounting to Rs. 38.266 million (June 30, 2023: Reversal of Rs. 7.414 million) has been recognized in cost of sales.

10. TRADE DEBTS	Note	Unaudited December 31, 2023	Audited June 30, 2023
		(Rupees in '000)	
Secured			
Considered good		8,972	-
Unsecured			
Considered good	10.1	1,237,952	464,043
Considered doubtful		19,248	18,401
		1,257,200	482,444
Impairment loss on trade debts		(19,248)	(18,401)
		1,246,924	464,043
10.1 Due from related party			
Pak Elektron Limited		62,032	40,101

11. ADVANCES

This includes advances amounting to Rs. 111.945 million (June 30, 2023: Rs. 170.592 million) given to suppliers for goods and services.

12. SHORT TERM INVESTMENTS

	Note	Unaudited December 31, 2023	Audited June 30, 2023
		(Rupees in '000)	
At amortized cost	12.1	349,728	84,360
At fair value through profit or loss (FVTPL)	12.2	963,560	749,867
		1,313,288	834,227

12.1 This represents investment in term deposit receipts having markup rate ranging between 15.75% to 24.5% (December 31, 2022: 12.67% to 12.89%) per annum and maturing upto March 26, 2024.

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

12.3 Investments having an aggregate market value of Rs. 1,786.419 million (June 30, 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. 1,348.847 million (June 30, 2023: Rs. 918.094 million) relates to long term investments.

13. OTHER RECEIVABLES

	Note	Unaudited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----			
Dividend receivable		886	886
Provision there against		<u>(886)</u>	<u>(886)</u>
		-	-
Receivable against sale of investments		7,683	1,223
Receivable against commodity		16,500	16,500
Provision there against		(17,723)	(17,723)
Receivable against sale of investments		6,460	-
Receivable against rent from investment property		345	45
Claim receivable		461	461
Due from related parties	13.1	5,451	4,920
Sales tax refundable		105,379	106,973
Margin on letter of credit and guarantee		175,178	179,482
Others		2,991	3,071
		<u>296,265</u>	<u>294,952</u>
13.1 Due from related parties			
The Crescent Textile Mills Limited		466	386
Shakarganj Food Products Limited		4,385	3,893
Crescent Socks Limited		600	900
		<u>5,451</u>	<u>5,179</u>

14. LONG TERM LOANS

Secured - shariah arrangement

Sukuk Certificates	14.1	533,333	666,667
Less: Transaction Cost	14.1.1	(3,311)	(4,241)
		<u>530,022</u>	<u>662,426</u>

Secured - Under non-shariah arrangement

JS Bank Limited	14.2	31,100	32,550
		<u>561,122</u>	<u>694,976</u>
Less: Current portion shown under current liabilities		<u>270,193</u>	<u>270,228</u>
		<u>290,929</u>	<u>424,748</u>

14.1 During the year ended June 30, 2023, the Holding Company issued 8,000 unlisted, privately placed and secured Sukuk certificates (SUKUK-Al-Istisna) on October 11, 2022, having face value of Rs. 100,000 each, amounting to Rs. 800 million. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk-al-istisna were received on October 11, 2022. The Sukuk certificates carry profit at the rate of 6-months KIBOR + 2% per annum with semi-annual rental payments having tenure of three years from the issue date on arrear basis. Principal repayment in installment had commenced from April 2023. During the period, the Holding Company has made repayment of Rs. 133.333 million (December 31, 2022: Rs. Nil) of principal amount. During the period, profit on such arrangements ranged between 24.08% to 24.76% (December 31, 2022 : 17.78%) per annum.

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

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

14.2 During the year ended June 30, 2021, the Holding Company entered into a loan arrangement with JS Bank Limited in which 5 tranches were received. The tranches were converted into the 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 quarterly at the rate of 1 month KIBOR plus 1% per annum till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.

The effective interest on such arrangement is 8.47% to 11.35% (December 31, 2022: 8.47% to 11.35%) per annum.

15. TRADE AND OTHER PAYABLES	Note	Unaudited December 31,	Audited June 30, 2023
----- (Rupees in '000) -----			
Trade creditors		82,083	72,355
Bills payable		158,054	38
Commission payable		596	522
Accrued liabilities		507,847	611,814
Advances from customers		303,540	348,951
Infrastructure fee, Sales tax and damages		317,542	287,643
Due to related parties	15.1	22,443	19,534
Payable to provident fund		2,956	127
Payable to staff retirement benefit funds		3,469	2,823
Retention money		110	2,980
Withholding tax payable		3,874	6,897
Workers' Profit Participation Fund		68,332	18,529
Workers' Welfare Fund		25,000	7,640
Others		83,402	56,172
		<u>1,579,248</u>	<u>1,436,025</u>

15.1 Due to related parties

Premier Insurance Company Limited	56	-
Shakarganj Limited	22,387	19,534
	<u>22,443</u>	<u>19,534</u>

16. SHORT TERM BORROWINGS

Secured from banking companies

Running finances under mark-up arrangements	16.1	310,739	463,654
Short term loans	16.2 & 16.5	1,028,774	825,865
		<u>1,339,513</u>	<u>1,289,519</u>

16.1 Running finance / money market facilities are available from conventional side of various commercial banks under mark-up arrangements amounting to Rs. 900 million (June 30, 2023: Rs. 1,150 million) out of which Rs. 300 million (June 30, 2023: Rs. 300 million), Rs. 100 million (June 30, 2023: Rs. 100 million) and Rs. 300 million (June 30, 2023: Rs. 300 million) are interchangeable with letter of credit, letter of guarantee facility and short term loan, respectively. During the period, mark-up on such arrangements ranged between 22.91% to 24.91% (December 31, 2022: 15.91% to 18.81%) per annum.

16.2 Short term loan available from various commercial banks under mark-up arrangements amounting to Rs. 3,550 million (June 30, 2023: Rs. 3,950 million) out of which Rs. 3,050 million (June 30, 2023: Rs. 3,150 million), Rs. 205 million (June 30, 2023: Rs. 205 million) and Rs. 300 million (June 30, 2023: Rs. 350 million) are interchangeable with letter of credit, letter of guarantee and running finance facility, respectively. During the period, the mark-up on such arrangements ranged between 23.78% to 25.22% (December 31, 2022: 15.91% to 18.81%) per annum.

16.3 The facilities for opening letters of credit amounted to Rs. 3,800 million (June 30, 2023: Rs. 4,750 million) out of which Rs. 300 million (June 30, 2023: Rs. 300 million), Rs. 3,050 million (June 30, 2023: Rs. 3,150 million) and Rs. 205 million (June 30, 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 December 31, 2023 amounted to Rs. 1,420.6 million (June 30, 2023: Rs. 2,368.6 million). Amounts unutilized for letters of credit and guarantees as at December 31, 2023 were Rs. 2,393.39 million and Rs. 336.64 million (June 30, 2023: Rs. 4,251.0 million and Rs. 380.15 million), respectively.

16.4 This includes an amount of Rs. 1,205 million (June 30, 2023: Rs. 438 million) outstanding against Islamic mode of financing. Facilities availed during the period include letter of credit, bank guarantees, Wakala, Murabaha, Istisna and Ijarah financing.

16.5 The above facilities (refer note 16.1 to 16.3) are expiring on various dates with maturity periods upto March 31, 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 12.2), pledge of cotton / cotton yarn; and lien over import / export document.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There is no significant change in the status of the matters as set out in note 12.3,15, 29.3 and 30.1 to the Group's annual consolidated financial statements for the year ended June 30, 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. 1,083.45 million (June 30, 2023: Rs. 1,988.45 million). These include guarantees issued by Islamic banks amounting to Rs. 250.85 million (June 30, 2023: Rs. 257.84 million).

17.2.2 Commitments in respect of capital expenditure contracted for by the Holding Company as at December 31, 2023 amounted to Rs. 41.659 million (June 30, 2023: Rs. 34.659 million).

17.2.3 Commitments under letters of credit as at December 31, 2023 amounted to Rs. 1,406.607 million (June 30, 2023: Rs. 498.92 million).

18. SALES	Note	Unaudited Quarter ended		Unaudited half-year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----					
Local sales					
Bare pipes	18.1	1,624,262	916,461	3,153,716	1,414,567
Pipe coating		410,713	16,331	410,713	16,331
Pre coated pipes		1,207,886	33,565	1,207,886	41,219
Cotton yarn / raw cotton		-	305,618	-	897,361
Others		52,278	54,295	96,660	118,828
Scrap / waste		163,467	71,968	178,872	86,718
		3,458,606	1,398,238	5,047,847	2,575,024
Sales tax		(528,002)	(187,431)	(770,429)	(358,544)
		2,930,604	1,210,807	4,277,418	2,216,480

18.1 This includes revenue amounting to Rs. 997.666 million (December 31, 2022: Rs. Nil), where HRC (Hot Rolled Coil) was supplied by the customer.

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.

23. CASH GENERATED FROM / (USED IN) OPERATIONS

	Note	Unaudited half-year ended	
		December 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
Profit / (loss) before taxation		1,357,758	(71,428)
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		130,592	114,159
Amortization of intangible assets		982	1,085
Charge for the period on staff retirement benefit funds		38,506	13,830
Dividend income	19	(62,192)	(49,008)
Unrealized gain / (loss) on FVTPL investments - net	19	(295,263)	70,042
Gain on sale of FVTPL investments - net	19	(10,665)	(12,203)
Gain on money market	19	(1,514)	-
Unrealized gain on commodity	19	(317)	-
Charge / (reversal) of provision for stores, spares and loose tools - net	20	9,032	(3,856)
Impairment loss on trade debts - net	20	848	-
Provision for Workers' Welfare Fund	20	17,360	-
Provision for Workers' Profit Participation Fund	20	49,803	-
Return on deposits		(29,112)	(10,612)
(Loss) / gain on disposal of operating fixed assets		987	(6,775)
Deferred income		(271)	(3,799)
Unwinding of discount on long term deposit		(1,109)	(1,213)
Impairment charge relating to capital work in process	20	33,223	-
Assets written off	20	4,657	-
Finance costs	21	266,247	148,721
Share of profit from equity accounted investees - net of taxation		(256,360)	(221,542)
Working capital changes	23.1	(1,089,212)	(743,559)
		<u>163,980</u>	<u>(776,158)</u>
23.1 Working capital changes			
<i>Increase in current assets</i>			
Stores, spares and loose tools		(40,656)	(37,247)
Stock-in-trade		(389,308)	(392,208)
Trade debts		(783,729)	(50,545)
Advances		56,601	(96,796)
Trade deposits and short term prepayments		(6,867)	(15,446)
Other receivables		(1,313)	(443,574)
		<u>(1,165,271)</u>	<u>(1,035,816)</u>
<i>Increase in current liabilities</i>			
Trade and other payables		76,060	292,257
		<u>(1,089,212)</u>	<u>(743,559)</u>
24. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(310,739)	(464,886)
Term deposit receipt		250,000	-
Cash and bank balances		438,111	21,358
		<u>377,372</u>	<u>(443,528)</u>
25. SEGMENT REPORTING			
25.1 Reportable segments			
The Group's reportable segments are as follows:			
<ul style="list-style-type: none"> - Steel segment - It comprises of manufacturing and coating of steel pipes. - Cotton segment - It comprises of manufacturing of yarn. - Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation). - Energy segment - It comprises of generating and supplying electricity/power. - Hadeed (Billet) segment - It comprises of manufacturing billets. 			
Information regarding the Group's reportable segments is presented below:			

25.2 Segment revenues and results

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

For the half-year ended December 31, 2023	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segment elimination / adjustments	
------(Rupees in '000)-----							
Sales - net	4,277,418	-	-	-	-	-	4,277,418
Cost of sales	2,795,918	73,665	30,732	31,645	-	-	2,931,960
Gross profit / (loss)	1,481,500	(73,665)	(30,732)	(31,645)	-	-	1,345,458
Income from investments - net	3,955	-	-	-	367,811	-	371,766
	1,485,455	(73,665)	(30,732)	(31,645)	367,811	-	1,717,224
Distribution and selling expenses	44,100	1,987	-	870	-	-	46,957
Administrative expenses	181,558	34,961	1,052	7,951	18,236	-	243,758
	331,828	41,931	848	13,521	18,266	-	406,394
	1,153,627	(115,596)	(31,580)	(45,166)	349,545	-	1,310,830
Other income	52,227	3,417	-	-	1,171	-	56,815
Operating profit / (loss) before finance costs	1,205,854	(112,179)	(31,580)	(45,166)	350,716	-	1,367,645
Finance costs	259,898	5,880	-	154	315	-	266,247
Share of profit in equity accounted investees - net of taxation	-	-	-	-	256,360	-	256,360
Profit / (loss) before taxation	945,956	(118,059)	(31,580)	(45,320)	606,761	-	1,357,758
Taxation							(494,608)
Loss for the period							863,150
------(Rupees in '000)-----							
For the half-year ended December 31, 2022	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segment elimination / adjustments	
------(Rupees in '000)-----							
Sales - net	1,405,013	784,822	-	26,645	-	-	2,216,480
Cost of sales	1,274,921	835,649	31,575	63,686	-	-	2,205,831
Gross (loss) / profit	130,092	(50,827)	(31,575)	(37,041)	-	-	10,649
Loss from investments - net	-	-	-	-	(4,965)	-	(4,965)
	130,092	(50,827)	(31,575)	(37,041)	(4,965)	-	5,684
Distribution and selling expenses	10,167	2,237	-	907	-	-	13,311
Administrative expenses	123,350	22,186	816	8,531	11,590	-	166,473
	133,517	24,423	816	9,438	11,590	-	179,784
	(3,425)	(75,250)	(32,391)	(46,479)	(16,555)	-	(174,100)
Other income	23,006	9,674	-	(2,830)	-	-	29,850
Operating (loss) / profit before finance costs	19,581	(65,576)	(32,391)	(49,309)	(16,555)	-	(144,250)
Finance costs	126,723	13,926	1	5,015	3,056	-	148,721
Share of profit in equity accounted investees - net of taxation	-	-	-	-	585,985	-	585,985
(Loss) / profit before taxation	(107,142)	(79,502)	(32,392)	(54,324)	566,374	-	293,014
Taxation							61,032
Loss for the period							354,046

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

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 June 30, 2022. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

25.3 Revenue from major products and services

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

25.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 4,222.279 million (December 31, 2022: Rs. 1,062.225 million) of total Steel segment revenue of Rs. 4,277.418 million (December 31, 2022: Rs. 1,405.013 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. Nil million (December 31, 2022: Rs. Nil) of total Cotton segment revenue of Rs. Nil million (December 31, 2022: Rs. 784.822 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (December 31, 2022: Rs. Nil) of total Energy segment revenue of Rs. Nil (December 31, 2022: Rs. Nil). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil (December 31, 2022: Rs. Nil) of total Hadeed (Billet) segment revenue of Rs. Nil million (December 31, 2022: Rs. 26.645 million).

25.5 Geographical information

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

25.5.2 All non-current assets of the Group as at December 31, 2023 and June 30, 2023 were located and operating in Pakistan.

25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
As at December 31, 2023 - Unaudited						
Segment assets for reportable segments	4,627,986	282,219	607,231	703,103	1,768,605	7,989,144
Investment in equity accounted investees	-	-	-	-	2,600,001	2,600,001
Unallocated corporate assets						1,864,012
Total assets as per consolidated statement of financial position						<u>12,453,156</u>
Segment liabilities for reportable segments	1,732,576	131,557	81,651	82,998	69,273	2,098,055
Unallocated corporate liabilities and deferred income						2,060,932
Total liabilities as per consolidated statement of financial position						<u>4,158,987</u>
As at June 30, 2023 - Audited						
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						<u>11,553,038</u>
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						<u>3,876,500</u>

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

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

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

25.7 Other segment information

	Unaudited					
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
For the half-year ended December 31, 2023						
Capital expenditure	57,202	-	-	-	-	57,202
Depreciation and amortization	63,917	8,837	29,860	25,774	3,186	131,574
Non-cash items other than depreciation and amortization	342,477	16,750	(204)	4,935	(618,079)	(254,121)
For the half-year ended December 31, 2022						
Capital expenditure	3,268	-	2,504	-	-	5,772
Depreciation and amortization	34,998	11,512	30,205	25,433	2,301	104,449
Non-cash items other than depreciation and amortization	84,081	15,179	(184)	15,682	(7,800)	106,958

26. TRANSACTIONS WITH RELATED PARTIES

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited half-year ended	
			December 31, 2023	December 31, 2022
			----- (Rupees in '000) -----	
Altern Energy Limited	Associated company	Dividend income	604,493	-
		Dividend received	604,493	-
Shakarganj Limited	Associated company	Services rendered	791	-
		Reimbursable expenses	3,651	5,742
		Sale Return	8	-
Shakarganj Food Products Limited	Related party	Services rendered	1,606	1,322
		Rent	1,416	1,560
		Reimbursable Expense	2,005	1,403
		Payments received against services rendered	1,500	2,000
Crescent Socks (Private) Limited	Related party	Rent	600	600
		Payment received	600	1,500
The Crescent Textile Mills Limited*	Associated company	Payment received	3,296	1,646
		Rent	1,576	1,182
		Services received	1,937	616
		Dividend income	7,977	-
		Dividend received	7,977	-
The Citizens' Foundation*	Related party	Donation given	10,227	11,103
Pakistan Centre for Philanthropy*	Related party	Annual membership fee	360	-
		Payment annual membership fee	360	-
Premier Insurance Limited*	Related party	Insurance premium	3,280	5,977
		Insurance premium paid	3,228	6,381
Pak Elektron Limited*	Related party	Sale of goods	82,932	-
		Payment received	61,000	-
Pak-Qatar Asset Management Company Limited*	Related party	Units in Cash Plan	100,000	-
		Loan repayment	20,000	-
		Profit repayment	12,073	-
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	879	879
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	4,693	3,913
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	11,908	9,857
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	7,551	5,208
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	-	397
CSAPL - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	-	3
Key management personnel	Related parties	Remuneration and benefits	120,013	71,033
Chairman of the Board	Related party	Honorarium	900	900
Directors	Related parties	Meeting fee	1,420	1,195

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

- 26.1** Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 26.2** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Group. There were no transactions with the key management personnel during the period other than their terms of employment / entitlements.

27. FINANCIAL RISK MANAGEMENT

27 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 June 30, 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:

	December 31, 2023 (Unaudited)					Fair value			
	Carrying amount				Total	Level 1	Level 2	Level 3	Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities-Amortised cost					
------(Rupees in '000)-----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investment									
- Listed equity securities	1,313,288	104,075	-	-	1,417,363	1,317,363	100,000	-	1,417,363
- Unlisted equity securities	715,632	-	-	-	715,632	-	-	715,632	715,632
	2,028,920	104,075	-	-	2,132,995	1,317,363	100,000	715,632	2,132,995
Financial assets not measured at fair value									
Deposits	-	-	80,278	-	80,278	-	-	-	-
Trade debts	-	-	1,246,924	-	1,246,924	-	-	-	-
Trade Deposit Receipt	-	-	349,728	-	349,728	-	-	-	-
Other receivables	-	-	190,886	-	190,886	-	-	-	-
Bank balances	-	-	438,111	-	438,111	-	-	-	-
	-	-	2,305,927	-	2,305,927	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	561,122	561,122	-	-	-	-
Lease liabilities	-	-	-	270,895	270,895	-	-	-	-
Trade and other payables	-	-	-	860,960	860,960	-	-	-	-
Mark-up accrued	-	-	-	87,833	87,833	-	-	-	-
Short term borrowings	-	-	-	1,339,513	1,339,513	-	-	-	-
	-	-	-	3,120,323	3,120,323	-	-	-	-

	June 30, 2022 (Audited)					Fair value			
	Carrying amount				Total	Level 1	Level 2	Level 3	Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities-Amortised cost					
------(Rupees in '000)-----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
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
	1,409,768	102,906	-	-	1,512,674	852,773	-	659,901	1,512,674
Financial assets not measured at fair value									
Deposits	-	-	33,180	-	33,180	-	-	-	-
Trade debts	-	-	464,043	-	464,043	-	-	-	-
Trade Deposit Receipt	-	-	84,360	-	84,360	-	-	-	-
Other receivables	-	-	187,979	-	187,979	-	-	-	-
Bank balances	-	-	36,248	-	36,248	-	-	-	-
	-	-	805,810	-	805,810	-	-	-	-
Financial liabilities not measured at fair value									
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	-	-	-	-
	-	-	-	2,922,674	2,922,674	-	-	-	-

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.

27.2 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values at December 31, 2023 for unquoted equity investment measured at fair value in the consolidated statement of financial position, as well as the significant unobservable inputs used.

Name of investee company	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
- Shakarganj Food Products Limited	- Discounted free cash flows with terminal growth: The valuation model considers the present value of expected free cash flows, discounted using Weighted Average Cost of Capital.	- Expected free cash flows - Terminal growth rate - Weighted Average Cost of Capital	The estimated fair value would increase (decrease) if: - The expected free cash flows were higher / (lower) - The terminal growth rate were higher / (lower) - The Weighted Average Cost of Capital were lower / (higher)
- Central Depository Company of Pakistan Limited	- Dividend growth model: The valuation model considers the present value of future dividends, discounted using Weighted Average Cost of Capital.	- Dividend growth rate - Weighted Average Cost of Capital	The estimated fair value would increase / (decrease) if: - The dividend growth rate were higher / (lower) - The Weighted Average Cost of Capital were lower / (higher)

27.3 Level 3 fair values

Reconciliation of level 3

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	(Rupees in '000)
Balance at July 1, 2023	
- Shakarganj Food Products Limited	455,685
- Central Depository Company of Pakistan Limited	204,216
	<u>659,901</u>
Fair value recognized in profit or loss during the period	
- Shakarganj Food Products Limited	46,130
- Central Depository Company of Pakistan Limited	9,600
	<u>55,730</u>
Balance at December 31, 2023	
- Shakarganj Food Products Limited	501,815
- Central Depository Company of Pakistan Limited	213,816
	<u><u>715,631</u></u>

Sensitivity Analysis

For the fair value of unquoted equity investment, reasonably possible changes at December 31, 2023 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Shakarganj Food Products Limited	Profit or loss	
	Increase	Decrease
	---- Rs. in '000 ----	
- Expected cash flows (10% movement)	103,977	(95,672)
- Terminal growth rate (100 bps)	<u>38,239</u>	<u>(32,856)</u>
- Weighted Average Cost of Capital (100 bps)	<u>(49,627)</u>	<u>58,133</u>
Central Depository Company of Pakistan Limited		
- Dividend growth rate (100 bps)	11,224	(9,391)
- Weighted Average Cost of Capital (100 bps)	<u>(8,502)</u>	<u>10,140</u>

28. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on February 14, 2024.


Chief Executive


Director


Chief Financial Officer

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