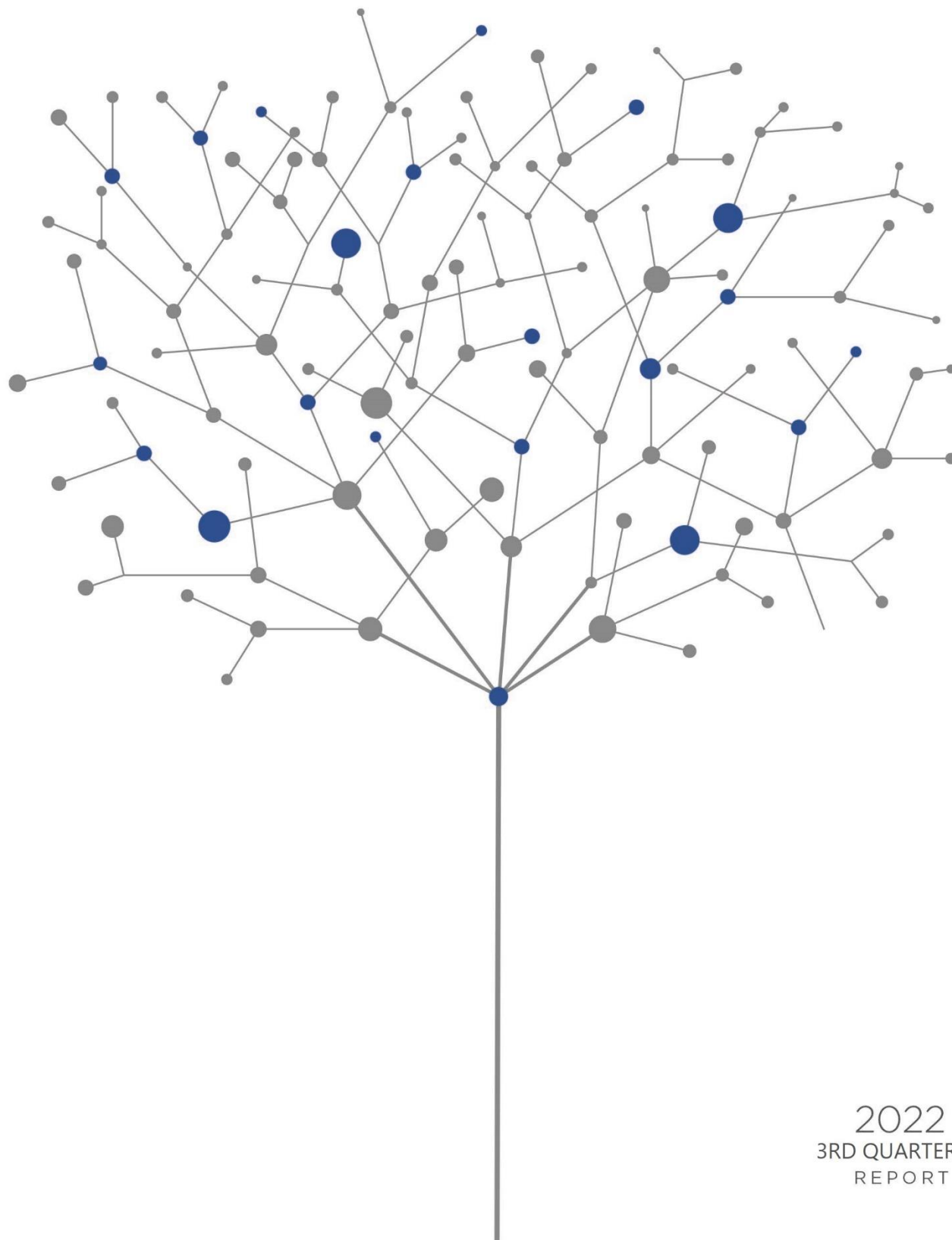




Crescent Steel and  
Allied Products Limited



2022  
3RD QUARTERLY  
REPORT

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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 use bagasse in the combustion process to produce power and process steam.

## CRESCENT HADEED DIVISION– BILLET MANUFACTURING UNIT

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

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

## SUBSIDIARY COMPANIES

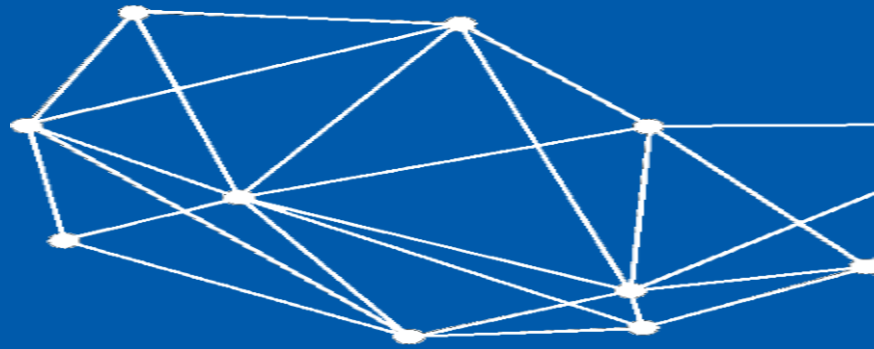
### CS CAPITAL (PRIVATE) LIMITED

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

### SOLUTION DE ENERGY (PRIVATE) LIMITED

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

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



# COMPANY INFORMATION

## BOARD OF DIRECTORS

**Ahmad Waqar**

Chairman, Non-Executive Director

**Ahsan M. Saleem**

Chief Executive Officer

**Farah Ayub Tarin**

Non-Executive Director (Independent)

**Farrukh V. Junaidy**

Non-Executive Director (Independent)

**Muhammad Kamran Saleem**

Non-Executive Director (Independent)

**Nadeem Maqbool**

Non-Executive Director (Independent)

**Nasir Shafi**

Non-Executive Director

**S.M. Ehtishamullah**

Non-Executive Director

## COMPANY SECRETARY

**Iesha Fazal**

## AUDIT COMMITTEE

**Farrukh V. Junaidy**

Chairman, Non-Executive Director (Independent)

**Nadeem Maqbool**

Member, Non-Executive Director (Independent)

**Nasir Shafi**

Member, Non-Executive Director

**S.M. Ehtishamullah**

Member, Non-Executive Director

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

**Nadeem Maqbool**

Chairman, Non-Executive Director (Independent)

**Ahmad Waqar**

Member, Non-Executive Director

**Farah Ayub Tarin**

Member, Non-Executive Director (Independent)

**Nasir Shafi**

Member, Non-Executive Director

## GOVERNANCE AND NOMINATION COMMITTEE

**Ahmad Waqar**

Chairman, Non-Executive Director

**Ahsan M. Saleem**

Member, Chief Executive Officer

**Farrukh V. Junaidy**

Member, Non-Executive Director (Independent)

## RISK MANAGEMENT COMMITTEE

**S.M. Ehtishamullah**

Chairman, Non-Executive Director

**Farah Ayub Tarin**

Member, Non-Executive Director (Independent)

**Muhammad Kamran Saleem**

Member, Non-Executive Director (Independent)



## MANAGEMENT TEAM

### **Ahsan M. Saleem - 1983\***

Chief Executive Officer

### **Muhammad Saad Thaniana - 2007\***

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

### **Abdul Rouf - 2000\***

Business Unit Head - Cotton Division

### **Arif Raza - 1985\***

Business Unit Head - Steel Division

### **Hajerah A. Saleem - 2012\***

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

### **Hasan Altaf Saleem - 2010\***

Business Unit Head – Crescent Hadeed

### **Abdullah A. Saleem – 2017\***

Head of Supply Chain

### **Iqbal Abdulla - 2014\***

IT Advisor

### **Mushtaque Ahmed - 1985\***

Head of Manufacturing - Steel Division

## HEAD OF INTERNAL AUDIT

### **Azeem Sarwar - 2018\***

## AUDITORS

### **External Auditors**

A.F. Ferguson & Co  
Chartered Accountants

### **Internal Auditors**

BDO Ebrahim & Co  
Chartered Accountants

## LEGAL ADVISOR

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

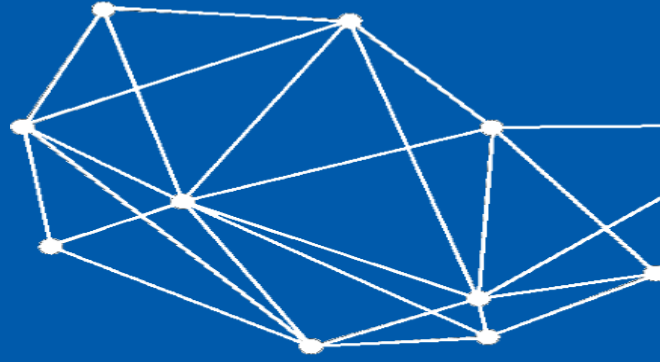
## BANKERS

### **Conventional**

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

### **Shariah Compliant**

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



## 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@crecident.com.pk](mailto:asif.randhawa@crecident.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@crecident.com.pk](mailto:info@crecident.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@crecident.com.pk](mailto:arif.raza@crecident.com.pk)

### ENGINEERING UNIT

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

### COTTON DIVISION CRESCENT COTTON PRODUCTS

1st Mile, Lahore Road, Jaranwala,  
District Faisalabad.  
Tel: +92 41 4318 061-65  
Fax: +92 41 4318 066  
Email: [abdul.rouf@crecident.com.pk](mailto:abdul.rouf@crecident.com.pk)

### CRESCENT HADEED DIVISION BILLET MANUFACTURING UNIT

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





## CS ENERGY DIVISION POWER GENERATION UNIT

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

## PUBLIC INFORMATION

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

### **Ms. Isha Fazal**

Company Secretary

9th Floor, Sidco Avenue Centre,  
264 R.A. Lines, Karachi-74200.

Tel: +92 21 3567 4881-85

Email: [company.secretary@crescent.com.pk](mailto:company.secretary@crescent.com.pk)

## SHARE REGISTRAR

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

M/s CorpTec Associates (Private) Limited,

503-E Johar Town, Lahore.

Tel: +92 42 3517 0336-37

Fax: +92 42 3517 0338

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

## CORPORATE WEBSITE

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



## FINANCIAL STATEMENT

For 3<sup>rd</sup> Quarterly Report 2022 go to:

[https://crescent.com.pk/wp-](https://crescent.com.pk/wp-content/uploads/2022/04/3rd-Quarterly-Report-2022.pdf)

[content/uploads/2022/04/3rd-Quarterly-Report-2022.pdf](https://crescent.com.pk/wp-content/uploads/2022/04/3rd-Quarterly-Report-2022.pdf)





# DIRECTORS' REPORT

The Directors of the Company have pleasure in submitting their report together with unaudited condensed interim unconsolidated and consolidated financial statements of the Company and the Group, respectively, for the nine months period ended 31 March 2022.

## ECONOMIC OUTLOOK

Dear Shareholders, we are preparing this report in extraordinary times.

Later half of Fiscal year 2022 started with significant uncertainties around the outlook for international commodity prices, global financial conditions and geopolitical tensions which have been exacerbated by the Russia-Ukraine conflict and political turmoil in the country leading to change of Government.

The domestic political instability over the past few months has slowed the implementation of key reforms to improve overall fiscal and debt sustainability. Despite the challenges, we take comfort in the fact the pandemic crisis has eased out and gradually waning resulting business and operations normalizing in Pakistan.

So far in current fiscal year 2022, the outlook for inflation has deteriorated and risks to external stability have risen. Externally, futures markets suggest that global commodity prices, including oil, are likely to remain elevated for a longer period. The core inflation in both urban and rural areas increased significantly, clocking at 12.7% on year on year basis by the end of third quarter of current fiscal year.

In order to safeguard external front, price stability and to reduce inflationary pressure, in an emergency monetary policy meeting, the SBP has raised policy rates by 250 bps taking rates from 9.75% to 12.25% taking cumulative increase for the fiscal year to 525 basis points. This is likely to remain stable in the 12-13% range over the next six months. Political instability in Pakistan triggered a further PKR devaluation against the greenback of almost 5% along with a considerable hike in secondary market yields as well as the Euro Bond yields.

Demand moderating measures along with reducing balance of trade difference and record breaking remittances received during March helped shrink the current account deficit to USD 0.5 billion which is a positive sign going forward. The foreign reserves have fallen by more than USD 5 billion during March 2022

alone which included end-year debt payments to China and US along with a major outflow pertaining to the Reko Diq settlement. The country continues to borrow to meet its current account requirements and global uncertainty in commodity prices continues to pose downside risks.

The benchmark index of the Industry performance indicated a growth of 7.6% during the 9 month period as per the 2015-16 base with automobile, construction, textile, food, chemical, and pharmaceutical products taking the lead. The current LSM represents 9.7% of the GDP and is dominated by the manufacturing sector with a 76.1% sectoral share.

The immediate daunting challenges for the new government are managing a stuttering economy with huge deficit, worsening economic crisis, growing political turmoil, deteriorating relations with the Western powers, and the resurgence of militancy in some parts of the country. Critical reforms are required to deal with inherited challenges such as immediate removal of the cap on electricity and petroleum prices and renegotiating a new loan with the IMF.

## FINANCIAL AND OPERATIONAL PERFORMANCE

### Overall Financial Performance

During nine months period ended 31 March 2022 (9MFY22) the Company's after tax profit amounted to Rs. 817.9 million as compared to after tax profit of Rs. 362.5 million in 9MFY21. Earnings per share (EPS) for 9MFY22 was Rs. 10.54 per share as compared to EPS of Rs. 4.67 in 9MFY21.

Company's sales revenue for the 9MFY22 stood at Rs. 5,097.8 million (9MFY21: Rs. 5,723.7 million) generating a gross profit (GP) of Rs. 131.5 million (9MFY21: GP of Rs. 626.3 million) which was 2.6 percent of sales as compared to 10.8 percent in 9MFY21.

Steel division, Cotton division, Hadeed (Billet) division and CS Energy division generated 24.7 percent, 35.7 percent, 10.0 percent and 29.6 percent of the total sales

respectively. Turnover of Steel division was Rs. 1,260.7 million (9MFY21: Rs. 2,657.8 million). Cotton Division posted a turnover of Rs. 1,817.6 million (9MFY21: Rs. 1,406.6 million), an increase of 29.2 percent. During 9MFY22, gross loss of the Steel division amounted to Rs. 115.5 million (9MFY21: GP of Rs. 455.5 million), whereas Cotton Division reported a GP of Rs. 249.5 million (9MFY21: Rs. 161.8 million).

The Steel Division reported Loss before tax (LBT) of Rs. 420.9 million (9MFY21 PBT: Rs. 193.6 million) Cotton Division reported PBT of Rs. 195.4 million (9MFY21 PBT: Rs. 132.1 million). IID Division reported a PBT of Rs. 1,103.6 million (9MFY21 PBT: Rs. 171.6 million) mainly due to dividend from Altern Energy Limited amounting to Rs. 1,122.3 million.

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

- Sales revenue decreased to Rs. 5,097.8 million as compared to Rs. 5,723.7 million in 9MFY21.
- Income from Investment amounted to Rs. 1,118.5 million as compared to Rs. 59.9 million in 9MFY21 includes dividend of Rs. 1,122.3 million from Altern Energy Limited.
- Gross profit of Rs. 131.5 million as compared to a gross profit of Rs. 626.3 million in 9MFY21.
- Other income decreased to Rs. 46.1 million as compared to Rs. 181.9 million in 9MFY21.
- Earnings before interest and tax (EBIT) for 9MFY22 was Rs. 996.6 million as compared to EBIT of Rs. 641.9 million in 9MFY21.
- EBITDA was Rs. 1,151.1 million as compared to Rs. 806.6 million in 9MFY21.
- EPS for 9MFY22 was Rs. 10.54, as compared to EPS of Rs. 4.67 for 9MFY21.
- Return on average capital employed (annualized) was 12.7 percent for 9MFY22 as compared to 5.9 percent in corresponding period last year.
- Break-up value per share increased to Rs. 87.4 from Rs. 76.91 as at 30 June 2021.

## BUSINESS SEGMENTS

### Steel Segment

Steel Division revenue for nine months period stood at Rs. 1,260.7 million as compared to Rs. 2,657.8 million in corresponding period last year. Total gross loss during

the 9MFY22 amounted to Rs. 115.5 million (i.e. -9.2%), as compared to GP of Rs. 455.5 million (i.e. 17.1 %) in corresponding period last year. The orders produced during the period ended up with negative margins due to steep rise in Steel prices and unprecedented disruption in supply chains all over the world, additionally plant idling during the period resulted in unabsorbed fixed cost.

LBT for the period stood at Rs. 420.9 million as compared to PBT of Rs. 193.6 million in corresponding period last year.

### Cotton Segment

International cotton prices have peaked to a 10-year high, where Local cotton prices also followed the trend. Cotton Division net sales revenue for 9MFY22 amounted to Rs. 1,817.6 million as compared to Rs. 1,406.6 million in corresponding period last year. Division posted GP of Rs. 249.6 million i.e. 13.7% of sales as compared to GP of Rs. 161.8 million i.e. 11.5% in corresponding period last year.

### IID Segment

### Market Review

The KSE-100 opened fiscal year 2022 at 47,356.02 points, losing 2,427.19 points or 5.13% during 9MFY22 to close at 44,928.83 points on 31 March 2022. During the 9-month period net foreign selling stood at USD 271.13 million (PKR 46.59 billion) as against USD 295.1 million (PKR 47.8 billion) during the SPLY – at present the total portion of foreign investments in the equity market stands at about 5-6% of the total market capitalization of PKR 7.58 trillion as against historical averages of 20%.

The KSE-100 index is currently trading at a Price Earning (PE) ratio of 5.14 times and a forward PE of 4.76 times compared to regional average of 17.47 times. The market Dividend Yield stands at 7.95% versus 2.45% offered by the region.

### Segment Performance

The portfolio's accumulated PBT for the period ended 31 March 2022 stood at PKR 1,103.58 million, as against PBT of PKR 171.60 in the corresponding period last year.

The PBT includes Dividend income of PKR 1,152.96 million of which PKR 1,122.27 million is from Altern Energy Limited and PKR 18.10 million constitutes dividends from the HFT segment. During the period ended 31 March 2022, the division's HFT investments recorded a negative ROI of 7.44% on weighted average investments of PKR 251.37 million whereas the benchmark KSE-100 index decreased by 5.13%.

## UNCONSOLIDATED BALANCE SHEET

Balance sheet footing stood at Rs. 10,353.8 million as of 31 March 2022, compared to Rs 8,705.6 million on 30 June 2021. Break-up value per share increased to Rs. 87.4 from Rs. 76.91 as at 30 June 2021.

Current ratio improved to 1.50, as compared to 1.45 as at 30 June 2021. Gearing ratio (including short term borrowings) increased to 26.9 percent as compared to 24.2 percent as at 30 June 2021. Interest cover for 9MFY22 was 5.4 times (9MFY21: 4.0 times).

## Overall Consolidated Financial Performance

On a consolidated basis, operating loss before finance costs and share of profit in equity accounted investees amounted to Rs. 126.2 million (9MFY21: Profit Rs. 715.3 million). Consolidated loss after tax for the Group for 9MFY22 was Rs. 98.3 million as compared to profit after tax of Rs. 703.6 million in 9MFY21. Net share of profit from equity-accounted associates amounted to Rs. 136.8 million (9MFY21: Rs. 313.9 million).

Consolidated loss per share of the Group for 9MFY22 was Rs. 1.27 per share as compared to EPS of Rs. 9.06 per share respectively in the corresponding period last year.

During 9MFY22, profit after tax of CS Capital (Private) Limited – a wholly owned subsidiary amounted to Rs. 52.0 million (9MFY21: profit after tax Rs. 61.2 million). This has resulted mainly due to dividends of Rs. 93.8 million.

## CONSOLIDATED BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 11,473.0 million, compared to Rs. 10,778.9 million as at 30 June 2021. Total shareholders' fund decreased to Rs. 7,816.8 million from Rs. 7,968.4 million as at 30 June 2021.

## FUTURE OUTLOOK

While moving into the last quarter of FY22, despite the signs of post-Covid economic recovery, certain short term headwinds including geopolitical tension, growing current account deficit, increasing commodity prices, rising inflationary pressures, hike in interest rate are posing challenging business environment in coming months.

In Steel Division, we see a lot of pent up demand emerging for some major pipeline projects which are expected to commence in due course. We do expect activity which is direly needed to augment the reeling energy Infrastructure. At our end we continue to be vigilant and ready.

For Cotton division, Textile exports have been supported by multiple factors mainly the energy package for the export Oriented sectors (Zero rated Industries) and market based exchange rates. However, cumulative increase of 525 base point in SBP policy rate during the period and record high raw material prices may disturb the margins as exporters may face difficulty in transferring the entire burden of increased input cost to the market. Further, Russia/Ukraine crisis have instigated delays in new bookings and shipment of export orders.

The Company is committed to focus on its strategic priorities and is poised to work tirelessly to keep its employees, business partners and communities safe and healthy.

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

For and behalf of Board of Directors.



**Ahsan M. Saleem**  
Chief Executive Officer



**Nadeem Maqbool**  
Director

28 April 2022



CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

# CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

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

	Note	Unaudited 31 March 2022	Audited 30 June 2021
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,828,250	1,927,328
Right-of-use assets		125,358	131,603
Intangible assets		4,123	5,848
Investment properties		56,655	57,630
Long term investments	6	2,496,830	2,468,925
Long term deposits	7	28,621	23,521
Deferred taxation - net		586,874	428,387
		<u>5,126,711</u>	<u>5,043,242</u>
<b>Current assets</b>			
Stores, spares and loose tools		170,227	163,452
Stock-in-trade	8	2,230,658	1,236,529
Trade debts	9	552,213	137,073
Loans and advances	10	268,961	136,271
Trade deposits and short term prepayments		304,450	289,818
Short term investments	11	364,888	221,885
Mark-up accrued		716	-
Other receivables	12	392,510	358,263
Taxation - net		927,074	1,115,078
Cash and bank balances		15,386	3,953
		<u>5,227,083</u>	<u>3,662,322</u>
<b>Total assets</b>		<u><b>10,353,794</b></u>	<u><b>8,705,564</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Authorized capital		1,000,000	1,000,000
100,000,000 ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,020,908	1,020,908
Revenue reserves		4,987,095	4,173,591
		<u>6,784,328</u>	<u>5,970,824</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans	13	12,461	127,676
Lease liabilities		77,774	74,570
Deferred income		2,409	4,450
		<u>92,644</u>	<u>206,696</u>
<b>Current liabilities</b>			
Trade and other payables	14	975,452	755,188
Unclaimed dividend		25,614	25,628
Mark-up accrued		47,690	28,087
Short term borrowings	15	2,202,423	1,514,927
Current portion of long-term loans	13	189,957	159,038
Current portion of lease liabilities		29,850	36,353
Current portion of deferred income		5,836	8,823
		<u>3,476,822</u>	<u>2,528,044</u>
Contingencies and commitments	16	3,569,466	2,734,740
<b>Total equity and liabilities</b>		<u><b>10,353,794</b></u>	<u><b>8,705,564</b></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 nine months ended 31 March 2022

	Note	Quarter ended		Nine months ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
----- (Rupees in '000) -----					
Sales	17	<b>2,878,573</b>	2,228,531	<b>5,969,605</b>	6,698,026
Less: sales tax		<b>421,519</b>	323,975	<b>871,854</b>	974,333
		<b>2,457,054</b>	1,904,556	<b>5,097,751</b>	5,723,693
Cost of sales		<b>2,405,705</b>	1,769,598	<b>4,966,267</b>	5,097,415
Gross profit		<b>51,349</b>	134,958	<b>131,484</b>	626,278
Income from investments - net	18	<b>10,543</b>	11,939	<b>1,118,493</b>	59,864
		<b>61,892</b>	146,897	<b>1,249,977</b>	686,142
Distribution and selling expenses		<b>4,723</b>	5,208	<b>11,833</b>	10,927
Administrative expenses		<b>99,045</b>	58,468	<b>243,586</b>	185,314
Other operating expenses	19	<b>3,759</b>	2,975	<b>44,094</b>	29,886
		<b>107,527</b>	66,651	<b>299,513</b>	226,127
		<b>(45,635)</b>	80,246	<b>950,464</b>	460,015
Other income		<b>13,758</b>	16,643	<b>46,142</b>	181,883
Operating (loss) / profit before finance costs		<b>(31,877)</b>	96,889	<b>996,606</b>	641,898
Finance costs	20	<b>65,269</b>	48,482	<b>184,264</b>	159,589
(Loss) / profit before taxation		<b>(97,146)</b>	48,407	<b>812,342</b>	482,309
Taxation					
- current for the period		<b>(33,995)</b>	(30,457)	<b>(153,721)</b>	(89,129)
- current for prior year		-	8,423	-	6,745
- deferred		<b>66,481</b>	23,506	<b>159,240</b>	(37,468)
		<b>32,486</b>	1,472	<b>5,519</b>	(119,852)
(Loss) / profit for the period		<b>(64,660)</b>	49,879	<b>817,861</b>	362,457
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		<b>582</b>	2,207	<b>(4,357)</b>	4,384
<b>Total comprehensive (loss) / income for the period</b>		<b>(64,078)</b>	52,086	<b>813,504</b>	366,841
----- (Rupees) -----					
(Loss) / earnings per share - Basic and diluted	21	<b>(0.83)</b>	0.64	<b>10.54</b>	4.67

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



Chief Executive



Director



Chief Financial Officer



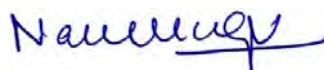
Crescent Steel and Allied Products Limited  
 Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)  
 For the nine months ended 31 March 2022

	Note	Nine months ended	
		31 March 2022	31 March 2021
----- (Rupees in '000) -----			
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	22	(1,336,842)	963,443
Taxes refund received		35,036	62,197
Finance costs paid		(157,092)	(171,451)
Contribution to gratuity and pension funds		(19,113)	(17,582)
Contribution to Workers' Profit Participation Fund		(508)	-
Long term deposits - net		(2,162)	-
Net cash (used in) / generated from operating activities		(1,480,681)	836,607
<b>Cash flows from investing activities</b>			
Capital expenditure		(39,262)	(37,636)
Acquisition of intangible assets		-	(4,483)
Proceeds from disposal of operating fixed assets and investment property		11,367	153,440
Investments - net		(209,224)	(47,548)
Dividend income received		1,152,667	10,936
Interest income received		348	488
Net cash generated from investing activities		915,896	75,197
<b>Cash flows from financing activities</b>			
(Repayments of) / proceeds from long term loans - net		(82,271)	79,125
Payments against finance lease obligations		(28,993)	(33,309)
Proceeds from / (repayments of) short term loans obtained - net		567,232	(912,936)
Dividends paid		(14)	(680)
Net cash generated from / (used in) financing activities		455,954	(867,800)
Net increase in cash and cash equivalents		(108,831)	44,004
Cash and cash equivalents at beginning of the period		(659,533)	(558,929)
Cash and cash equivalents at end of the period	23	(768,364)	(514,925)

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



Chief Executive



Director



Chief Financial Officer



Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the nine months ended 31 March 2022

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Fair value reserve	General reserve	Unappropriated profit / (loss)		
----- (Rupees in '000) -----							
<b>Balance as at 30 June 2020</b>	<b>776,325</b>	<b>1,020,908</b>	<b>5,393</b>	<b>3,642,000</b>	<b>3,662</b>	<b>3,651,055</b>	<b>5,448,288</b>
<b>Total comprehensive income for the period</b>							
Profit after taxation for the period	-	-	-	-	362,457	362,457	362,457
Other comprehensive income for the period	-	-	4,384	-	-	4,384	4,384
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4,384</b>	<b>-</b>	<b>362,457</b>	<b>366,841</b>	<b>366,841</b>
<b>Balance as at 31 March 2021</b>	<b>776,325</b>	<b>1,020,908</b>	<b>9,777</b>	<b>3,642,000</b>	<b>366,119</b>	<b>4,017,896</b>	<b>5,815,129</b>
<b>Balance as at 30 June 2021</b>	<b>776,325</b>	<b>1,020,908</b>	<b>8,966</b>	<b>3,642,000</b>	<b>522,625</b>	<b>4,173,591</b>	<b>5,970,824</b>
<b>Total comprehensive income for the period</b>							
Profit after taxation for the period	-	-	-	-	817,861	817,861	817,861
Other comprehensive loss for the period	-	-	(4,357)	-	-	(4,357)	(4,357)
<b>Total comprehensive (loss) / income for the period</b>	<b>-</b>	<b>-</b>	<b>(4,357)</b>	<b>-</b>	<b>817,861</b>	<b>813,504</b>	<b>813,504</b>
<b>Balance as at 31 March 2022</b>	<b>776,325</b>	<b>1,020,908</b>	<b>4,609</b>	<b>3,642,000</b>	<b>1,340,486</b>	<b>4,987,095</b>	<b>6,784,328</b>

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



Chief Executive



Director



Chief Financial Officer

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

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

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

## **2. BASIS OF PREPARATION**

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

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

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

**2.2** These condensed interim unconsolidated financial statements of the Company do not include all of the information required for annual unconsolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last audited annual unconsolidated financial statements.

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

### 3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the audited annual unconsolidated financial statements for the year ended 30 June 2021.

### 3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

3.2.1 There were certain amendments to accounting and reporting standards which become effective from 1 July 2021 but they do not have a material effect on these condensed interim unconsolidated financial statements and therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

### 3.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE

3.3.1 There is a new standard and certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2021. However, currently management considers that these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

### 4. USE OF ESTIMATES AND JUDGEMENTS

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

4.2 Estimates and judgements made by management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2021.

### 5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited 31 March 2022	Audited 30 June 2021
----- (Rupees in '000) ----			
Operating fixed assets	5.1	1,676,538	1,810,103
Capital work-in-progress	5.2	151,712	117,225
		<u>1,828,250</u>	<u>1,927,328</u>

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

	Unaudited Nine months ended 31 March 2022		Unaudited Nine months ended 31 March 2021	
	Additions / Transfers	Disposals / Transfers	Additions / Transfers	Disposals / Transfers
	----- (Rupees in '000) -----			
Land	-	-	-	56,757
Plant and machinery - owned	365	12,000	-	53,148
Plant and machinery - leased	15,934	-	-	-
Furniture and fittings	391	-	-	-
Electrical / office equipments and installation	745	4,150	579	72
Computers	1,882	372	1,750	860
Motor vehicles - owned	6,455	4,080	17,184	-
Motor vehicles - leased	5,670	-	-	975
	<u>31,442</u>	<u>20,602</u>	<u>19,513</u>	<u>111,812</u>

5.2 Net additions to capital work-in-progress during the nine months period ended 31 March 2021 amounted to Rs. 34.487 million (During the nine months period ended 31 March 2021: Rs. 17.203 million).

## 6. LONG TERM INVESTMENTS

	Note	Unaudited 31 March 2022	Audited 30 June 2021
		----- (Rupees in '000) -----	
Subsidiary companies - at cost	6.1	555,001	525,001
Associated companies - at cost	6.2	1,286,401	1,286,401
Other long term investments	6.3	655,428	657,523
		<u>2,496,830</u>	<u>2,468,925</u>

### 6.1 Subsidiary companies - at cost

Unaudited 31 March 2022 (Number of shares)	Audited 30 June 2021	Unquoted	Note	Unaudited 31 March 2022	Audited 30 June 2021
				----- (Rupees in '000) -----	
55,500,000	52,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.1	555,000	525,000
2		2 Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.2	-	-
100	100	Solution de Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.3	1	1
				<u>555,001</u>	<u>525,001</u>

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

**6.2 Associated companies - at cost**

<b>Unaudited 31 March 2022 (Number of shares)</b>	<b>Audited 30 June 2021</b>	<b>Quoted</b>	<b>Note</b>	<b>Unaudited 31 March 2022</b>	<b>Audited 30 June 2021</b>
				<b>----- (Rupees in '000) -----</b>	
<b>60,663,775</b>	60,663,775	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.2.1	<b>595,293</b>	595,293
<b>27,409,075</b>	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.2.2	<b>691,108</b>	691,108
				<b><u>1,286,401</u></b>	<b><u>1,286,401</u></b>

- 6.2.1** The Company holds 16.69% (30 June 2021: 16.69%) shareholding in Altern Energy Limited and has representation on its Board of Directors. The Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates', therefore it has been treated as an associate as per IAS 28.
- 6.2.2** The Company holds 21.93% (30 June 2021: 21.93%) shareholding in Shakarganj Limited and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates', therefore it has been treated as an associate as per IAS 28.
- 6.2.3** The fair value of investments in associated companies as at 31 March 2022 is Rs. 2,367.352 million (30 June 2021: Rs. 2,849.405 million).

**6.3 Other long term investments**

<b>Unaudited 31 March 2022</b>	<b>Audited 30 June 2021</b>
<b>----- (Rupees in '000) -----</b>	
Fair value through other comprehensive income (FVOCI)	12,992
Fair value through profit or loss (FVTPL)	644,531
	<b><u>655,428</u></b>

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

**6.3.2** This includes investments in Crescent Industrial Chemicals Limited and Crescent Bahuman Limited amounting to Rs. 10.470 million and Rs. 24.037 million (30 June 2021: Rs. 10.470 million and Rs. 24.037 million), respectively, which had been fully charged to profit or loss in earlier periods.

**6.3.3** This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 446.325 million and Rs. 198.206 million (30 June 2021: Rs 446.325 million and Rs 198.206 million) respectively.

## 7. LONG TERM DEPOSITS

These include security deposit amounting to Rs. 16.225 million (30 June 2021: Rs. 12.569 million) under Ijarah financing arrangement.

## 8. STOCK-IN-TRADE

	<b>Unaudited 31 March 2022</b>	Audited 30 June 2021
	----- (Rupees in '000) -----	
<b>Raw materials</b>		
Hot rolled steel coils (HR Coils)	261,583	303,715
Coating materials	46,179	96,903
Steel scrap	327,785	174,883
Others	95,655	85,261
Bagasse	14,584	-
Raw cotton	438,320	241,380
Stock-in-transit	437,187	168,850
	<u>1,621,293</u>	<u>1,070,992</u>
Work-in-process	<u>20,390</u>	<u>25,797</u>
Finished goods - net	<u>585,254</u>	<u>135,235</u>
Scrap / cotton waste	<u>3,721</u>	<u>4,505</u>
	<u>609,365</u>	<u>165,537</u>
	<u>2,230,658</u>	<u>1,236,529</u>

**8.1** Stock in trade as at 31 March 2022 includes certain items valued at net realisable value (NRV). Reversal for the period in respect of stock written down to NRV was amounting to Rs. 20 million (30 June 2021: Reversal of Rs. 26.825 million) has been recognised in cost of sales.

## 9. TRADE DEBTS

		<b>Unaudited 31 March 2022</b>	Audited 30 June 2021
		----- (Rupees in '000) -----	
<b>Secured</b>			
Considered good		-	24,826
<b>Unsecured</b>			
Considered good	9.1	<u>552,213</u>	<u>112,247</u>
Considered doubtful		<u>22,414</u>	<u>23,214</u>
		<u>574,627</u>	<u>135,461</u>
Impairment loss on trade debts		<u>(22,414)</u>	<u>(23,214)</u>
		<u>552,213</u>	<u>137,073</u>

**9.1** This includes balances due from following related parties:

Shakarganj Limited		<u>78,926</u>	<u>33,711</u>
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## 10. LOANS AND ADVANCES

**10.1** These include loan due from:

Solution de Energy (Private) Limited	10.1.1	<u>96,733</u>	<u>94,208</u>
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**10.1.1** The Company has provided short term interest free loan to the wholly owned subsidiary Company in order to meet its requirements for the purposes of feasibility, legal approvals and other related activities in respect of its project of 100 MW Solar Power Plant in Solar Power Park being established by the Government of Punjab in the Cholistan desert. The loan is repayable on demand.

**11. SHORT TERM INVESTMENT**

	Note	Unaudited 31 March 2022	Audited 30 June 2021
----- (Rupees in '000) -----			
At amortised cost	11.1	84,360	-
At fair value through profit or loss (FVTPL)	11.2	280,528	221,885
		<u>364,888</u>	<u>221,885</u>

**11.1** This represents investment in term deposit receipts having markup rate of 10% per annum and maturing on 23 February 2023.

**11.2** These comprise investments in ordinary shares of listed companies and units of mutual funds. These also include investments in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully provided for as the break-up value of their shares was Rs. Nil per share (30 June 2021: Rs. Nil per share).

**11.3** Investments having an aggregate market value of Rs. 1,556.554 million (30 June 2021: Rs. 1,637.668 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which amount of Rs. 1,420.519 million (30 June 2021: Rs. 1,488.435 million) relates to long term investments.

**12. OTHER RECEIVABLES**

	Note	Unaudited 31 March 2022	Audited 30 June 2021
----- (Rupees in '000) -----			
Dividend receivable		1,186	886
Provision there against		(885)	(886)
		301	-
Receivable against sale of investments		-	260
Claim receivable		-	843
Due from related parties	12.1	20,354	19,259
Sales tax refundable		109,228	80,767
Margin on letter of guarantee		15,359	15,359
Receivable from staff retirement benefits funds		239,843	239,843
Others		7,425	1,932
		<u>392,510</u>	<u>358,263</u>

**12.1 Due from related parties**

Shakarganj Limited		-	1,376
CS Capital (Private) Limited		4,408	2,156
Solution de Energy (Private) Limited		11,947	11,852
The Crescent Textile Mills Limited		240	244
Shakarganj Food Products Limited		3,159	2,631
Crescent Socks (Private) Limited		600	1,000
		<u>20,354</u>	<u>19,259</u>



**Unaudited**                      Audited  
**31 March 2022**                      30 June 2021

Note

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

**13. LONG TERM LOANS**

**Secured - Under non-shariah arrangement**

Allied Bank Limited	13.1	<b>90,437</b>	158,608
Habib Metropolitan Bank Limited	13.2	<b>74,152</b>	107,680
JS Bank Limited	13.3	<b>37,829</b>	20,426
		<b>202,418</b>	286,714
Less: Current portion shown under current liabilities		<b>189,957</b>	159,038
		<b>12,461</b>	127,676

**13.1** During the year ended 30 June 2017, the Company entered into a loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million (30 June 2021: 74.176 million) have been disbursed till 31 March 2022. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. During the period, the Company has made repayment of Rs. 18.544 million (30 June 2021: Rs. 18.544 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2018, the Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till 31 March 2022. The term of the loan is 4 years from the date of disbursement with a grace period of one year; however, due to COVID-19 the bank has allowed one year more grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, the Company has made repayment of Rs. 72.35 million (30 June 2021: Rs. 18.088 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period ended 31 March 2022, The mark-up on such arrangements ranged from 9.83% to 11.83% (30 June 2021: 8.19% to 10.04%) per annum. These facilities are secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

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

The effective interest on such arrangement ranged from 8.68% to 10.16% per annum (30 June 2021: 8.68% to 10.16% per annum).

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

During the period ended 31 March 2022, one tranche received in July 2021 and one further received in December 2021. Tranches received in March 2021, April 2021 and July 2021 have been converted into the SBP Financing Scheme for Renewable Energy during the period.

The effective interest on this arrangement is 8.49% (30 June 2021: 8.49%) per annum.

**14. TRADE AND OTHER PAYABLES**

	Note	Unaudited 31 March 2022 ----- (Rupees in '000) -----	Audited 30 June 2021 -----
Trade creditors		182,438	109,468
Bills payable		45,355	-
Commission payable		3,132	2,250
Accrued liabilities		343,359	306,441
Advances from customers		54,784	24,787
Provisions		270,393	253,264
Due to related parties	14.1	705	1,133
Payable to provident fund		2,064	2,199
Payable to staff retirement benefit funds		2,308	2,057
Retention money		110	111
Sales tax payable		73	9,039
Withholding tax payable		13,744	2,974
Workers' Profit Participation Fund		12,678	2,904
Workers' Welfare Fund		6,944	6,944
Others		37,365	31,617
		<b>975,452</b>	<b>755,188</b>

**14.1 Due to related parties**

Premier Insurance Company Limited	668	353
Staff Benevolent Fund	2	2
The Citizens Foundation	35	-
Shakarganj Food Products Limited	-	778
	<b>705</b>	<b>1,133</b>

		<b>Unaudited</b>	Audited
	Note	<b>31 March 2022</b>	30 June 2021
		----- (Rupees in '000) -----	

## 15. SHORT TERM BORROWINGS

### Secured from banking companies

Running finances under mark-up arrangements	15.1	<b>783,750</b>	663,486
Short term loans	15.2 & 15.4	<b>1,418,673</b>	851,441
		<b><u>2,202,423</u></b>	<u>1,514,927</u>

**15.1** Running finances facility / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,100 million (30 June 2021: Rs. 1,100 million) out of which Rs. 300 million (30 June 2021: Rs. 300 million), Rs. 100 million (30 June 2021: Rs. 150 million) and Rs. 300 million (30 June 2021: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 10.98% to 11.85% (30 June 2021: 8.12% to 10.54%) per annum.

**15.2** Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,950 million (30 June 2021: Rs. 3,850 million) out of which Rs. 3,150 million (30 June 2021: Rs. 3,150 million), Rs. 205 million (30 June 2021: Rs. 305 million) and Rs. 350 million (30 June 2021: Rs. 350 million) are interchangeable with letters of credit, letters of guarantee and short term running finance, respectively. During the period, the mark-up on such arrangements ranged from 10.98% to 11.85% (30 June 2021: 8.12% to 10.54%) per annum.

**15.3** The facilities for opening letters of credit amounted to Rs. 4,750 million (30 June 2021: Rs. 4,750 million) out of which Rs. 300 million (30 June 2021: Rs. 300 million), Rs. 3,150 million (30 June 2021: Rs. 3,150 million) and Rs. 205 million (30 June 2021: Rs. 305 million) are interchangeable with short term running finance, short term loans and letters of guarantee respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 31 March 2022 amounted to Rs. 2,179.8 million (30 June 2021: Rs. 1,827 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2022 were Rs. 4,330. million and Rs. 579. million (30 June 2021: Rs. 3,884.9 million and Rs. 329.44 million), respectively.

**15.4** These includes an amount of Rs. 898.651 million (30 June 2021: Rs. 424.18 million outstanding against Islamic mode of financing. The Company is currently availing Islamic mode of financing from the Al Baraka Bank, Dubai Islamic Bank and Bank Islami Pakistan Limited. Facilities availed include letters of credit, bank guarantees, Wakala, Morabaha, Istisna and Ijarah financing.

**15.5** The above facilities are expiring on various dates with maturity periods upto 30 November 2022. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 11.2) pledge of cotton and lien over import / export document. Further, these facilities (refer notes 15.1 to 15.3) are also secured against pledged of shares owned by the Subsidiary Company i.e. CS Capital (Private) Limited.

## **16. CONTINGENCIES AND COMMITMENTS**

### **16.1 Contingencies**

There is no significant change in the status of the matters as set out in note 12.3,15, 28.2 and 29.1 to the Company's annual unconsolidated financial statements for the year ended 30 June 2021.

### **16.2 Commitments**

**16.2.1** During the year ended 30 June 2020, Bank Islami Pakistan Limited (BIPL) deferred the principal payments of rentals for one year as per the directives issued by State Bank of Pakistan vide its circular no. 12 dated 26 March 2020. As at 31 March 2022, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 22.897 million (30 June 2021: Rs. 87.98 million), which is payable in average quarterly installments of Rs. 22.897 million (30 June 2021: Rs. 22.867 million).

**16.2.2** Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 1,600.8 million (30 June 2021: Rs. 1,497.56 million). These include guarantees issued by Islamic banks amounting to Rs. 214.586 million (30 June 2021: Rs. 219.58 million).

**16.2.3** Commitments in respect of capital expenditure contracted for as at 31 March 2022 amounted to Rs. 10.672 million (30 June 2021: Rs. 8.455 million).

**16.2.4** Commitments under letters of credit (L/C) as at 31 March 2022 amounted to Rs. 497.58 million (30 June 2021: Rs. 865 million).

## 17. SALES

	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		----- (Rupees in '000) -----			
<b>Local sales</b>					
Bare pipes	17.1	43,494	396,271	1,151,875	2,934,155
Steel Billets		1,600,823	860,018	1,750,010	1,368,446
Pipe coating		-	-	50,920	5,753
Pre coated pipes		5,515	-	82,003	32,972
Cotton yarn / raw cotton		644,367	568,797	2,101,505	1,625,626
Electricity sales		230,086	133,357	266,407	187,762
Steam sales		274,485	224,740	332,827	348,468
Others		59,573	30,405	161,769	83,392
Scrap / waste		20,230	14,943	72,289	111,452
		<b>2,878,573</b>	<b>2,228,531</b>	<b>5,969,605</b>	<b>6,698,026</b>
Sales tax		<b>(421,519)</b>	<b>(323,975)</b>	<b>(871,854)</b>	<b>(974,333)</b>
		<b>2,457,054</b>	<b>1,904,556</b>	<b>5,097,751</b>	<b>5,723,693</b>

17.1 This is presented net of liquidated damages amounting to Rs. 25.232 million (31 March 2021: Rs. 6.429 million).

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

## 18. INCOME FROM INVESTMENTS - NET

	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		----- (Rupees in '000) -----			
Dividend income	18.1	15,173	2,987	1,152,968	12,296
(Loss) / gain on sale of FVTPL investments - net	18.2	(651)	3,618	215	6,140
Unrealized (loss) / gain on FVTPL investments - net	18.3	(4,920)	4,094	(37,012)	36,762
Rent from investment properties	18.5	941	1,240	2,322	4,666
		<b>10,543</b>	<b>11,939</b>	<b>1,118,493</b>	<b>59,864</b>

18.1 This includes Rs. 15.23 million earned on investments in Shariah Compliant Investee Companies.

18.2 This includes Rs. 0.2 million gain on sale of Shariah Compliant Investee Companies.

18.3 This includes loss of Rs. 32.232 million on investments in Shariah Compliant Investee Companies.

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

18.5 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 1.187 million (31 March 2021: Rs. 5.55 million).

**19. OTHER OPERATING EXPENSES**

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (Rupees in '000) -----			
Exchange loss	1,518	-	32,349	-
Provision for:				
- Workers' Profit Participation Fund	1,430	2,099	10,282	18,226
- Workers' Welfare Fund	-	876	-	6,755
- Slow moving stores, spares and loose tools	811	-	1,463	4,905
	<u>3,759</u>	<u>2,975</u>	<u>44,094</u>	<u>29,886</u>

**20. FINANCE COSTS**

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (Rupees in '000) -----			
Profit on short term loans - Shariah arrangement	14,968	11,960	42,521	29,950
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,439	1,785	7,067	5,851
- long term loans	5,082	7,322	16,590	20,497
- running finances / short term loans	42,088	26,084	112,666	99,237
Discounting of lease deposit	-	-	375	-
Bank charges	692	1,331	5,045	4,054
	<u>65,269</u>	<u>48,482</u>	<u>184,264</u>	<u>159,589</u>

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

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (Rupees in '000) -----			
(Loss) / profit for the period	<u>(64,660)</u>	<u>49,879</u>	<u>817,861</u>	<u>362,457</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) -----			
(Loss) / earnings per share - Basic and diluted	<u>(0.83)</u>	<u>0.64</u>	<u>10.54</u>	<u>4.67</u>

**22. CASH (USED IN) / GENERATED FROM OPERATIONS**

	Note	Unaudited	
		Nine months ended	
		31 March 2022	31 March 2021
		----- (Rupees in '000) -----	
Profit before taxation		812,342	482,309
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets, right-of-use assets and investment properties		152,779	164,229
Amortisation of intangible assets		1,725	424
Charge for the period on staff retirement benefit funds		19,364	17,582
Dividend income		(1,152,968)	(12,296)
Unrealized (gain) / loss on FVTPL investments - net		37,012	(36,762)
Provision for slow moving stores, spares and loose tools		(811)	-
(Gain) / loss on sale of FVTPL investments - net		(215)	(6,140)
Provision for stores, spares and loose tools - net		1,463	4,905
Provision for doubtful trade debts		(800)	-
Provision for Workers' Welfare Fund		-	6,755
Provision for Workers' Profit Participation Fund		10,282	18,226
Provision for liquidated damages		-	6,429
Return on deposits		(1,064)	(459)
Gain on disposal of operating fixed assets and investment property		(85)	(134,119)
Deferred income		(7,053)	(6,698)
Discounting of long term deposit		375	-
Unwinding of discount on long term deposit		(18,442)	(16,797)
Liabilities written back		(9,397)	-
Finance costs		184,264	159,589
Working capital changes	22.1	<u>(1,365,613)</u>	<u>316,266</u>
		<u>(1,336,842)</u>	<u>963,443</u>
<b>22.1 Working capital changes</b>			
Decrease / (increase) in current assets			
Stores, spares and loose tools		(7,427)	11,296
Stock-in-trade		(994,129)	365,179
Trade debts		(414,340)	97,563
Loans and advances		(132,690)	(164,574)
Trade deposits and short term prepayments		497	(9,528)
Other receivables		(33,946)	(32,286)
		<u>(1,582,035)</u>	<u>267,650</u>
Increase in current liabilities			
Trade and other payables		216,422	48,616
		<u>(1,365,613)</u>	<u>316,266</u>
<b>23. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(783,750)	(575,206)
Cash and bank balances		15,386	60,281
		<u>(768,364)</u>	<u>(514,925)</u>
<b>24. SEGMENT REPORTING</b>			
<b>24.1 Reportable segments</b>			
The Company's reportable segments are as follows:			
- Steel segment - It comprises of manufacturing and coating of steel pipes.			
- Cotton segment - It comprises of manufacturing of yarn.			
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).			
- Hadeed segment - It comprises of manufacturing billets.			
- Energy segment - It comprises of generating and supplying electricity / power.			
Information regarding the Company's reportable segments is presented below:			



## 24.2 Segment revenues and results

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

For the nine months ended 31 March 2022	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	------(Rupees in '000)-----						
Sales - net	1,260,703	1,817,555	590,947	1,507,327	-	(78,781)	5,097,751
Cost of sales	1,376,176	1,568,006	594,985	1,505,881	-	(78,781)	4,966,267
<b>Gross (loss) / profit</b>	<b>(115,473)</b>	<b>249,549</b>	<b>(4,038)</b>	<b>1,446</b>	<b>-</b>	<b>-</b>	<b>131,484</b>
Income from investments - net	-	-	-	-	1,118,493	-	1,118,493
	(115,473)	249,549	(4,038)	1,446	1,118,493	-	1,249,977
Distribution and selling expenses	8,079	2,736	-	1,018	-	-	11,833
Administrative expenses	172,070	31,765	5,663	19,176	14,912	-	243,586
Other expenses	22,479	13,752	-	7,863	-	-	44,094
	202,628	48,253	5,663	28,057	14,912	-	299,513
	(318,101)	201,296	(9,701)	(26,611)	1,103,581	-	950,464
Other income	29,719	15,405	1,018	-	-	-	46,142
<b>Operating (loss) / profit before finance costs</b>	<b>(288,382)</b>	<b>216,701</b>	<b>(8,683)</b>	<b>(26,611)</b>	<b>1,103,581</b>	<b>-</b>	<b>996,606</b>
Finance costs	132,536	21,334	-	30,394	-	-	184,264
<b>(Loss) / profit before taxation</b>	<b>(420,918)</b>	<b>195,367</b>	<b>(8,683)</b>	<b>(57,005)</b>	<b>1,103,581</b>	<b>-</b>	<b>812,342</b>
Taxation							(5,519)
<b>Profit for the period</b>							<b>817,861</b>

For the nine months ended 31 March 2021	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	------(Rupees in '000)-----						
Sales - net	2,657,842	1,406,620	552,966	1,206,884	-	(100,619)	5,723,693
Cost of sales	2,202,313	1,244,800	528,643	1,222,278	-	(100,619)	5,097,415
Gross profit / (loss)	455,529	161,820	24,323	(15,394)	-	-	626,278
Income from investments - net	-	-	-	-	59,864	-	59,864
	455,529	161,820	24,323	(15,394)	59,864	-	686,142
Distribution and selling expenses	7,939	2,370	-	618	-	-	10,927
Administrative expenses	125,969	25,912	3,670	13,300	16,463	-	185,314
Other expenses	22,729	7,157	-	-	-	-	29,886
	156,637	35,439	3,670	13,918	16,463	-	226,127
	298,892	126,381	20,653	(29,312)	43,401	-	460,015
Other income	29,116	13,745	-	10,821	128,201	-	181,883
Operating profit / (loss) before finance costs	328,008	140,126	20,653	(18,491)	171,602	-	641,898
Finance costs	134,410	8,070	-	17,109	-	-	159,589
Profit / (Loss) before taxation	193,598	132,056	20,653	(35,600)	171,602	-	482,309
Taxation							119,852
<b>Profit for the period</b>							<b>362,457</b>

**24.2.1** Revenue reported above represents revenue generated from external customers and inter-segment sales of electricity by Energy Segment to Hadeed (Billet) Segment of Rs. 78.781 million (31 March 2021: Rs. 94.65 million).

**24.2.2** The accounting policies of the reportable segments are the same as the Company's accounting policies as described in the annual unconsolidated financial statements of the Company for the preceding year ended 30 June 2021. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

#### **24.3 Revenue from major products and services**

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

#### **24.4 Information about major customers**

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,102.741 million (31 March 2021: Rs. 2,591.828 million) of total Steel segment revenue of Rs. 1,260.703 million (31 March 2021: Rs. 2,657.842 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 811.188 million (31 March 2021: Rs. 490.056 million) of total Cotton segment revenue of Rs. 1,817.555 million (31 March 2021: Rs. 1,406.620 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 512.166 million (31 March 2021: Rs. 458.316 million) of total Energy segment revenue of Rs. 590.947 million (31 March 2021: Rs. 552.966 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. 1,747.911 million (31 March 2021: Rs. 1,190.646 million) of total Hadeed (Billet) segment revenue of Rs. 1,507.327 million (31 March 2021: Rs. 1,206.884 million).

#### **24.5 Geographical information**

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

**24.5.2** All non-current assets of the Company as at 31 March 2022 and 30 June 2021 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) -----						
<b>As at 31 March 2022 - (Unaudited)</b>						
Segment assets for reportable segments	1,791,852	1,040,780	643,820	2,029,737	2,865,565	<b>8,371,754</b>
Unallocated corporate assets						<b>1,982,040</b>
Total assets as per unconsolidated statement of financial position						<u><b>10,353,794</b></u>
Segment liabilities for reportable segments	616,554	187,713	44,118	186,851	394	<b>1,035,630</b>
Unallocated corporate liabilities and deferred income						<b>2,533,836</b>
Total liabilities as per unconsolidated statement of financial position						<u><b>3,569,466</b></u>
<b>As at 30 June 2021 - (Audited)</b>						
Segment assets for reportable segments	1,982,178	539,559	624,507	927,419	2,778,857	6,852,520
Unallocated corporate assets						1,853,044
Total assets as per unconsolidated statement of financial position						<u><b>8,705,564</b></u>
Segment liabilities for reportable segments	568,762	164,977	32,263	52,840	3,312	822,154
Unallocated corporate liabilities and deferred income						1,912,586
Total liabilities as per unconsolidated statement of financial position						<u><b>2,734,740</b></u>

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

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

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

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

**24.7 Other segment information**

	Unaudited					Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	
----- (Rupees in '000) -----						
<b>For the nine months ended 31 March 2022</b>						
Capital expenditure	<u>76,304</u>	<u>-</u>	<u>-</u>	<u>11,223</u>	<u>-</u>	<u>87,527</u>
Depreciation and amortisation	<u>52,066</u>	<u>16,988</u>	<u>45,475</u>	<u>38,363</u>	<u>1,612</u>	<u>154,504</u>
Non-cash items other than depreciation and amortisation - net	<u>146,244</u>	<u>15,524</u>	<u>(6,869)</u>	<u>(4,141)</u>	<u>(1,105,079)</u>	<u>(954,321)</u>
<b>For the nine months ended 31 March 2021</b>						
Capital expenditure	<u>41,144</u>	<u>975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,119</u>
Depreciation and amortisation	<u>55,049</u>	<u>21,970</u>	<u>45,548</u>	<u>40,474</u>	<u>1,612</u>	<u>164,653</u>
Non-cash items other than depreciation and amortisation - net	<u>153,886</u>	<u>4,269</u>	<u>238</u>	<u>17,530</u>	<u>(175,708)</u>	<u>215</u>

**25. TRANSACTIONS WITH RELATED PARTIES**

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			31 March 2022	31 March 2021
----- (Rupees in '000) -----				
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	<u>1,629</u>	<u>1,040</u>
		Right Shares Subscribed	<u>30,000</u>	
Solution de Energy (Private) Limited	Subsidiary company	Loan given	<u>2,525</u>	<u>3,000</u>
		Reimbursable expenses	<u>23</u>	<u>4</u>
Altern Energy Limited	Associated company	Dividend income	<u>1,122,280</u>	<u>-</u>
		Dividend received	<u>1,122,280</u>	<u>-</u>
Shakarganj Limited	Associated company	Sales of finished goods	<u>-</u>	<u>18,227</u>
		Sales of electricity and steam	<u>512,166</u>	<u>458,316</u>
		Sale of Polyester / cotton	<u>45,270</u>	<u>-</u>
		Reimbursable expenses	<u>5,059</u>	<u>6,833</u>
		Purchase of raw material	<u>565,951</u>	<u>546,889</u>
		Payment received against services provided	<u>80,985</u>	<u>6,509</u>
		Advance given for raw material	<u>94,070</u>	<u>46,000</u>
Shakarganj Food Products Limited	Related party	Payment made	<u>23,762</u>	<u>18,528</u>
		Reimbursable expenses	<u>2,121</u>	<u>4,864</u>
		Rent	<u>2,534</u>	<u>-</u>
		Expenses incurred on behalf of company	<u>1,849</u>	<u>-</u>
Crescent Socks (Private) Limited	Related party	Payments received	<u>1,500</u>	<u>11,170</u>
		Rent	<u>900</u>	<u>800</u>
The Crescent Textile Mills Limited	Associated company	Payments received	<u>800</u>	<u>-</u>
		Reimbursable expense	<u>1,012</u>	<u>1,372</u>
		Rent	<u>4,433</u>	<u>1,258</u>
			<u>3,417</u>	<u>-</u>

**Continued ... Note 25: TRANSACTIONS WITH RELATED PARTIES**

Name of entity	Nature of relationship	Nature of transaction	Nine months ended	
			31 March 2022	31 March 2021
			----- (Rupees in '000) -----	
The Citizens' Foundation*	Related party	Donation given	<u>26,051</u>	<u>4,220</u>
Indus Valley School of Arts and Architecture*	Related party	Donation given	<u>2,500</u>	<u>-</u>
Pakistan Centre For Philanthropy*	Related party	Donation given	<u>3,000</u>	<u>-</u>
CSAP Foundation	Related party	Donation given	<u>48</u>	<u>-</u>
Premier Insurance Limited*	Related party	Receiving of services	<u>4,757</u>	<u>7,200</u>
		Payments made	<u>4,541</u>	<u>7,095</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>1,815</u>	<u>3,813</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>5,469</u>	<u>4,945</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>13,895</u>	<u>13,293</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>7,415</u>	<u>6,691</u>
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>557</u>	<u>459</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>18</u>	<u>2,034</u>
Key management personnel	Related parties	Remuneration and benefits	<u>121,888</u>	<u>88,732</u>
Chairman of the Board	Related party	Honorarium	<u>1,350</u>	<u>-</u>
Directors	Related parties	Meeting fee	<u>1,175</u>	<u>3,090</u>

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

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

**26. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in annual unconsolidated financial statements of the Company for the year ended 30 June 2021.

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

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

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

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

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

## 31 March 2022 (Un-audited)

	Carrying amount				Total	Fair value			Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost		Level 1	Level 2	Level 3	
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- listed equity securities	280,528	10,897	-	-	291,425	291,425	-	-	291,425
- unlisted equity securities	644,531	-	84,360	-	728,891	-	-	644,531	644,531
	<u>925,059</u>	<u>10,897</u>	<u>84,360</u>	<u>-</u>	<u>1,020,316</u>	<u>291,425</u>	<u>-</u>	<u>644,531</u>	<u>935,956</u>
<b>Financial assets not measured at fair value</b>									
Deposits			274,520	-	274,520	-	-	-	-
Trade debts	-	-	552,213	-	552,213	-	-	-	-
Loan to subsidiary	-	-	96,733	-	96,733	-	-	-	-
Other receivables	-	-	43,439	-	43,439	-	-	-	-
Bank balances	-	-	12,890	-	12,890	-	-	-	-
	<u>-</u>	<u>-</u>	<u>980,511</u>	<u>-</u>	<u>980,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Long term loans	-	-	-	202,418	202,418	-	-	-	-
Lease liabilities	-	-	-	107,624	107,624	-	-	-	-
Trade and other payables	-	-	-	616,836	616,836	-	-	-	-
Mark-up accrued	-	-	-	47,690	47,690	-	-	-	-
Short term borrowings	-	-	-	2,202,423	2,202,423	-	-	-	-
Unclaimed dividend	-	-	-	25,614	25,614	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,202,605</u>	<u>3,202,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 30 June 2021 (Audited)

	Carrying amount				Total	Fair value			Total
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost		Level 1	Level 2	Level 3	
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- listed equity securities	221,885	12,992	-	-	234,877	234,877	-	-	234,877
- unlisted equity securities	644,531	-	-	-	644,531	-	-	644,531	644,531
	<u>866,416</u>	<u>12,992</u>	<u>-</u>	<u>-</u>	<u>879,408</u>	<u>234,877</u>	<u>-</u>	<u>644,531</u>	<u>879,408</u>
<b>Financial assets not measured at fair value</b>									
Deposits	-	-	302,733	-	302,733	-	-	-	-
Trade debts	-	-	137,073	-	137,073	-	-	-	-
Loan to subsidiary	-	-	94,208	-	94,208	-	-	-	-
Other receivables	-	-	37,653	-	37,653	-	-	-	-
Bank balances	-	-	3,588	-	3,588	-	-	-	-
Cash	-	-	365	-	365	-	-	-	-
	<u>-</u>	<u>-</u>	<u>575,620</u>	<u>-</u>	<u>575,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Long term loans	-	-	-	286,714	286,714	-	-	-	-
Lease liabilities	-	-	-	110,923	110,923	-	-	-	-
Trade and other payables	-	-	-	455,276	455,276	-	-	-	-
Mark-up accrued	-	-	-	28,087	28,087	-	-	-	-
Short term borrowings	-	-	-	1,514,927	1,514,927	-	-	-	-
Unclaimed dividend	-	-	-	25,628	25,628	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,421,555</u>	<u>2,421,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

#### 26.1 Valuation techniques and significant unobservable inputs

The valuation techniques used in measuring level 3 fair values as at 31 March 2022 for unquoted equity investments were same as at 30 June 2021. There was no change in significant unobservable inputs from 30 June 2021; therefore, carried at the same values.

#### 27. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 28th April 2022.



Chief Executiv



Director



Chief Financial Officer



CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

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

Note	Unaudited 31 March 2022	Audited 30 June 2021	
	----- (Rupees in '000) -----		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,828,755	1,928,051
Right-of-use-assets		125,359	131,603
Intangible assets		154,450	153,255
Investment properties		83,728	86,540
Investment in equity accounted investees	6	2,383,283	3,429,031
Other long term investments	7	947,026	976,589
Long term deposits	8	28,621	23,521
Deferred taxation - net		441,980	193,045
		<u>5,993,202</u>	<u>6,921,635</u>
<b>Current assets</b>			
Stores, spares and loose tools		170,227	163,452
Stock-in-trade	9	2,230,658	1,236,529
Trade debts	10	552,213	137,073
Advances	11	172,274	42,064
Trade deposits and short term prepayments		307,572	292,863
Short term investments	12	728,650	521,641
Mark-up accrued		716	-
Other receivables	13	376,881	345,422
Taxation - net		925,113	1,113,985
Cash and bank balances		15,485	4,213
		<u>5,479,789</u>	<u>3,857,242</u>
<b>Total assets</b>		<u><u>11,472,991</u></u>	<u><u>10,778,877</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,050,979	1,050,164
Revenue reserves		5,989,472	6,141,931
		<u>7,816,776</u>	<u>7,968,420</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans	14	12,461	127,676
Lease liabilities		77,774	74,570
Deferred income		2,409	4,450
		<u>92,644</u>	<u>206,696</u>
<b>Current liabilities</b>			
Trade and other payables	15	1,021,892	802,890
Unclaimed dividend		25,614	25,628
Mark-up accrued		48,943	28,723
Short term borrowings	16	2,241,479	1,542,306
Current portion of long term loans	14	189,957	159,038
Current portion of lease liabilities		29,850	36,353
Current portion of deferred income		5,836	8,823
		<u>3,563,571</u>	<u>2,603,761</u>
		<u>3,656,215</u>	<u>2,810,457</u>
Contingencies and commitments	17		
<b>Total equity and liabilities</b>		<u><u>11,472,991</u></u>	<u><u>10,778,877</u></u>

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



Chief Executive



Director



Chief Financial Officer



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

	Note	Quarter ended		Nine months ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
----- (Rupees in '000) -----					
Sales	18	2,878,573	2,228,531	5,969,605	6,698,026
Less: Sales tax		421,519	323,975	871,854	974,333
		<u>2,457,054</u>	<u>1,904,556</u>	<u>5,097,751</u>	<u>5,723,693</u>
Cost of sales		<u>2,405,705</u>	<u>1,769,598</u>	<u>4,966,267</u>	<u>5,097,415</u>
Gross profit		<u>51,349</u>	<u>134,958</u>	<u>131,484</u>	<u>626,278</u>
Income from investments - net	19	<u>26,970</u>	<u>21,018</u>	<u>329</u>	<u>137,507</u>
		<u>78,319</u>	<u>155,976</u>	<u>131,813</u>	<u>763,785</u>
Distribution and selling expenses		4,723	5,208	11,833	10,927
Administrative expenses		100,664	59,748	248,183	189,508
Other operating expenses	20	3,759	2,975	44,094	29,886
		<u>109,146</u>	<u>67,931</u>	<u>304,110</u>	<u>230,321</u>
		<u>(30,827)</u>	<u>88,045</u>	<u>(172,297)</u>	<u>533,464</u>
Other income		13,758	16,643	46,142	181,883
Operating (loss) / profit before finance costs		<u>(17,069)</u>	<u>104,688</u>	<u>(126,155)</u>	<u>715,347</u>
Finance costs	21	66,527	49,190	188,128	161,588
Share of profit / (loss) in equity accounted investees - net of taxation		95,447	(78,836)	136,836	313,912
Profit / (loss) before taxation		<u>11,851</u>	<u>(23,338)</u>	<u>(177,447)</u>	<u>867,671</u>
Taxation					
- current for the period		(28,679)	(31,568)	(156,198)	(91,606)
- current for prior year		-	8,423	-	6,745
- deferred		51,701	25,249	235,351	(79,195)
		<u>23,022</u>	<u>2,104</u>	<u>79,153</u>	<u>(164,056)</u>
Profit / (loss) for the period		<u>34,873</u>	<u>(21,234)</u>	<u>(98,294)</u>	<u>703,615</u>
<b>Other comprehensive income / (loss) for the period</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		(7,095)	(28,309)	(54,165)	57,530
<b>Items that will be reclassified subsequently to profit or loss</b>					
Proportionate share of other comprehensive income / (loss) of equity accounted investees		-	537	815	(41,458)
		<u>(7,095)</u>	<u>(27,772)</u>	<u>(53,350)</u>	<u>16,072</u>
<b>Total comprehensive income / (loss) for the period</b>		<u>27,778</u>	<u>(49,006)</u>	<u>(151,644)</u>	<u>719,687</u>
----- (Rupees) -----					
Earnings / (loss) per share - Basic and diluted	22	<u>0.45</u>	<u>(0.27)</u>	<u>(1.27)</u>	<u>9.06</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 Cash Flows (Unaudited)  
For the nine months ended 31 March 2022

	Note	Nine months ended	
		31 March 2022	31 March 2021
----- (Rupees in '000) -----			
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	23	(1,334,390)	967,196
Taxes refund received		19,467	59,850
Finance costs paid		(160,340)	(173,455)
Contribution to gratuity and pension funds		(19,113)	(17,582)
Contribution to Workers' Profit Participation Fund		(509)	-
Long term deposits - net		(2,162)	-
Net cash (used in) / generated from operating activities		(1,497,047)	836,009
<b>Cash flows from investing activities</b>			
Capital expenditure		(39,046)	(37,636)
Acquisition of intangible assets		(2,920)	(6,866)
Proceeds from disposal of operating fixed assets		11,367	153,440
Investments - net		(295,608)	(56,081)
Dividend income received		1,246,283	23,477
Interest income received		348	488
Net cash generated from investing activities		920,424	76,822
<b>Cash flows from financing activities</b>			
(Repayments of) / proceeds from long term loans - net		(82,271)	79,125
Payments against finance lease obligations		(28,993)	(33,309)
Proceeds from / (repayments of) short term loans obtained - net		567,232	(912,936)
Dividends paid		(14)	(680)
Net cash generated from / (used in) financing activities		455,954	(867,800)
Net increase in cash and cash equivalents		(120,669)	45,031
Cash and cash equivalents at beginning of the period		(686,652)	(586,072)
Cash and cash equivalents at end of the period	24	(807,321)	(541,041)

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



Chief Executive



Director



Chief Financial Officer

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

	Issued, subscribed and paid-up capital	Capital reserves		Total capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Others *		Fair value reserve	General reserve	Unappropriated profit		
(Rupees in '000)									
<b>Balance as at 30 June 2020</b>	776,325	1,020,908	70,714	1,091,622	28,772	3,642,000	1,469,544	5,140,316	7,008,263
<b>Total comprehensive income for the period</b>									
Profit after taxation for the period	-	-	-	-	-	-	703,615	703,615	703,615
<b>Other comprehensive income</b>									
Other comprehensive (loss) / income for the period	-	-	(41,458)	(41,458)	57,530	-	-	57,530	16,072
<b>Total comprehensive income for the period</b>	-	-	(41,458)	(41,458)	57,530	-	703,615	761,145	719,687
<b>Balance as at 31 March 2021</b>	<b>776,325</b>	<b>1,020,908</b>	<b>29,256</b>	<b>1,050,164</b>	<b>86,302</b>	<b>3,642,000</b>	<b>2,173,159</b>	<b>5,901,461</b>	<b>7,727,950</b>
<b>Balance as at 30 June 2021</b>	776,325	1,020,908	29,256	1,050,164	72,063	3,642,000	2,427,868	6,141,931	7,968,420
<b>Total comprehensive income for the period</b>									
Profit after taxation for the period	-	-	-	-	-	-	(98,294)	(98,294)	(98,294)
<b>Other comprehensive income</b>									
Other comprehensive income / (loss) for the period	-	-	815	815	(54,165)	-	-	(54,165)	(53,350)
<b>Total comprehensive income / (loss) for the period</b>	-	-	815	815	(54,165)	-	(98,294)	(152,459)	(151,644)
<b>Balance as at 31 March 2022</b>	<b>776,325</b>	<b>1,020,908</b>	<b>30,071</b>	<b>1,050,979</b>	<b>17,898</b>	<b>3,642,000</b>	<b>2,329,574</b>	<b>5,989,472</b>	<b>7,816,776</b>

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

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

  
 Chief Executive

  
 Director

  
 Chief Financial Officer

# Crescent Steel and Allied Products Limited

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended 31 March 2022

### 1. THE GROUP AND ITS OPERATIONS

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

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

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

### 2. BASIS OF PREPARATION

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

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

- 2.2** These condensed interim consolidated financial statements of the Group do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended 30 June 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.
- 2.3** These condensed interim consolidated financial statements are presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.
- 2.4** These condensed interim consolidated financial statements are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

### **3. ACCOUNTING POLICIES**

- 3.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited annual consolidated financial statements for the year ended 30 June 2021.

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

- 3.2.1** There were certain amendments to accounting and reporting standards which become effective from 1 July 2021 but they do not have a material effect on these condensed interim consolidated financial statements and therefore, have not been disclosed in these condensed interim consolidated financial statements.

### **3.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE**

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

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

- 4.1** The preparation of condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.
- 4.2** Estimates and judgements made by management in the preparation of these condensed interim consolidated financial statements are the same as those that were applied to the annual audited consolidated financial statements of the Group for the year ended 30 June 2021.



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

Description	Note	31 March 2022			Total
		Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	
----- Rupees in '000 -----					
Opening balance as at 1 July 2021		3,429,031	-	-	3,429,031
Share of profit / (loss)	6.2	136,836	-	-	136,836
Share of equity	6.2	815	-	-	815
Dividend received		(1,183,399)	-	-	(1,183,399)
Closing balance as at 31 March 2022		2,383,283	-	-	2,383,283

Description	30 June 2021			Total
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	
----- Rupees in '000 -----				
Opening balance as at 1 July 2020	2,875,409	211,732	-	3,087,141
Share of profit / (loss)	553,376	(170,028)	-	383,348
Share of equity	246	(41,704)	-	(41,458)
Dividend received	-	-	-	-
Closing balance as at 30 June 2021	3,429,031	-	-	3,429,031

6.2 These figures are based on financial statements / information of these companies as at 31 December 2021.

6.3 Percentage of holding of equity in associates is as follows

	Note	Unaudited 31 March 2022	Audited 30 June 2021
Altern Energy Limited	6.3.1	17.60	17.60
Shakarganj Limited	6.3.2	28.01	28.01
Crescent Socks (Private) Limited		48.99	48.99

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

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

6.4 The fair value of investments in associates as at 31 March 2022 is Rs. 2,762.044 million (30 June 2021: Rs. 3,294.910 million).

## 7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 March 2022	Audited 30 June 2021
		(Rupees in '000)	
Fair value through other comprehensive income (FVOCI)	7.1	153,720	183,283
Fair value through profit or loss (FVTPL)	7.2 & 7.3	793,306	793,306
		<b>947,026</b>	<b>976,589</b>

**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 recognise in this category. This is strategic investment and management considers this classification to be more relevant. The accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

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

**7.3** This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 595.1 million and Rs. 198.206 million (30 June 2021: Rs 595.1 million and Rs. 198.206 million) respectively.

## 8. LONG TERM DEPOSITS

These include security deposit amounting to Rs. 17.254 million (30 June 2021: Rs. 12.569 million) to leasing companies.

## 9. STOCK-IN-TRADE

		Unaudited 31 March 2022	Audited 30 June 2021
		(Rupees in '000)	
Raw materials			
Hot rolled steel coils (HR Coil)		261,583	303,715
Coating materials		46,179	96,903
Remelting steel scrap		327,785	174,883
Others		95,655	85,261
Raw cotton		438,320	241,380
Stock-in-transit		451,771	168,850
		<b>1,621,293</b>	1,070,992
Work-in-process		<b>20,390</b>	25,797
Finished goods	9.1	<b>585,254</b>	135,235
Scrap / cotton waste		<b>3,721</b>	4,505
		<b>609,365</b>	165,537
		<b>2,230,658</b>	<b>1,236,529</b>

**9.1** Stock in trade as at 31 March 2022 includes certain items valued at net realisable value (NRV). Reversal in respect of stock written down to NRV amounting to Rs. 20 million (30 June 2021: Reversal of Rs. 26.825million) has been recognised in cost of sales.



10. TRADE DEBTS	Note	Unaudited 31 March 2022	Audited 30 June 2021
(Rupees in '000)			
<b>Secured</b>			
Considered good		-	24,826
<b>Unsecured</b>			
Considered good	10.1	552,213	112,247
Considered doubtful		22,414	23,214
		574,627	135,461
Impairment loss on trade debts		(22,414)	(23,214)
		552,213	137,073

10.1 This includes balance due from following related party:

Shakarganj Food Products Limited	78,926	33,711
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## 11. ADVANCES

This includes advances amounting to Rs. 171.484 million (30 June 2021: Rs. 40.182 million) given to suppliers for goods and services.

## 12. SHORT TERM INVESTMENTS

	Note	Unaudited 31 March 2022	Audited 30 June 2021
(Rupees in '000)			
At amortised cost	12.1	84,360	-
At fair value through profit or loss (FVTPL)	12.2	644,290	521,641
		728,650	521,641

12.1 This represents investment in term deposit receipt having markup rate of 10% per annum and maturing on 23 February 2023.

12.2 Investments having an aggregate market value of Rs. 1,915.251 million (30 June 2021: Rs. 1,871.782 million) have been pledged with financial institutions as security against financing facilities (see note 16.5) out of which Rs. 1,460.068 million (30 June 2021: Rs. 1,468.823 million) relates to long term investments.

13. OTHER RECEIVABLES	Note	Unaudited 31 March 2022	Audited 30 June 2021
----- (Rupees in '000) -----			
Dividend receivable		1,411	892
Provision there against		(885)	(886)
		<u>526</u>	<u>6</u>
Receivable against sale of investments		-	520
Receivable against rent from investment property		243	643
Claim receivable		-	843
Due from related parties	13.1	3,999	5,251
Sales tax refundable		109,228	80,767
Margin on letter of credit and guarantee		15,359	15,359
Receivable from staff retirement benefits funds		239,843	239,843
Others		7,683	2,190
		<u>376,881</u>	<u>345,422</u>

#### 13.1 Due from related parties

Shakarganj Limited	-	1,376
The Crescent Textile Mills Limited	240	244
Crescent Socks (Private) Limited	600	1,000
Shakargang Food Products Limited	3,159	2,631
	<u>3,999</u>	<u>5,251</u>

#### 14. LONG TERM LOANS

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

	Note	Unaudited 31 March 2022	Audited 30 June 2021
----- (Rupees in '000) -----			
Allied Bank Limited	14.1	90,437	158,608
Habib Metropolitan Bank Limited	14.2	74,152	107,680
JS Bank Limited	14.3	37,829	20,426
		<u>202,418</u>	<u>286,714</u>
Less: Current portion shown under current liabilities		189,957	159,038
		<u>12,461</u>	<u>127,676</u>

**14.1** During the year ended 30 June 2017, the Company entered into a loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million (30 June 2021: 74.176 million) have been disbursed till 31 March 2022. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. During the period, the Company has made repayment of Rs. 18.544 million (30 June 2021: Rs. 18.544 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2018, the Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till 31 March 2022. The term of the loan is 4 years from the date of disbursement with a grace period of one year; however, due to COVID-19 the bank has allowed one year more grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, the Company has made repayment of Rs. 72.35 million (30 June 2021: Rs. 18.088 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period ended 31 March 2022, The mark-up on such arrangements ranged from 9.83% to 11.83% (30 June 2021: 8.19% to 10.04%) per annum. These facilities are secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

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

The effective interest on such arrangement ranged from 8.68% to 10.16% per annum (30 June 2021: 8.68% to 10.16% per annum).

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

During the period ended 31 March 2022, one tranche received in July 2021 and one further received in December 2021. Tranches received in March 2021, April 2021 and July 2021 have been converted into the SBP Financing Scheme for Renewable Energy during the period.

The effective interest on this arrangement is 8.49% (30 June 2021: 8.49%) per annum.

**15. TRADE AND OTHER PAYABLES**

	Note	Unaudited 31 March 2022	Audited 30 June 2021
----- (Rupees in '000) -----			
Trade creditors		208,250	135,275
Bills payable		45,355	-
Commission payable		3,132	2,250
Accrued liabilities		360,589	323,729
Advances from customers		54,945	24,787
Provisions		270,393	253,264
Due to related parties	15.1	705	1,133
Payable to provident fund		2,064	2,199
Payable to staff retirement benefit funds		2,308	2,057
Retention money		110	111
Sales tax payable		73	9,039
Withholding tax payable		13,744	2,974
Workers' Profit Participation Fund		12,678	2,904
Workers' Welfare Fund		6,944	6,944
Others		39,330	36,224
		<b>1,021,892</b>	<b>802,890</b>
<b>15.1 Due to related parties</b>			
Premier Insurance Company Limited		668	353
Staff Benevolent Fund		2	2
Shakarganj Food Products Limited		-	778
The Citizens Foundation		35	-
		<b>705</b>	<b>1,133</b>

## 16. SHORT TERM BORROWINGS

Note	Unaudited 31 March 2022	Audited 30 June 2021
	----- (Rupees in '000) -----	
	<b>822,806</b>	690,865
	<b>1,418,673</b>	851,441
	<b>2,241,479</b>	<b>1,542,306</b>

### Secured from banking companies

Running finances under mark-up arrangements  
Short term loans

16.1	<b>822,806</b>	690,865
16.2	<b>1,418,673</b>	851,441
	<b>2,241,479</b>	<b>1,542,306</b>

- 16.1** Running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2021: Rs. 1,300 million) out of which Rs. 300 million (30 June 2021: Rs. 300 million) and Rs. 100 million (30 June 2021: Rs. 150 million) and Rs. 300 million (30 June 2021: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 10.98% to 11.99% (30 June 2021: 8.12% to 10.54%) per annum.
- 16.2** Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,950 million (30 June 2021: Rs. 3,850 million) out of which Rs. 3,150 million (30 June 2021: Rs. 3,150 million), Rs. 350 million (30 June 2021: Rs. 305 million) and Rs. 205 million (30 June 2021: Rs. 350 million) are interchangeable with letters of credit, short-term running finance facility and letters of guarantee facility, respectively. During the period, the mark-up on such arrangements ranged from 10.98% to 11.85% (30 June 2021: 8.12% to 10.54%) per annum.
- 16.3** The facilities for opening letters of credit amounted to Rs. 4,750 million (30 June 2021: Rs. 4,750 million) out of which Rs. 300 million (30 June 2021: Rs. 300 million), Rs. 3,150 million (30 June 2021: Rs. 3,150 million) and Rs. 305 million (30 June 2021: Rs. 305 million) are interchangeable with short term running finance, short term loans and letters of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 31 March 2022 amounted to Rs. 2,211.8 million (30 June 2021: Rs. 1,859 million). Amounts unutilized for letters of credit and guarantees as at 31 March 2022 were Rs. 4,330. million and Rs. 580.55 million (30 June 2021: Rs. 3,884.903 million and Rs. 329.442 million), respectively.
- 16.4** These includes an amount of Rs. 898.651 . million (30 June 2021: Rs. 424.18 million outstanding against Islamic mode of financing. The Company is currently availing Islamic mode of financing from the Al Baraka Bank, Dubai Islamic Bank and Bank Islami Pakistan Limited. Facilities availed include letters of credit, bank guarantees, Wakala, Morabaha, Istisna and Ijarah financing.
- 16.5** The above facilities (refer note 16.1 to 16.3) are expiring on various dates with maturity periods upto 30 November 2022. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 12.2), pledge of cotton / cotton yarn; and lien over import / export document.

## 17. CONTINGENCIES AND COMMITMENTS

### 17.1 Contingencies

There is no significant change in the status of the matters as set out in note 12.3,15, 29.3 and 30.1 to the Group's annual consolidated financial statements for the year ended 30 June 2021.

### 17.2 Commitments

- 17.2.1** During the year ended 30 June 2020, Bank Islami Pakistan Limited (BIPL) deferred the principal payments of rentals for one year as per the directives issued by State Bank of Pakistan vide its circular no. 12 dated 26 March 2020. As at 31 March 2022, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 22.897 million (30 June 2021: Rs. 87.98 million), which is payable in quarterly installments of Rs. 22.897 million (30 June 2021: Rs. 22.867 million).
- 17.2.2** Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 1,631.25 million (30 June 2021: Rs. 1,654 million). These include guarantees issued by Islamic banks amounting to Rs. 214.586 million (30 June 2021: Rs. 153.591 million).
- 17.2.3** Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 March 2022 amounted to Rs. 10.672 million (30 June 2021: Rs. 8.455 million).
- 17.2.4** Commitments under letters of credit as at 31 March 2022 amounted to Rs. 420 million (30 June 2021: Rs. 228.486 million).

18. SALES	Note	Unaudited		Unaudited	
		Quarter ended		Nine months ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
----- (Rupees in '000) -----					
<b>Local sales</b>					
	18.1	<b>43,494</b>	396,271	<b>1,151,875</b>	2,934,155
		<b>1,600,823</b>	860,018	<b>1,750,010</b>	1,368,446
		-	-	<b>50,920</b>	5,753
		<b>5,515</b>	-	<b>82,003</b>	32,972
		<b>644,367</b>	568,797	<b>2,101,505</b>	1,625,626
		<b>230,086</b>	133,357	<b>266,407</b>	187,762
		<b>274,485</b>	224,740	<b>332,827</b>	348,468
		<b>59,573</b>	30,405	<b>161,769</b>	83,392
		<b>20,230</b>	14,943	<b>72,289</b>	111,452
		<b>2,878,573</b>	2,228,531	<b>5,969,605</b>	6,698,026
		<b>(421,519)</b>	(323,975)	<b>(871,854)</b>	(974,333)
		<b>2,457,054</b>	1,904,556	<b>5,097,751</b>	5,723,693

18.1 This is presented net of liquidated damages amounting to Rs. 25.232 million (31 March 2021: Rs. 6.429 million).

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

19. INCOME FROM INVESTMENTS - NET	Note	Unaudited		Unaudited	
		Quarter ended		Nine months ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
----- (Rupees in '000) -----					
	19.1	<b>26,506</b>	10,346	<b>63,404</b>	25,813
	19.2	<b>(9,632)</b>	6,291	<b>(8,186)</b>	12,711
	19.3	<b>7,955</b>	2,098	<b>(60,811)</b>	91,474
	19.5	<b>2,141</b>	2,283	<b>5,922</b>	7,509
		<b>26,970</b>	21,018	<b>329</b>	137,507

19.1 This includes Rs. 45.69 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 7.143 million incurred on sale of investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 53.239 million on investments in Shariah Compliant Investee Companies.

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

19.5 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 3.043 million (31 March 2021: Rs. 7.596 million).

**20. OTHER OPERATING EXPENSES**

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (Rupees in '000) -----			
Exchange loss	1,518	-	32,349	-
Provision for:				
Workers' Profit Participation Fund	1,430	2,099	10,282	18,226
Workers' Welfare Fund	-	876	-	6,755
Slow moving stores, spares and loose tools	811	-	1,463	4,905
	<u>3,759</u>	<u>2,975</u>	<u>44,094</u>	<u>29,886</u>

**21. FINANCE COSTS**

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (Rupees in '000) -----			
Mark-up on short term loans - Shariah arrangement	14,968	11,960	42,521	29,950
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,439	1,785	7,067	5,851
- long term loan	5,082	7,322	16,590	20,497
- running finances / short term loans	43,345	26,792	116,525	101,232
Discounting of lease deposit	-	-	375	-
Bank charges	693	1,331	5,046	4,058
	<u>66,527</u>	<u>49,190</u>	<u>188,124</u>	<u>161,588</u>

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

	Unaudited Quarter ended		Unaudited Nine months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (Rupees in '000) -----			
Profit / (loss) for the period	<u>34,873</u>	<u>(21,234)</u>	<u>(98,294)</u>	<u>703,615</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
	----- (Rupees) -----			
Earnings / (Loss) per share - Basic and diluted	<u>0.45</u>	<u>(0.27)</u>	<u>(1.27)</u>	<u>9.06</u>

## 23. CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	Unaudited	
		Nine months ended	
		31 March 2022	31 March 2021
		----- (Rupees in '000) -----	
(Loss) / profit before taxation		(177,447)	867,671
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets and investment properties		154,617	166,067
Amortization of intangible assets		1,725	424
Charge for the period on staff retirement benefit funds		19,364	17,582
Dividend income		(63,404)	(25,813)
Unrealized loss / (gain) on FVTPL investments - net		60,811	(91,474)
Loss / (gain) on sale of FVTPL investments - net		8,186	(12,711)
Provision for stores, spares and loose tools - net		652	4,905
Reversal of provision for doubtful trade debts		(800)	-
Provision for Workers' Welfare Fund		-	6,755
Provision for Workers' Profit Participation Fund		10,282	18,226
Provision for liquidated damages		-	6,429
Return on deposits		(1,064)	(459)
Gain on disposal of operating fixed assets		(85)	(134,119)
Deferred income		(7,053)	(6,698)
Discounting on long term deposit		375	-
Unwinding of discount on long term deposit		(18,442)	(16,797)
Liabilities written back		(9,397)	-
Finance costs		187,753	161,588
Share of profit from equity accounted investees - net of taxation		(136,836)	(313,912)
Working capital changes	23.1	(1,363,627)	319,532
		<u>(1,334,390)</u>	<u>967,196</u>
<b>23.1 Working capital changes</b>			
<i>(Increase) / decrease in current assets</i>			
Stores, spares and loose tools		(7,427)	11,296
Stock-in-trade		(994,129)	365,179
Trade debts		(414,340)	97,563
Advances		(130,210)	(161,575)
Trade deposits and short term prepayments		(1,742)	(9,597)
Other receivables		(30,939)	(31,690)
		<u>(1,578,787)</u>	<u>271,176</u>
<i>Increase in current liabilities</i>			
Trade and other payables		215,160	48,356
		<u>(1,363,627)</u>	<u>319,532</u>
<b>24. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(822,806)	(601,634)
Cash and bank balances		15,485	60,593
		<u>(807,321)</u>	<u>(541,041)</u>
<b>25. SEGMENT REPORTING</b>			
<b>25.1 Reportable segments</b>			
The Group's reportable segments are as follows:			
<ul style="list-style-type: none"> <li>- Steel segment - It comprises of manufacturing and coating of steel pipes.</li> <li>- Cotton segment - It comprises of manufacturing of yarn.</li> <li>- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).</li> <li>- Energy segment - It comprises of generating and supplying electricity/power.</li> <li>- Hadeed (Billet) segment - It comprises of manufacturing billets.</li> </ul>			
Information regarding the Group's reportable segments is presented below:			

## 25.2 Segment revenues and results

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

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

For the nine months ended 31 March 2021	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
	------(Rupees in '000)-----						
Sales - net	2,657,842	1,406,620	552,966	1,206,884	-	(100,619)	5,723,693
Cost of sales	2,202,313	1,244,800	528,643	1,222,278	-	(100,619)	5,097,415
Gross profit / (loss)	455,529	161,820	24,323	(15,394)	-	-	626,278
Income from investments - net	-	-	-	-	137,507	-	137,507
	455,529	161,820	24,323	(15,394)	137,507	-	763,785
Distribution and selling expenses	7,939	2,370	-	618	-	-	10,927
Administrative expenses	125,969	25,912	3,743	13,300	20,584	-	189,508
Other operating expenses	22,729	7,157	-	-	-	-	29,886
	156,637	35,439	3,743	13,918	20,584	-	230,321
	298,892	126,381	20,580	(29,312)	116,923	-	533,464
Other income	29,116	13,745	-	10,821	128,201	-	181,883
Operating profit / (loss) before finance costs	328,008	140,126	20,580	(18,491)	245,124	-	715,347
Finance costs	134,409	8,070	1	17,109	1,999	-	161,588
Share of profit in equity accounted investees - net of taxation	-	-	-	-	313,912	-	313,912
profit / (loss) before taxation	193,599	132,056	20,579	(35,600)	557,037	-	867,671
Taxation							(164,056)
<b>Profit for the period</b>							<b>703,615</b>

**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. 78.781 million (31 March 2021: Rs. 94.65 million).

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

**25.2.3** The accounting policies of the reportable segments are the same as the Group's accounting policies as described in the annual consolidated financial statements of the Group for the year ended 30 June 2021. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.



### 25.3 Revenue from major products and services

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

### 25.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,102.741 million (31 March 2021: Rs. 2,591.828 million) of total Steel segment revenue of Rs. 1,260.703 million (31 March 2021: Rs. 2,657.842 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 811.188 million (31 March 2021: Rs. 490.056 million) of total Cotton segment revenue of Rs. 1,817.555 million (31 March 2021: Rs. 1,406.620 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 512.166 million (31 March 2021: Rs. 458.316 million) of total Energy segment revenue of Rs. 590.947 (31 March 2021: Rs. 552.966 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. 1,747.911 million (31 March 2021: Rs. 1,190.646 million) of total Hadeed (Billet) segment revenue of Rs. 1,507.327 million (31 March 2021: Rs. 1,206.884 million).

### 25.5 Geographical information

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

25.5.2 All non-current assets of the Group as at 31 March 2022 and 30 June 2021 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) -----					
<b>As at 31 March 2022 - Unaudited</b>						
Segment assets for reportable segments	1,791,852	1,040,780	797,331	2,029,737	1,689,594	<b>7,349,294</b>
Investment in equity accounted investees	-	-	-	-	2,383,283	<b>2,383,283</b>
Unallocated corporate assets						<b>1,740,414</b>
Total assets as per consolidated statement of financial position						<b>11,472,991</b>
Segment liabilities for reportable segments	616,554	187,713	89,513	186,851	41,748	<b>1,122,379</b>
Unallocated corporate liabilities and deferred income						<b>2,533,836</b>
Total liabilities as per consolidated statement of financial position						<b>3,656,215</b>
<b>As at 30 June 2021 - Audited</b>						
Segment assets for reportable segments	1,982,178	539,559	775,478	927,419	1,613,018	5,837,652
Investment in equity accounted investees	-	-	-	-	3,429,031	3,429,031
Unallocated corporate assets						1,512,194
Total assets as per consolidated statement of financial position						<b>10,778,877</b>
Segment liabilities for reportable segments	568,762	164,977	77,680	52,840	33,614	897,873
Unallocated corporate liabilities and deferred income						1,912,584
Total liabilities as per consolidated statement of financial position						<b>2,810,457</b>

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

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

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

### 25.7 Other segment information

	----- Unaudited -----					
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	----- (Rupees in '000) -----					
<b>For the nine months ended 31 March 2022</b>						
Capital expenditure	76,304	-	2,920	11,223	-	<b>90,447</b>
Depreciation and amortization	52,066	16,988	45,475	38,363	3,450	<b>156,342</b>
Non-cash items other than depreciation and amortization	145,868	25,252	(742)	30,965	(126,569)	<b>74,774</b>
<b>For the nine months ended 31 March 2021</b>						
Capital expenditure	41,144	975	2,383	-	-	44,502
Depreciation and amortization	55,049	21,970	45,548	40,474	3,450	166,491
Non-cash items other than depreciation and amortization	153,885	11,219	239	17,530	(569,371)	(386,498)

## 26. TRANSACTIONS WITH RELATED PARTIES

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			Nine months ended	
			31 March 2022	31 March 2021
			----- (Rupees in '000) -----	
Altern Energy Limited	Associated company	Dividend income	1,187,399	-
		Dividend received	<u>1,187,399</u>	<u>-</u>
Shakarganj Limited	Associated company	Sales of finished goods	-	18,227
		Sales of electricity and steam	<u>512,166</u>	<u>458,316</u>
		Sale of polyester / cotton	<u>45,270</u>	<u>-</u>
		Reimbursable expenses	<u>5,059</u>	<u>6,833</u>
		Advance given for raw material	<u>94,070</u>	<u>46,000</u>
		Payment received	<u>80,985</u>	<u>6,509</u>
		Purchase of raw material	<u>540,638</u>	<u>546,889</u>
		Payment made	<u>23,762</u>	<u>18,528</u>
		Expenses incurred on behalf of the Company	<u>-</u>	<u>-</u>
Shakarganj Food Products Limited	Related party	Reimbursable expense	<u>2,121</u>	4,864
		Rent	<u>2,534</u>	<u>-</u>
		Expenses incurred on behalf of the company	<u>1,849</u>	<u>-</u>
		Payments received	<u>1,500</u>	<u>11,170</u>
The Crescent Textile Mills Limited	Associated company	Rent	<u>3,417</u>	<u>-</u>
		Payment received	<u>4,433</u>	<u>1,258</u>
		Reimbursable expense	<u>1,012</u>	<u>1,372</u>
Crescent Socks (Private) Limited	Related party	Services given	<u>-</u>	800
		Rent	<u>900</u>	<u>-</u>
		Payment Received	<u>800</u>	<u>-</u>
The Citizens' Foundation*	Related party	Donation given	<u>26,051</u>	4,220
Indus Valley School of Arts and Architecture	Related party	Donation given	<u>2,500</u>	<u>-</u>
CSAP Foundation *	Related party	Donation given	<u>48</u>	<u>-</u>
Pakistan Centre for Philanthropy *	Related party	Donation given	<u>3,000</u>	<u>-</u>
Premier Insurance Limited*	Related party	Receiving of services	<u>4,757</u>	7,200
		Payments made	<u>4,541</u>	<u>7,095</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>18</u>	2,034
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>1,815</u>	<u>3,813</u>
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>557</u>	<u>459</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>5,469</u>	<u>3,252</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>13,895</u>	<u>13,293</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>7,415</u>	<u>6,691</u>
Key management personnel	Related parties	Remuneration and benefits	<u>121,888</u>	<u>88,732</u>
	Chairman of the Board	Related party	<u>1,350</u>	<u>-</u>
Directors	Related parties	Meeting fee	<u>1,175</u>	<u>3,090</u>

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

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

## 27. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in annual consolidated financial statements of the Group for the year ended 30 June 2021.

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

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

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

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

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

31 March 2022 (Unaudited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
<b>On-balance sheet</b>								
<b>financial instruments</b>								
<b>Financial assets</b>								
<b>measured at fair value</b>								
Investment								
- Listed equity securities	728,650	153,720	-	882,370	882,370	-	-	882,370
- Unlisted equity securities	793,306	-	84,360	877,666	-	-	793,306	793,306
	<b>1,521,956</b>	<b>153,720</b>	<b>84,360</b>	<b>1,760,036</b>	<b>882,370</b>	<b>-</b>	<b>793,306</b>	<b>1,675,676</b>
<b>Financial assets not</b>								
<b>measured at fair value</b>								
Deposits	-	-	326,863	326,863	-	-	-	-
Trade debts	-	-	552,213	552,213	-	-	-	-
Other receivables	-	-	27,810	27,810	-	-	-	-
Bank balances	-	-	12,989	12,989	-	-	-	-
	<b>-</b>	<b>-</b>	<b>1,004,235</b>	<b>1,004,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not</b>								
<b>measured at fair value</b>								
Long term loans	-	-	202,418	202,418	-	-	-	-
Lease liabilities	-	-	107,624	107,624	-	-	-	-
Trade and other payables	-	-	663,115	663,115	-	-	-	-
Mark-up accrued	-	-	48,943	48,943	-	-	-	-
Short term borrowings	-	-	2,241,479	2,241,479	-	-	-	-
	<b>-</b>	<b>-</b>	<b>3,263,579</b>	<b>3,263,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

30 June 2021 (Audited)

	Carrying amount				Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----									
<b>On-balance sheet</b>									
<b>financial instruments</b>									
<b>Financial assets</b>									
<b>measured at fair value</b>									
Investment									
- Listed equity securities	521,641	183,283	-	-	704,924	704,924	-	-	704,924
- Unlisted equity securities	793,306	-	-	-	793,306	-	-	793,306	793,306
	<u>1,314,947</u>	<u>183,283</u>	<u>-</u>	<u>-</u>	<u>1,498,230</u>	<u>704,924</u>	<u>-</u>	<u>793,306</u>	<u>1,498,230</u>
<b>Financial assets not measured at fair value</b>									
Deposits	-	-	305,778	-	305,778	-	-	-	-
Trade debts	-	-	137,073	-	137,073	-	-	-	-
Other receivables	-	-	24,812	-	24,812	-	-	-	-
Bank balances	-	-	3,848	-	3,848	-	-	-	-
Cash	-	-	365	-	365	-	-	-	-
	<u>-</u>	<u>-</u>	<u>471,876</u>	<u>-</u>	<u>471,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Long term loan	-	-	-	286,714	286,714	-	-	-	-
Lease liabilities	-	-	-	110,923	110,923	-	-	-	-
Trade and other payable	-	-	-	502,977	502,977	-	-	-	-
Unclaimed dividend	-	-	-	25,628	25,628	-	-	-	-
Mark-up accrued	-	-	-	28,723	28,723	-	-	-	-
Short term borrowings	-	-	-	1,542,306	1,542,306	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,497,271</u>	<u>2,497,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

#### 27.1 Valuation techniques and significant unobservable inputs

The valuation techniques used in measuring level 3 fair values as at 31 March 2022 for unquoted equity investments were same as at 30 June 2021. There was no change in significant unobservable inputs from 30 June 2021; therefore, carried at same values.

#### 28. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 28th April 2022.

  
Chief Executive

  
Director

  
Chief Financial Officer

