



Crescent Steel and
Allied Products Limited

20
21

HALF YEARLY
REPORT

THE JOURNEY AHEAD

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COMPANY PROFILE

Crescent Steel and Allied Products Limited is a conglomerate 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 industry segments - 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 Plant manufactures high quality steel pipes in the diameter range of 8" - 120" (219 mm - 3,048 mm) in wall thickness from 4 mm 25 mm up to lengths of 44 feet per pipe and material grades up to API 5L X-100. 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 serious and 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 is engaged in fabrication and erection of machinery at par with international standards and designs, especially for sugar and cement industry. The unit has a wide product fabrication capability and specializes in the manufacture and supply of cane shredders, juice heaters, evaporators, batch and continuous vacuum pans, centrifugal machines, stainless steel deep bed filter, spray clusters and 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 was leveraged for partial fabrication for a Continuous Caster Machine structure, girders for overhead cranes and a vibratory scrap feeder to Crescent Hadeed Division – billet manufacturing unit.

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, CCP as a division is registered with Ministry of Textile Industry Pakistan and All Pakistan Textile Mills Association (APTMA).

CCP 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 Kgs per annum. The brand is known for high quality and demands a premium.

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

The division manages a portfolio of equity investments and real estate. 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

A Power generation unit (Formerly operating as a fully owned subsidiary of Crescent Steel and Allied Products Limited) has recently merged with and into CSAPL.

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

CRESCENT HADEED DIVISION– BILLET MANUFACTURING UNIT

A billet manufacturing unit (Formerly operating as a wholly owned subsidiary of Crescent Steel and Allied Products Limited) has recently merged with and into CSAPL.

At present, 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 various sizes and a standard length of 6 meters. Billets manufactured by the Company 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. The principal activity of the subsidiary is to manage investment portfolios in shares, real estate, commodities and other securities (strategic as well as 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 operating as fully owned subsidiary of CSAPL, post amalgamation of CS Energy (Private) Limited and CSAPL.

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

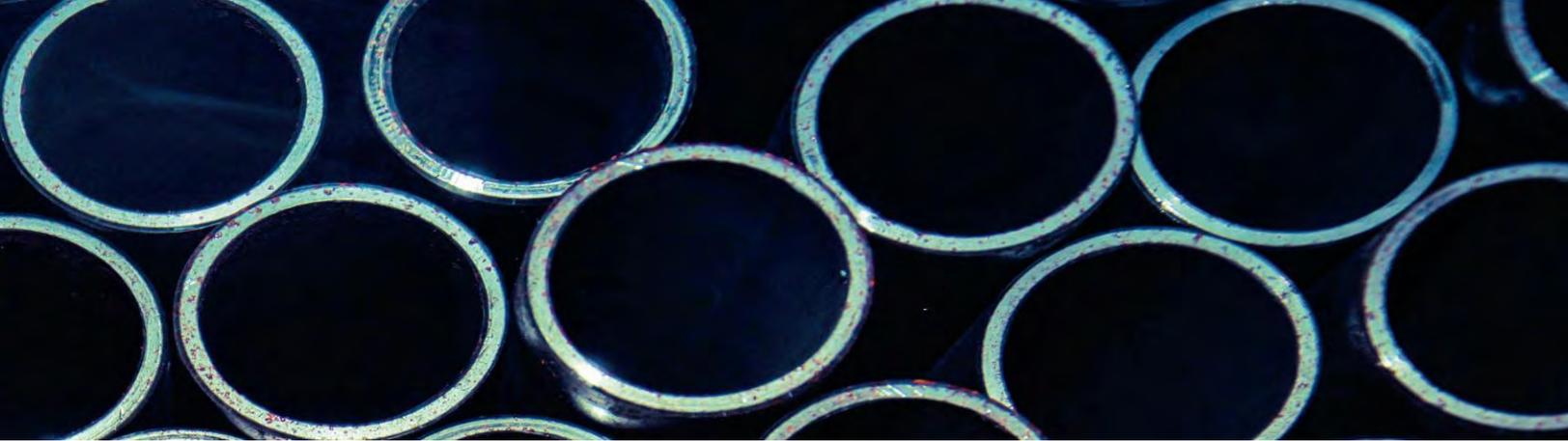
Farah Ayub Tarin

Member, Non-Executive Director (Independent)

Muhammad Kamran Saleem

Member, Non-Executive Director (Independent)

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



MANAGEMENT TEAM

Ahsan M. Saleem - 1983*

Chief Executive Officer and Managing Director

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, Head of Corporate Affairs
and CEO CS Capital (Private) Limited

Hasan A. Saleem - 2010*

Resident Director Cotton and 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
Industrial and Commercial Bank of China
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Summit Bank Limited

Shariah Compliant

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

* Year of Joining



SUBSIDIARIES**

CS Capital (Private) Limited
Solution de Energy (Private) Limited

REGISTERED OFFICE

E-Floor, IT Tower, 73-E/1, Hali Road,
Gulberg-III, Lahore.
Tel: +92 42 3578 3801-03
Fax: +92 42 3578 3811

LIAISON OFFICE LAHORE

E-Floor, IT Tower, 73-E/1, Hali Road,
Gulberg-III, Lahore.
Tel: +92 42 3578 3801-03
Fax: +92 42 3578 3811
Email: asif.randhawa@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

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

ENGINEERING UNIT

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

COTTON DIVISION CRESCENT COTTON PRODUCTS

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

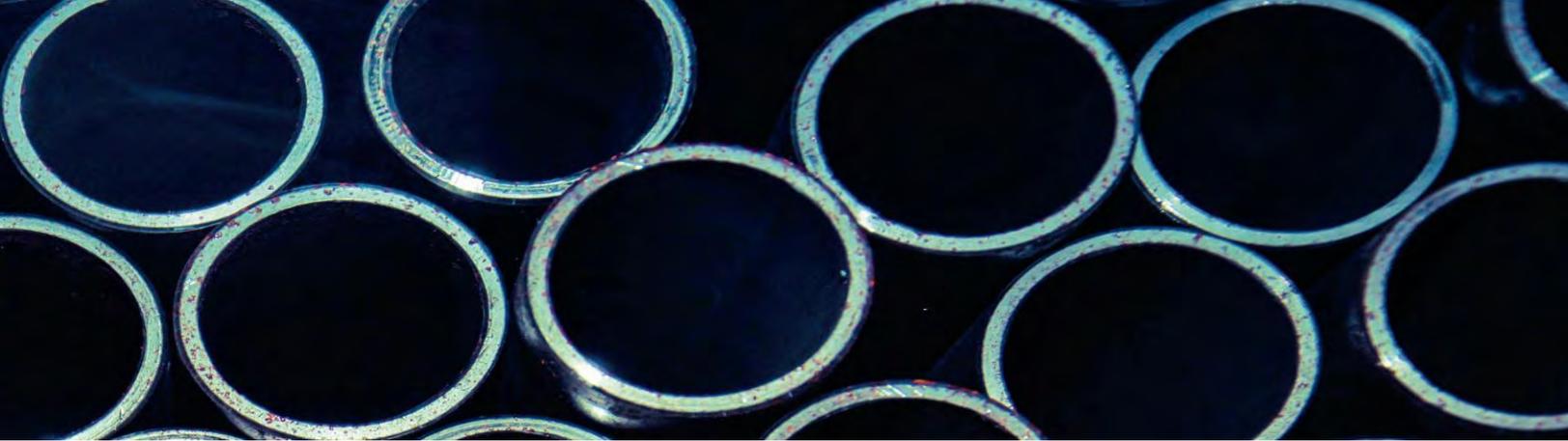
CRESCENT HADEED DIVISION BILLET MANUFACTURING UNIT

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

CS ENERGY DIVISION POWER GENERATION UNIT

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

** Registered Office and Principal Office are same as holding company



PUBLIC INFORMATION

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

Ms. Iesha Fazal
Company Secretary

9th Floor, Sidco Avenue Centre, 264
R.A. Lines, Karachi-74200.
Tel: +92 21 3567 4881-85
Email: company.secretary@crecident.com.pk

SHARE REGISTRAR

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

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

CORPORATE WEBSITE

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



FINANCIAL STATEMENT

For Half Yearly Report 2021 go to:
<http://crecident.com.pk/wp-content/uploads/2021/02/Half-Yearly-Report-FY21.pdf>



DIRECTORS' REPORT

The Directors of the Company have pleasure in submitting their report together with unaudited unconsolidated and consolidated condensed interim financial statements of the Company and the Group respectively for the half year ended 31 December 2020.

ECONOMIC OUTLOOK

The global economy is emerging from one of its deepest recessions after COVID-19 pandemic. The continuous efforts, prudent and timely decision making and economic measures taken by the Government, including monetary easing and fiscal measures to contain the slowdown, the economy has slowly started to recover. Significant uncertainty over the evolution of the pandemic with new strains emerging and a vaccine rollout still in early stages, possible future demand compression measures to curb imbalances, along with uncertain external conditions, all continue to have an impact on the outlook.

ADB has revised estimated growth rate to 2% for FY21. Inflation has been on a gradual uptick, however, the supply-side pressures are likely to be temporary and average inflation is expected to remain between 8-9% for FY21. The policy rate remains unchanged at 7% and is expected to remain stable over the immediate short term.

Large-scale manufacturing (LSM), which constitutes 10.7% of the overall GDP, despite being below its 2019 averages has strengthened consistently during FY21 growing 7.4% so far in fiscal year 2021 as against a 5.3% contraction during the same period last year. Having said that, Pakistan still has a lot of spare capacity available to capture growth.

There are considerable downside risks to the outlook with the most significant being a resurgence of the COVID-19 infection, triggering a new wave of global and/or domestic lockdowns and further delaying the implementation of the USD 6 billion IMF program scheduled to resume in March 2021.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overall Financial Performance

Unconsolidated results for the half year ended 31 December 2020 (HYFY21)

The Company's after tax profit amounted to Rs. 312.6 million as compared to after tax loss of Rs. 25.9 million in the corresponding period last year. Earnings per share (EPS) for the current period was Rs. 4.03 compared to loss per share (LPS) of Rs. 0.33 in the corresponding period last year. Sales revenue stood at Rs. 3,819.1 million (HYFY20: Rs. 1,469.3 million); Steel division, Cotton division, Hadeed (Billet) division and CS Energy division generated 59.9 percent, 24.0 percent, 12.3 percent and 3.8% of the total sales respectively. Turnover of Steel division was Rs. 2,288.9 million (HYFY20: Rs. 356.9 million). Cotton Division posted a turnover of Rs. 915.3 million (HYFY20: Rs. 801.6 million), an increase of 14.2 percent.

During HYFY21, gross profit of the Steel division amounted to Rs. 423.6 million (HYFY20: gross loss of Rs. 75.4 million), whereas Cotton Division reported a Gross Profit of Rs. 93.5 million (HYFY20: Rs. 24.7 million).

The Steel Division reported profit before tax (PBT) of Rs. 231.2 million (HYFY20 Loss before tax: Rs. 261.8 million). Cotton Division reported profit before tax of Rs. 75.0 million (HYFY20: Rs. 0.1 million). IID Division reported a profit before tax of Rs. 163.0 million (HYFY20 profit before tax: Rs. 204.8 million).

The Company's profit before tax for HYFY21 was Rs. 433.9 million as compared to loss before tax of Rs. 94.1 million in HYFY20. Revenue for the second quarter ended 31 December 2020 (2QFY21) amounted to Rs. 1,522.9 million and gross profit of Rs. 164.5 million while PBT was Rs. 229.5 million, with an EPS of Rs. 2.22.

Summary of operating results as per unconsolidated condensed Financial Statements of the company

- Sales revenue increased to Rs. 3,819.1 million as compared to Rs. 1,469.3 million in HYFY20.
- Income from Investment amounted to Rs. 47.9 million as compared to Rs. 223.0 million in HYFY20.
- Gross profit of Rs. 491.3 million as compared to a gross loss of Rs. 75.6 million in HYFY20.
- Other income increased to Rs. 165.2 million as compared to Rs. 24.4 million in HYFY20.
- Earnings before interest and tax (EBIT) for HYFY21 was Rs. 545.0 million as compared to EBIT of Rs. 47.4 million in HYFY20.
- EBITDA was Rs. 654.7 million as compared to Rs. 161.2 million in HYFY20.
- EPS for HYFY21 was Rs. 4.03, as compared to LPS of Rs. 0.33 for HYFY20.
- Return on average capital employed (annualized) was 13.54 percent for HYFY21 as compared to 0.65 percent in corresponding period last year.
- Break-up value per share increased to Rs. 74.29 from Rs. 70.18 as at 30 June 2020.

BUSINESS SEGMENTS

Steel Segment

Steel Division revenue for the HYFY21 amounted to Rs. 2,288.9 million as compared to Rs. 356.9 million in corresponding period last year. Gross profit for the period amounted to Rs. 423.6 million i.e. 18.5% , as compared to gross loss of Rs 75.4 million in corresponding period last year. PBT for the period stood at Rs. 231.2 million (HYFY20: LBT of Rs. 261.8 million).

Cotton Segment

Cotton Division recorded sales revenue of Rs. 915.3 million (HYFY20: Rs. 801.6 million). Cotton division reported gross profit of Rs. 93.5 million (HYFY20: Rs. 24.7 million). While, divisional PBT was Rs. 75.0 million (HYFY20 PBT: Rs. 0.1 million).

IID Segment

Market Review

Fiscal year 2021 has been an exciting one for capital markets. Activity on the bourse over the last nine months has picked up as Pakistan's growth trajectory gradually started to inch from negative growth to a projected 2 percent for FY 21, as per ADB estimates. On a year-on-year basis the KSE-100 is up 7.4 percent, in line with regional peers.

Remaining relatively volatile during the outgoing calendar year, the index saw both a 5 year low of 27,046 points and a two-year high of 43,955 points in the year 2020. Increasing gradually, since its multi-year low in March, the index has since seen a total increase of 16,488 points, or 60%; recovering on the back of GoP policies to contain the pandemic induced slow-down which included key measures such as aggressive monetary easing (between March and June 2020) with rates being slashed by an aggregate 625 basis points to 7 percent, injecting cheap liquidity into markets through various financing schemes and industry specific packages as well as realigning PKR/USD exchange that triggered growth in export oriented segments.

The KSE-100 index opened at 34,422 points on July 1st 2020 at a market cap of Rs. 1.54 trillion, gaining 9,333 points or 27.11% to close the first half of fiscal year 2021 at 43,755 with market cap at Rs. 1.91 trillion.

During this period daily average traded volume increased to 446.485 million shares as compared to 206.788 million shares during the first half of calendar year 2020, while daily average values traded stood at Rs. 16,469.32 million as against Rs. 7,859.55 million in first half of calendar year 2020.

Segment Performance

The portfolio's accumulated PBT for HYFY21 stood at Rs. 163.0 million, as against PBT of Rs. 204.8 million in the corresponding period last year.

The PBT, includes dividend income of Rs. 9.3 million, unrealized gains of Rs. 32.7 million on Fair Value through Profit or Loss investments and gain on disposal of investment property of Rs. 128.2 million.

Unconsolidated Balance Sheet

Balance sheet footing stood at Rs. 8,624.4 million as of 31 December 2020, compared to Rs 9,660.7 million on 30 June 2020. Break-up value per share increased to Rs. 74.29 from Rs. 70.18 as at 30 June 2020.

Current ratio increased to 1.36, as compared to 1.11 as at 30 June 2020. Gearing ratio (including short term borrowings) decreased to 24.3 percent as compared to 35.5 percent as at 30 June 2020. Interest cover for HYFY21 was 4.9 times (HYFY20: 0.6 times).

Overall Consolidated Financial Performance

On a consolidated basis, operating profit before finance costs and share of profit in equity accounted investees amounted to Rs. 610.7 million (HYFY20: Loss Rs. 105.2 million). Consolidated profit after tax for the Group for HYFY21 was Rs. 724.9 million as compared to profit after tax of Rs. 227.7 million in HYFY20. Net share of profit from equity-accounted associates amounted to Rs. 392.7 million (HYFY20: Rs. 47.5 million).

Consolidated EPS of the Group for HYFY20 was Rs. 9.34 per share as compared to EPS of Rs. 2.93 per share respectively in the corresponding period last year.

During HYFY21, profit after tax of CS Capital (Private) Limited – a wholly owned subsidiary amounted to Rs. 48.0 million (HYFY20: Rs. 55.3 million). This has resulted mainly due to unrealized gains of Rs. 56.7 million.

Consolidated Balance Sheet

On a Group basis, the consolidated balance sheet footing stood at Rs. 10,708.9 million, compared to Rs. 11,295.9 million as at 30 June 2020. Total shareholders' fund increased to Rs. 7,776.9 million from Rs. 7008.3 million as at 30 June 2020.

FUTURE OUTLOOK

The current account deficit is expected to marginally widen to an average of 1.5 percent of GDP over FY21, with imports and exports gradually picking up as domestic demand and global conditions improve. The fiscal deficit is projected to narrow to 7.4 percent in FY21, with the resumption of fiscal consolidation and stronger revenues driven by recovering economic activity and structural reform dividends.

Moving into the 3rd quarter, we are completing orders in hand. In addition, we are expecting few orders for which execution may commence in end of 4th quarter and 1st quarter of FY22.

Additionally, we forecast work on some major pipeline projects including North South Gas Pipeline Project to commence in due course. At our end we continue to be vigilant and ready.

Overall, a low finance cost base and easier access to capital, is expected to trigger growth and demand and keep input costs in check. Inflationary pressures remain largely benign and the sizeable YoY import contraction in FY20, a stable USD/PKR parity and credit offtake will keep economic activity on a gradual uptick and the local bourse performance positive over FY21.

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

For and behalf of Board of Directors.



Ahmad Waqar
Chairman



Ahsan M. Saleem
Chief Executive Officer

Dated: 11 February 2021

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ بالترتیب کمپنی اور گروپ کی غیر مربوط اور مرکوز عبوری مالیاتی دستاویزات بابت ششماہی اختتامیہ 31 دسمبر 2020 آپ کی خدمت میں پیش کر رہے ہیں۔

معاشی منظر نامہ

عالمی معیشت Covid-19 سے پیدا شدہ وبائی صورتحال کے بعد شدید ترین کساد بازاری سے بحالی کی جانب گامزن ہے۔ حکومت کی جانب سے مسلسل کوششوں، بروقت اور قرین قیاس اقدامات اور معاشی فیصلوں، بشمول ان مالی اور مالیاتی آسانیوں کے جو معیشت کی سست روی سے نمٹنے کیلئے دی گئیں، کی وجہ سے معیشت بحالی کی جانب گامزن ہے۔ عالمی وباء کی نئی لہر سے پیدا ہونے والی انتہائی غیر یقینی صورتحال، ویکسین کا ابتدائی مراحل میں ہونا، منفی میزانیوں کو کم کرنے کیلئے طلب کو قابو میں رکھنے کیلئے کئے جانے والے ممکنہ اقدامات اور غیر یقینی صورتحال سے پیدا ہونے والا بیرونی دباؤ وہ عوامل ہیں جو معیشت کی مجموعی صورتحال پر اپنے اثرات مرتب کر رہے ہیں۔

ایشیائی ترقیاتی بینک کی جانب سے رواں مالی سال کیلئے شرح نمو کی نظر ثانی شدہ حد 2% مقرر کی گئی ہے۔ افراط زر میں سست روی کے ساتھ اضافہ دیکھا گیا ہے، تاہم سپلائی کی وجہ سے پیدا ہونے والے افراط زر کا دباؤ عارضی ثابت ہونے کا امکان ہے اور مجموعی طور پر مالی سال 2021 کے دوران افراط زر 8% سے 9% کے درمیان رہنے کی امید ہے۔ پالیسی ریٹ کسی بھی تبدیلی کے بغیر 7% پر قائم ہے اور قلیل المدتی عرصے کے دوران اس میں کسی تبدیلی کا کوئی عندیہ نہیں ملتا۔

بڑے پیمانے پر صنعت سازی کرنے والے ادارے (LSM)، جو کہ جی ڈی پی کا 10.7% بنتے ہیں، مالی سال 2019 میں اوسط سے بھی کم کارکردگی کا مظاہرہ کرنے کے بعد اب مالی سال 2021 میں استحکام کی جانب گامزن ہیں اور اب تک مالی سال 2021 میں ان کی شرح نمو 7.4% رہی ہے جو کہ گزشتہ مالی سال کے اسی عرصے کے دوران منفی 5.3% مزید برآں، اب بھی میسر مواقع سے فوائد حاصل کرنے اور اپنی شرح نمو میں اضافہ کرنے کیلئے پاکستان کے پاس کافی استعداد موجود ہے۔

البتہ معیشت کے نیچے کی جانب جانے کے سلسلے میں کئی اقسام کے خطرات موجود ہیں جن میں سب سے زیادہ Covid-19 وائرس کا ایک مرتبہ پھر سرٹھانے کا ریسک ہے جس کے باعث عالمی اور مقامی سطح پر لاک ڈاؤن کا ایک نیا سلسلہ چل سکتا ہے اور نتیجتاً 6 بلین ڈالر کے آئی ایم ایف پروگرام کے نفاذ میں مزید تاخیر بھی ہو سکتی ہے جو مارچ 2021 میں شروع کیا جاتا ہے۔

مالیاتی کاروباری کارکردگی

مجموعی معاشی کارکردگی

غیر مربوط نتائج برائے ششماہی اختتامیہ 31 دسمبر 2020

زیر نظر عرصے کے دوران کمپنی کی جانب سے بعد از ٹیکس منافع 312.6 ملین روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران 25.9 ملین روپے کا نقصان بعد از ٹیکس درج کیا گیا تھا۔ زیر نظر عرصے کے دوران آمدن فی حصص 4.03 روپے فی حصص رہی جو کہ گزشتہ مالی سال کے اسی عرصے کے دوران 0.33 فی حصص نقصان درج کی گئی تھی۔ آمدن از فروخت 3,819.1 ملین روپے رہی (1,469.3 ملین روپے بمطابق ششماہی 2020)؛ اسٹیل ڈویژن، کائن ڈویژن، حدید (بلٹ) ڈویژن اور سی ایس انرجی ڈویژن کی جانب سے کل آمدن کی شرح بالترتیب 59.9%، 24.0%، 12.3% اور 3.8% درج کی گئی۔ اسٹیل ڈویژن کی آمدن از فروخت 2,288.9 ملین روپے (356.9 ملین روپے بمطابق ششماہی 2020)؛ کائن ڈویژن کی آمدن از فروخت 915.3 ملین روپے (801.6 ملین روپے بمطابق ششماہی 2020)؛ درج کیا گیا جو کہ 14.2% سے زائد ہے۔

مالی سال 2021 کی ششماہی کے دوران اسٹیبل ڈویژن کا خام منافع 423.6 ملین روپے رہا (خام نقصان 75.4 ملین روپے بمطابق ششماہی 2020)؛ جبکہ کاٹن ڈویژن کی جانب سے خام منافع 93.5 ملین روپے درج کیا گیا ہے (24.7 ملین روپے بمطابق ششماہی 2020)۔

مالی سال 2021 کی ششماہی کے دوران اسٹیبل ڈویژن کا منافع قبل از ٹیکس 231.2 ملین روپے رہا (نقصان قبل از ٹیکس 261.8 ملین روپے بمطابق ششماہی 2020)؛ جبکہ کاٹن ڈویژن کی جانب سے قبل از ٹیکس منافع 75.0 ملین روپے درج کیا گیا ہے (0.1 ملین روپے منافع قبل از ٹیکس بمطابق ششماہی 2020)۔ آئی آئی ڈی ڈی ڈویژن کی جانب سے قبل از ٹیکس منافع 163.0 ملین روپے درج کیا گیا ہے (204.8 ملین روپے منافع قبل از ٹیکس بمطابق ششماہی 2020)۔

مالی سال 2021 کی ششماہی کیلئے کمپنی کا منافع قبل از ٹیکس 433.9 ملین روپے درج کیا گیا ہے جبکہ مالی سال 2020 کی ششماہی کے دوران 94.1 ملین روپے کا نقصان قبل از ٹیکس درج کیا گیا تھا۔ رواں مالی سال کی دوسری سہ ماہی اختتامیہ 31 دسمبر 2020 (2QFY21) کے دوران 1,522.9 ملین روپے کی آمدن از فروخت درج کی گئی ہے اور اسی طرح خام منافع 164.5 ملین روپے جبکہ منافع قبل از ٹیکس 229.5 ملین روپے درج کیا گیا ہے، اس دوران آمدن فی حصص 2.22 روپے فی حصص رہی۔

کمپنی کی غیر مربوط مرکز عبوری مالیاتی دستاویزات کے مطابق کاروباری نتائج

☆ گزشتہ مالی سال کی آمدن از فروخت 1,469.3 ملین روپے کے مقابلے میں بڑھ کر 3,819.1 ملین روپے رہی۔

☆ آمدن از سرمایہ کاری 47.9 ملین روپے درج کی گئی ہے جبکہ ششماہی 2020 کے اختتام پر 223.0 ملین روپے کی آمدن درج کی گئی تھی۔

☆ خام منافع 491.3 ملین روپے درج کیا گیا ہے جبکہ ششماہی 2020 کے اختتام پر 75.6 ملین روپے کا خام نقصان درج کیا گیا تھا۔

☆ دیگر آمدن اضافے کے بعد 165.2 ملین روپے رہی جبکہ مالی سال 2020 کی ششماہی کے دوران یہ آمدن 24.4 ملین روپے درج کی گئی تھی۔

☆ ششماہی 2020 کے اختتام پر آمدن قبل از سود و ٹیکس 545.0 ملین روپے درج کی گئی ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران آمدن قبل از سود و ٹیکس 47.4 ملین روپے درج کی گئی تھی۔

☆ آمدن قبل از سود، ٹیکس و فرسودگی 654.7 ملین روپے درج کی گئی ہے جبکہ ششماہی 2020 کے اختتام پر یہ آمدن 161.2 ملین روپے درج کی گئی تھی۔

☆ مالی سال 2021 کے دوران آمدن فی حصص 4.03 روپے درج کی گئی ہے جبکہ مالی سال 2020 کی ششماہی کے دوران فی حصص 0.33 روپے کا نقصان درج کیا گیا تھا۔

☆ اوسطاً لگائے گئے سرمائے (سالانہ) پر ششماہی 2021 کے اختتام پر 13.54 فیصد منافع حاصل ہوا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران منافع 0.65 فیصد درج کیا گیا تھا۔

☆ حصص کی تحلیل شدہ قدر اضافے کے بعد 74.29 روپے ہو گئی ہے جبکہ 30 جون 2020 تک یہ قدر 70.18 روپے تھی۔

کاروباری شعبے

اسٹیل کا شعبہ

ششماہی 2021 کے اختتام پر اسٹیل کے شعبے کی آمدن از فروخت 2,288.9 ملین روپے رہی، جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ آمدن 356.9 ملین روپے درج کی گئی تھی۔ زیر نظر ششماہی کے اختتام پر خام منافع 423.6 ملین روپے درج کیا گیا ہے جو آمدن از فروخت کا %18.5 کا رہا۔ جبکہ گزشتہ مالی سال کی ششماہی کے دوران 75.4 ملین روپے کا نقصان درج کیا گیا تھا۔ زیر نظر عرصے کے دوران منافع قبل از ٹیکس 231.2 ملین روپے درج کیا گیا ہے (نقصان قبل از ٹیکس 261.8 ملین روپے بمطابق ششماہی 2020)۔

کاٹن کا شعبہ

کاٹن کے شعبے کی آمدن از فروخت 915.3 ملین روپے رہی (بمطابق ششماہی 2020 آمدن از فروخت 801.6 ملین روپے تھی)۔ کاٹن کے شعبے کا خام منافع 93.5 ملین روپے رہا (24.7 ملین روپے بمطابق ششماہی 2020)۔ جبکہ اس شعبے کا منافع قبل از ٹیکس 75.0 ملین روپے رہا (نقصان قبل از ٹیکس 0.1 ملین روپے بمطابق ششماہی 2020)۔

آئی آئی ڈی کا شعبہ

مارکیٹ کا جائزہ

مالی سال 2021 کیپٹل مارکیٹ کیلئے زبردست سال رہا۔ گزشتہ نو ماہ کے دوران اسٹاک ایکسچینج میں کاروبار ٹھنڈا شروع ہوا ہے اور مالی سال 2021 کے بارے میں ایشیائی ترقیاتی بینک کے مطابق منفی سطح سے بتدریج سرگرمیاں مثبت 2 کی سطح پر آئیں۔ ایشیائی ترقیاتی بینک (ADB) کے تخمینے کے مطابق، سال بہ سال کی بنیاد پر کے ایس ای-100 اب 7.4 فیصد سے اوپر کی جانب بڑھا، جو کہ خطے کے رجحان کے عین مطابق ہے۔

سال 2020 کے دوران مارکیٹ نسبتاً تارچڑھاؤ کا شکار رہی، انڈیکس میں پانچ سال کی پگھلی ترین سطح 27,046 پوائنٹس کو بھی نوٹ کیا گیا اور اسکے ساتھ ساتھ سال 2020 میں دو سال کی بلند ترین 43,955 پوائنٹس کی سطح کو بھی عبور کیا گیا۔ مارچ کے ماہ میں کئی سال کی نسبت نیچے جانے کے بعد، آہستہ آہستہ اوپر اٹھتے ہوئے انڈیکس میں مجموعی طور پر 16,488 پوائنٹس یعنی %60 کا اضافہ دیکھا گیا ہے جو کہ کورونا سے پیدا ہونے والی سست روی کو دور کرنے کی غرض سے حکومت پاکستان کی جانب سے متعارف کروائی جانے والی پالیسیوں کی وجہ سے ممکن ہوا، ان پالیسیوں میں مالی معاملات میں نرمی (مارچ تا جون 2020 کے درمیان) جس میں 625 پیسے پوائنٹس کی کمی کر کے شرح سود کو اوسطاً %7 کی سطح پر لایا گیا، مارکیٹ میں کم قیمت لیکویڈیٹی کو داخل کیا جانا جس کیلئے مختلف فنانشنگ اسکیمیں جاری کی گئیں اور صنعت سے متعلق خاص پیکیج کے اجراء اور پاکستانی کرنسی کا ڈالر کے مقابلے تقابل نو وغیرہ شامل ہیں، ان پالیسیوں کی وجہ سے برآمدات سے متعلق شعبوں کو بہت فائدہ ہوا۔

کے ایس ای-100 انڈیکس 34,422 پوائنٹس پر یکم جولائی 2020 کو کھلا جبکہ مارکیٹ کیپ 1.54 ٹریلین روپے تھا، یہ حد 9,333 پوائنٹس یعنی %27.11 کے اضافے تک جا پہنچی اور مالی سال 2021 کی ششماہی کے اختتام 43,755 پوائنٹس اور مارکیٹ کیپ 1.91 ٹریلین روپے پر ہوا۔

اس عرصے کے دوران روزانہ کی بنیاد پر اوسطاً تجارت کا حجم 446.485 ملین حصص رہا جو کلینڈر سال 2020 کے اول نصف سال کے دوران 206.788 ملین حصص رہا۔ اس عرصے کے دوران روزانہ کی بنیاد پر اوسطاً تجارت کی قدر 16,469.32 ملین روپے رہی جبکہ کلینڈر سال 2020 کے اول نصف سال کے دوران یہ حجم 7,859.55 ملین روپے درج کی گئی تھی۔

شعبے کی کارکردگی

مالی سال 2021 کی ششماہی کے اختتام پر پورٹ فولیو کا جمع شدہ منافع قبل از ٹیکس 163.0 ملین روپے درج کیا گیا ہے، جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران منافع قبل از ٹیکس 204.8 ملین روپے درج کیا گیا تھا۔

منافع قبل از ٹیکس میں ڈیویڈنڈ سے حاصل ہونے والی آمدن 9.3 ملین روپے، Fair value through profit and loss (FVTPL) میں سرمائے کاری سے حاصل شدہ غیر حقیقی منافع 32.7 ملین روپے اور سرمایہ کاری شدہ املاک کی فروخت کے بعد حاصل ہونے والا 128.2 ملین روپے کا نفع بھی شامل ہے۔

غیر مربوط بیلنس شیٹ

بتاریخ 31 دسمبر 2020 بیلنس شیٹ کا میزانیہ 8,624.4 ملین روپے تھا جبکہ 30 جون 2020 کو بیلنس شیٹ کا میزانیہ 9,660.7 ملین روپے تھا۔ فی حصص بریک اپ ویلیو بڑھ کر 74.29 روپے ہو گئی ہے، جو کہ 30 جون 2020 کو 70.18 روپے تھی۔

کرنٹ ریشو (Current Ratio) بڑھ کر 1.36 ہو گیا ہے جو کہ 30 جون 2020 کو 1.11 تھا۔ گئیرنگ ریشو (Gearing ratio) (بشمول قلیل المیعاد قرضے) کم ہو کر 24.3 تک آ گیا ہے، جو کہ 30 جون 2020 کو 35.5 تھا۔ انٹرسٹ کوریج ریشو (Intrest Coverage Ratio) ششماہی 2021 کے اختتام پر 4.9 گنا تھا (ششماہی 2020 کے اختتام پر یہ ریشو 0.6 گنا تھا)۔

مجموعی مربوط مالیاتی کارکردگی

مربوط بنیادوں پر تمویلی لاگت سے قبل کاروباری منافع اور Equity accounted investees سے حاصل ہونے والا حصص منافع 610.7 ملین روپے درج کیا گیا ہے (بمطابق ششماہی 2020 یہ نقصان 105.2 ملین روپے تھا)۔ گروپ کا مربوط منافع بعد از ٹیکس برائے ششماہی 2021 کے اختتام پر 724.9 ملین روپے درج کیا گیا تھا جبکہ ششماہی 2020 کے اختتام پر بعد از ٹیکس منافع 227.7 ملین روپے درج کیا گیا تھا۔ ایکویٹی اکاؤنٹڈ ایسوسی ایٹس کی جانب سے ملنے والا خالص منافع 392.7 ملین روپے درج کیا گیا ہے (بمطابق ششماہی 2020 یہ منافع 47.5 ملین روپے تھا)۔

مربوط آمدن فی حصص برائے گروپ ششماہی 2021 کے اختتام پر 9.34 روپے درج کی گئی ہے جبکہ گزشتہ مالی سال اسی عرصے کے دوران آمدن فی حصص 2.93 روپے درج کی گئی تھی۔

ششماہی 2021 کے دوران سی ایس کپٹل (پرائیویٹ) لمیٹڈ جو کہ مکمل طور پر ایک ذیلی کمپنی ہے کا بعد از ٹیکس منافع 48.0 ملین روپے رہا (بمطابق ششماہی 2020 یہ 55.3 ملین روپے تھا)۔ اس کی اصل وجہ تخمینے کی بنیاد پر درج کیا جانے والا 56.7 ملین روپے کا نفع تھا۔

مربوط بیلنس شیٹ

گروپ کی بنیاد پر مربوط بیلنس شیٹ کا میزانیہ 10,708.9 ملین روپے رہا جبکہ 30 جون 2020 کو یہ میزانیہ 11,295.9 ملین روپے تھا۔ حصص داران کا کل فنڈ 30 جون 2020 کو 7008.3 ملین روپے سے بڑھ کر 7,776.9 ملین روپے ہو چکا ہے۔

2020 کے دوران کرنٹ اکاؤنٹ خسارے میں جی ڈی پی کے بانسٹ اوسطاً 1.5% کا معمولی اضافہ متوقع ہے، چونکہ مقامی طلب میں اضافے کے ساتھ ساتھ بین الاقوامی حالات بھی بہتر ہو رہے ہیں اس لئے درآمدات اور برآمدات میں بھی بہتری آرہی ہے۔ مالیاتی خسارے کے بارے میں توقع کی جارہی ہے کہ مالی سال 2021 میں کم ہو کر %7.4 تک رہ جائے گا، معاشی سرگرمیوں کی بحالی اور بنیادی ڈھانچے میں اصلاحات کے باعث بہتر آمدن اور مالیاتی استحکام کی توقع بھی کی جارہی ہے۔

تیسری سہ ماہی میں داخل ہوتے ہوئے ہم اپنے پاس موجود آرڈرز پورے کرنے جارہے ہیں۔ اس کے علاوہ، ہم کچھ مزید آرڈرز کی توقع کر رہے ہیں جن پر کام کا آغاز رواں مالی سال کی چوتھی سہ ماہی اور مالی سال 2022 کی پہلی سہ ماہی میں ہوگا۔

علاوہ ازیں، ہمیں امید ہے کہ بڑے بڑے پائپ لائن پروجیکٹس جیسا کہ نارٹھ سائڈ تھ گیس پائپ لائن پروجیکٹ پر کام کا آغاز بھی کچھ وقت میں شروع ہو جائے گا۔ ہماری جانب سے پوری طرح تیاری مکمل کی جا چکی ہے۔

مجموعی طور پر کم لاگت اور سہل تمویلی بندوبست سے شرح نمو اور طلب میں اضافے کی توقع کی جاسکتی ہے، پیداواری لاگت کو قابو میں رکھا جاسکتا ہے، افراط زر کا سطح پر رہنا، مالی سال 2020 کے دوران درآمدات کی سطح پر رہنا، ڈالر کے مقابلے میں روپے کی قدر میں استحکام اور قرضوں کی سہولت سے معاشی سرگرمیوں کو قدرے آگے بڑھانے میں مدد ملے گی اور مقامی انڈیکس کی کارکردگی مالی سال 2021 کے دوران مثبت رہنے کا امکان ہے۔

آخر میں، ہم تمام شراکت داروں کے تہہ دل سے مشکور ہیں اور امید کرتے ہیں کہ آئندہ بھی ان کی حمایت ہمارے شامل حال رہے گی۔

برائے و منجانب بورڈ آف ڈائریکٹرز

احسان ایم سلیم
چیف ایگزیکٹو آفیسر

چئیرمین
احمد وقار

مؤرخہ 11 فروری 2021

Crescent Steel and Allied Products Limited

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL
STATEMENTS**

FOR THE HALF YEAR ENDED 31 DECEMBER 2020



INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Crescent Steel and Allied Products Limited as at December 31, 2020, the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six months then ended (here-in-after referred to as the 'condensed interim unconsolidated financial statements'). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review.

The figures of the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2020.

Scope of Review

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

Conclusion

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

Other Matter

The condensed interim unconsolidated financial statements of Crescent Steel and Allied Products Limited for the six months ended December 31, 2019 and the unconsolidated financial statements for the year ended June 30, 2020 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 6, 2020 and August 28, 2020 respectively.

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


A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: February 11, 2021

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)
As at 31 December 2020

	Note	Unaudited 31 December 2020	Audited 30 June 2020
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,957,130	2,105,672
Right-of-use assets		152,634	168,600
Intangible assets		688	888
Investment properties		58,280	19,700
Long term investments	6	2,310,368	2,303,777
Long term deposits	7	234,048	224,748
Deferred taxation		400,952	462,662
		<u>5,114,100</u>	<u>5,286,047</u>
Current assets			
Stores, spares and loose tools		155,359	169,232
Stock-in-trade	8	1,297,545	2,130,741
Trade debts	9	252,091	225,799
Loans and advances	10	227,674	145,225
Trade deposits and short term prepayments		64,825	63,057
Investments	11	186,359	124,611
Other receivables	12	185,914	219,512
Taxation - net		1,132,544	1,273,141
Cash and bank balances		8,022	23,388
		<u>3,510,333</u>	<u>4,374,706</u>
Total assets		<u><u>8,624,433</u></u>	<u><u>9,660,753</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,020,908	1,020,908
Revenue reserves		<u>3,970,224</u>	<u>3,651,055</u>
		<u>5,767,457</u>	<u>5,448,288</u>
Non-current liabilities			
Long-term loans	13	188,622	190,335
Lease liabilities		50,869	64,820
Deferred income		7,759	7,053
Deferred liability - staff retirement benefits		23,713	23,713
		<u>270,963</u>	<u>285,921</u>
Current liabilities			
Trade and other payables	14	917,852	1,068,500
Unclaimed dividend		25,765	26,443
Mark-up accrued		15,119	54,214
Short term borrowings	15	1,443,710	2,675,360
Current portion of long-term loans	13	140,259	49,345
Current portion of lease liabilities		33,892	46,467
Current portion of deferred income		9,416	6,215
		<u>2,586,013</u>	<u>3,926,544</u>
		<u>2,856,976</u>	<u>4,212,465</u>
Contingencies and commitments	16		
Total equity and liabilities		<u><u>8,624,433</u></u>	<u><u>9,660,753</u></u>

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

MSD



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For the quarter and six months ended 31 December 2020

	Note	Quarter ended		Six months ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----					
Sales	17	1,781,858	941,639	4,469,495	1,719,874
Less: sales tax		258,932	136,917	650,358	250,590
		<u>1,522,926</u>	<u>804,722</u>	<u>3,819,137</u>	<u>1,469,284</u>
Cost of sales		1,358,221	836,562	3,327,817	1,544,916
Gross profit / (loss)		<u>164,705</u>	<u>(31,840)</u>	<u>491,320</u>	<u>(75,632)</u>
Income from investments - net	18	<u>17,964</u>	<u>238,504</u>	<u>47,925</u>	<u>223,005</u>
		<u>182,669</u>	<u>206,664</u>	<u>539,245</u>	<u>147,373</u>
Distribution and selling expenses		3,249	4,805	5,719	7,490
Administrative expenses		60,605	60,439	126,846	116,946
Other operating expenses	19	10,797	13	26,911	13
		<u>74,651</u>	<u>65,257</u>	<u>159,476</u>	<u>124,449</u>
		<u>108,018</u>	<u>141,407</u>	<u>379,769</u>	<u>22,924</u>
Other income		157,428	15,211	165,240	24,447
Operating profit before finance costs		<u>265,446</u>	<u>156,618</u>	<u>545,009</u>	<u>47,371</u>
Finance costs	20	35,947	71,390	111,107	141,491
Profit / (loss) before taxation		<u>229,499</u>	<u>85,228</u>	<u>433,902</u>	<u>(94,120)</u>
Taxation					
- current for the period		(23,985)	(29,061)	(58,672)	(37,617)
- current for prior year		-	-	(1,678)	-
- deferred		(33,108)	64,776	(60,974)	105,790
		<u>(57,093)</u>	<u>35,715</u>	<u>(121,324)</u>	<u>68,173</u>
Profit / (loss) for the period		<u>172,406</u>	<u>120,943</u>	<u>312,578</u>	<u>(25,947)</u>
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		7,247	615	6,591	1,158
Total comprehensive income / (loss) for the period		<u>179,653</u>	<u>121,558</u>	<u>319,169</u>	<u>(24,789)</u>
----- (Rupees) -----					
Earnings / (loss) per share - Basic and diluted	21	<u>2.22</u>	<u>1.56</u>	<u>4.03</u>	<u>(0.33)</u>

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

MSB



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the six months ended 31 December 2020

	Note	Six months ended	
		31 December 2020	31 December 2019
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash generated from operations	22	1,087,607	105,691
Taxes refund received / (paid)		80,247	(52,854)
Finance costs paid		(141,425)	(122,134)
Contribution to gratuity and pension funds		(11,548)	(11,517)
Contribution to Workers' Profit Participation Fund		-	(3,824)
Long term deposits - net		-	2,485
Net cash generated from / (used in) operating activities		1,014,881	(82,153)
Cash flows from investing activities			
Capital expenditure		(2,847)	(1,602)
Acquisition of intangible assets		-	1
Proceeds from disposal of operating fixed assets and investment property		153,429	1,742
Investments - net		(26,558)	20,700
Dividend income received		9,162	191,665
Interest income received		313	676
Net cash generated from investing activities		133,499	213,182
Cash flows from financing activities			
Proceeds from / (repayments of) long term loans - net		92,489	(64,947)
Payments against finance lease obligations		(23,907)	(30,831)
(Repayments of) / proceeds from short term loans obtained - net		(1,126,373)	210,993
Dividends paid		(678)	(49)
Net cash (used in) / generated from financing activities		(1,058,469)	115,166
Net increase in cash and cash equivalents		89,911	246,195
Cash and cash equivalents at beginning of the period		(558,929)	(818,640)
Cash and cash equivalents at end of the period	23	(469,018)	(572,445)

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

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Chief Executive

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Director

[Signature]

Chief Financial Officer

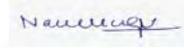
Crescent Steel and Allied Products Limited
 Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)
 For the six months ended 31 December 2020

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Fair value reserve	General reserve	Unappropriated profit / (loss)		
(Rupees in '000)							
Balance as at 1 July 2019	776,325	1,020,908	5,818	3,642,000	(50,988)	3,596,830	5,394,063
Total comprehensive loss for the period	-	-	-	-	(25,947)	(25,947)	(25,947)
Loss after taxation for the period	-	-	1,158	-	-	1,158	1,158
Other comprehensive income for the period	-	-	1,158	-	(25,947)	(24,789)	(24,789)
Total comprehensive loss for the period	-	-	1,158	-	(25,947)	(24,789)	(24,789)
Balance as at 31 December 2019	<u>776,325</u>	<u>1,020,908</u>	<u>6,976</u>	<u>3,642,000</u>	<u>(76,935)</u>	<u>3,572,041</u>	<u>5,369,274</u>
Balance as at 1 July 2020	776,325	1,020,908	5,393	3,642,000	3,662	3,651,055	5,448,288
Total comprehensive income for the period	-	-	-	-	312,578	312,578	312,578
Profit after taxation for the period	-	-	6,591	-	-	6,591	6,591
Other comprehensive income for the period	-	-	6,591	-	312,578	319,169	319,169
Total comprehensive income for the period	-	-	6,591	-	312,578	319,169	319,169
Balance as at 31 December 2020	<u>776,325</u>	<u>1,020,908</u>	<u>11,984</u>	<u>3,642,000</u>	<u>316,240</u>	<u>3,970,224</u>	<u>5,767,457</u>

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

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 Chief Executive


 Director


 Chief Financial Officer

Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months ended 31 December 2020

1. THE COMPANY AND ITS OPERATIONS

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

The Company operates five segments namely Steel, Cotton, Investment and Infrastructure Development (IID), Energy and Hadeed (Billet) as disclosed in note 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 2020. 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 The figures included in the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half year ended 31 December 2020.

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



3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the audited annual unconsolidated financial statements for the year ended 30 June 2020.

3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

3.2.1 There were certain amendments to accounting and reporting standards which became effective from 1 July 2020 but they do not have a material effect on these condensed interim unconsolidated financial statements and therefore detailed have not been disclosed.

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 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 2020.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited 31 December 2020 ----- (Rupees in '000) -----	Audited 30 June 2020
Operating fixed assets	5.1	1,864,448	2,014,201
Capital work-in-progress	5.2	92,682	91,471
		<u>1,957,130</u>	<u>2,105,672</u>

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

	Unaudited Six months ended 31 December 2020		Unaudited Six months ended 31 December 2019	
	Additions / Transfers	Disposals / Transfers	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Land	-	56,757	-	-
Plant and machinery - owned	-	53,148	-	-
Electrical / office equipments and installation	507	72	-	-
Computers	1,129	495	187	1,800
Motor vehicles - owned	-	-	-	3,997
	<u>1,636</u>	<u>110,472</u>	<u>187</u>	<u>5,797</u>

- 5.2 Net additions to capital work-in-progress during the six months period ended 31 December 2020 amounted to Rs. 1.211 million (during the six months period ended 31 December 2020: Rs. 1.417 million).

6. LONG TERM INVESTMENTS

		Unaudited 31 December 2020	Audited 30 June 2020
	Note	----- (Rupees in '000) -----	
Subsidiary companies - at cost	6.1	525,001	525,001
Associated companies - at cost	6.2	1,286,401	1,286,401
Other long term investments	6.3	498,966	492,375
		<u>2,310,368</u>	<u>2,303,777</u>

6.1 Subsidiary companies - at cost

Unaudited 31 December 2020 (Number of shares)	Audited 30 June 2020	Unquoted		Unaudited 31 December 2020	Audited 30 June 2020
52,500,000	52,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.1	525,000	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>525,001</u>	<u>525,001</u>

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 2020: 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. 346.844 million and Rs. 136.112 million, respectively.

7. LONG TERM DEPOSITS

These include security deposit amounting to Rs. 209.570 million (30 June 2020: Rs. 199.694 million) under Ijarah financing arrangement.

8. STOCK-IN-TRADE

	Unaudited 31 December 2020	Audited 30 June 2020
	----- (Rupees in '000) -----	
Raw materials		
Hot rolled steel coils (HR Coils)	258,783	1,470,714
Coating materials	37,633	39,315
Steel scrap	194,605	56,030
Others	94,748	117,476
Raw cotton	91,312	118,521
Stock-in-transit	465,235	58,535
	<u>1,142,316</u>	<u>1,860,591</u>
Provision for obsolescence and slow-moving raw materials	<u>(2,039)</u>	<u>(2,039)</u>
	<u>1,140,277</u>	<u>1,858,552</u>
Work-in-process	14,711	46,508
Finished goods - net	137,059	214,215
Scrap / cotton waste	5,498	11,466
	<u>157,268</u>	<u>272,189</u>
	<u>1,297,545</u>	<u>2,130,741</u>

8.1 Stock in trade as at 31 December 2020 includes certain items valued at net realisable value (NRV). Charge for the period in respect of stock written down to NRV was amounting to Rs. Nil (30 June 2020: Reversal of Rs. 6.906 million) has been recognised in cost of sales.

9. TRADE DEBTS

	Note	Unaudited 31 December 2020	Audited 30 June 2020
		----- (Rupees in '000) -----	
Secured			
Considered good		80,323	158,208
Unsecured			
Considered good	9.1	171,768	67,591
Considered doubtful		30,706	30,706
		<u>202,474</u>	<u>98,297</u>
Impairment loss on trade debts		<u>(30,706)</u>	<u>(30,706)</u>
		<u>252,091</u>	<u>225,799</u>

9.1 This includes balance due from following related party:

The Crescent Textile Mills Limited

175	-
<u>175</u>	<u>-</u>

	Note	31 December 2020	30 June 2020
----- (Rupees in '000) -----			
13. LONG TERM LOANS			
Secured - Under non-shariah arrangement			
Allied Bank Limited	13.1	185,968	195,240
Habib Metropolitan Bank Limited	13.2	142,913	44,440
		328,881	239,680
Less: Current portion shown under current liabilities		140,259	49,345
		188,622	190,335

- 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 have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. During the period, the Company has made repayment of Rs. 9.272 million (30 June 2020: 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 date. The term of the loan is 4 years from the date of disbursement with a grace period of one year; however, due to COVID-19 the bank has allowed one year more grace period, repayable in 12 equal quarterly installments starting after twelve months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

The mark-up on such arrangements ranged from 8.19% to 10.04% (30 June 2020: 12.69% to 14.99%) 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 two tranches in May 2020 and June 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.

During the period, the Company further entered into new loan arrangement with Habib Metropolitan Bank Limited under the SBP's "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 four tranches; 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 arrangements ranged from 8.68% to 10.16% per annum.

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14.	TRADE AND OTHER PAYABLES		Unaudited	Audited
		Note	31 December	30 June 2020
			2020	
			----- (Rupees in '000) -----	
	Trade creditors		157,492	237,342
	Bills payable		81,201	42,647
	Commission payable		2,044	1,925
	Customer's security deposits		73	-
	Accrued liabilities		278,469	394,528
	Advances from customers		25,240	95,674
	Provisions		249,548	237,414
	Due to related parties	14.1	17,584	4,016
	Payable against purchase of investments		936	-
	Payable to provident fund		1,950	2,067
	Payable to staff retirement benefit funds		2,801	2,257
	Retention money		10,471	10,471
	Sales tax payable		24,355	12,297
	Withholding tax payable		7,509	1,504
	Workers' Profit Participation Fund		18,188	2,061
	Workers' Welfare Fund		9,993	4,114
	Others		29,998	20,183
			<u>917,852</u>	<u>1,068,500</u>
14.1	Due to related parties			
	Premier Insurance Company Limited		262	232
	Staff Benevolent Fund		2,007	-
	Shakarganj Food Products Limited		6,247	-
	The Citizens Foundation		4,043	-
	Shakarganj Limited		5,025	3,784
			<u>17,584</u>	<u>4,016</u>
15.	SHORT TERM BORROWINGS			
	Secured from banking companies			
	Running finances under mark-up arrangements	15.1	477,040	582,317
	Short term loans	15.2	966,670	2,093,043
			<u>1,443,710</u>	<u>2,675,360</u>

15.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,100 million (30 June 2020: Rs. 1,100.8 million) out of which Rs. 300 million (30 June 2020: Rs. 300 million), Rs. 150 million (30 June 2020: Rs. 150 million) and Rs. 300 million (30 June 2020: Rs. 450 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 8.19% to 10.54% (30 June 2020: 10.33% to 15.85%) per annum.

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- 15.2** These include an amount of Rs. 596.066 million (30 June 2020: Rs. 697.11 million) outstanding against Islamic mode of financing. Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 4,350 million (30 June 2020: Rs. 4,600 million) out of which Rs. 3,650 million (30 June 2020: Rs. 3,400 million), Rs. 305 million (30 June 2020: Rs. 255 million) and Rs. 350 million (30 June 2020: 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 8.19% to 10.54% (30 June 2020: 9.79% to 16.18%) per annum.
- 15.3** The facilities for opening letters of credit amounted to Rs. 4,600 million (30 June 2020: Rs. 4,600 million) out of which Rs. 300 million (30 June 2020: Rs. 300 million), Rs. 3,650 million (30 June 2020: Rs. 3,650 million) and Rs. 305 million (30 June 2020: Rs. 255 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 December 2020 amounted to Rs. 1,815 million (30 June 2020: Rs. 1,794.1 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2020 were Rs. 4,090.25 million and Rs. 221 million (30 June 2020: Rs. 4,458.24 million and Rs. 69.923 million), respectively.
- 15.4** The above facilities are expiring on various dates and are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares and cotton / cotton yarn; and lien over import / export document (refer note 11.2). Further, above facilities (refer notes 15.1, 15.2 and 15.3) are also secured against mortgage of land and building, hypothecation of plant and machinery and pledge 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 2020.

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 December 2020, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 116.532 million (30 June 2020: Rs. 121.692 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2020: Rs. 22.898 million).
- 16.2.2** Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 1,594 million (30 June 2020: Rs. 1,624 million). These include guarantees issued by Islamic banks amounting to Rs. 207.59 million (30 June 2020: Rs. 259 million).
- 16.2.3** Commitments in respect of capital expenditure contracted for as at 31 December 2020 amounted to Rs. 8.455 million (30 June 2020: Rs. 8.455 million).
- 16.2.4** Commitments under letters of credit (L/C) as at 31 December 2020 amounted to Rs. 509.75 million (30 June 2020: Rs. 228.486 million).

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17. SALES

Note	Unaudited Quarter ended		Unaudited Six months ended		
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
	----- (Rupees in '000) -----				
Local sales					
Bare pipes	17.1	497,257	25,334	2,537,884	247,012
Steel Billets		508,428	277,920	508,428	277,920
Pipe coating		5,753	1,244	5,753	84,374
Pre coated pipes		7,802	10,272	32,972	11,810
Cotton yarn / raw cotton		532,616	507,258	1,056,829	933,119
Electricity sales		54,405	47,051	54,405	47,051
Steam sales		123,728	37,055	123,728	37,055
Others		25,935	20,726	52,987	37,133
Scrap / waste		25,934	14,779	96,509	44,400
		<u>1,781,858</u>	<u>941,639</u>	<u>4,469,495</u>	<u>1,719,874</u>

17.1 This is presented net of liquidated damages amounting to 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 Six months ended		
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
	----- (Rupees in '000) -----				
Dividend income	18.1	8,258	190,009	9,309	191,666
Gain / (loss) on sale of FVTPL investments - net	18.2	1,411	1,134	2,522	(4,573)
Unrealized gain on FVTPL investments - net	18.3	6,950	46,721	32,668	34,631
Rent from investment properties	18.5	1,345	640	3,426	1,281
		<u>17,964</u>	<u>238,504</u>	<u>47,925</u>	<u>223,005</u>

18.1 This includes Rs. 2.493 million earned on investments in Shariah Compliant Investee Companies.

18.2 This includes Rs. 0.83 million gain on sale of Shariah Compliant Investee Companies.

18.3 This includes gain of Rs. 29.968 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. 5.488 million (31 December 2019: Rs. 0.277 million). Further, Rs. Nil (31 December 2019: Rs. 1.29 million) was incurred against non rented out area.

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19. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----				
Provision for:				
- Workers' Profit Participation Fund	4,633	13	16,127	13
- Workers' Welfare Fund	1,259	-	5,879	-
- Slow moving stores, spares and loose tools	4,905	-	4,905	-
	<u>10,797</u>	<u>13</u>	<u>26,911</u>	<u>13</u>

20. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----				
Profit on short term loans - Shariah arrangement	5,728	29,985	17,990	29,985
Interest on - Non - Shariah arrangement				
- finance lease obligations	1,954	5,078	4,066	8,854
- long term loans	7,286	8,714	13,175	18,459
- running finances / short term loans	26,674	25,414	73,153	80,007
Bank charges	(5,695)	2,199	2,723	4,186
	<u>35,947</u>	<u>71,390</u>	<u>111,107</u>	<u>141,491</u>

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

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----				
Profit / (loss) for the period	<u>172,406</u>	<u>120,943</u>	<u>312,578</u>	<u>(25,947)</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>2.22</u>	<u>1.56</u>	<u>4.03</u>	<u>(0.33)</u>

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22. CASH GENERATED FROM OPERATIONS

	Note	Unaudited	
		Six months ended	
		31 December 2020	31 December 2019
		----- (Rupees in '000) -----	
Profit / (loss) before taxation		433,902	(94,120)
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets, right-of-use assets and investment properties		109,474	113,687
Amortisation of intangible assets		200	96
Charge for the period on staff retirement benefit funds		11,548	11,517
Dividend income		(9,309)	(191,666)
Unrealized gain on FVTPL investments - net		(32,668)	(34,631)
(Gain) / loss on sale of FVTPL investments - net		(2,522)	4,573
Provision for stores, spares and loose tools - net		4,905	-
Provision for Workers' Welfare Fund		5,879	-
Provision for Workers' Profit Participation Fund		16,127	13
Provision for liquidated damages		6,429	-
Return on deposits		(284)	(676)
Gain on disposal of operating fixed assets and investment property		(134,131)	(804)
Deferred income		(4,333)	(3,628)
Unwinding of discount on long term deposit		(11,301)	(11,000)
Liabilities written back		-	(804)
Finance costs		111,107	141,491
Working capital changes	22.1	<u>582,584</u>	<u>171,643</u>
		<u>1,087,607</u>	<u>105,691</u>
22.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spares and loose tools		8,968	18,740
Stock-in-trade		833,196	(197,456)
Trade debts		(26,292)	(1,579)
Loans and advances		(82,449)	10,915
Trade deposits and short term prepayments		233	(16,591)
Other receivables		<u>33,716</u>	<u>34,993</u>
		<u>767,372</u>	<u>(150,978)</u>
(Decrease) / increase in current liabilities			
Trade and other payables		<u>(184,788)</u>	<u>322,621</u>
		<u>582,584</u>	<u>171,643</u>
23. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(477,040)	(588,174)
Cash and bank balances		<u>8,022</u>	<u>15,729</u>
		<u>(469,018)</u>	<u>(572,445)</u>
24. SEGMENT REPORTING			
24.1 Reportable segments			
The Company's reportable segments are as follows:			
- Steel segment - It comprises of manufacturing and coating of steel pipes.			
- Cotton segment - It comprises of manufacturing of yarn.			
- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).			
- Hadeed segment - It comprises of manufacturing billets.			
- Energy segment - It comprises of generating and supplying electricity / power.			

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

24.2 Segment revenues and results

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

For the six months ended 31 December 2020	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	2,288,930	915,258	183,075	468,669	-	(36,795)	3,819,137
Cost of sales	1,865,336	821,733	190,481	487,062	-	(36,795)	3,327,817
Gross profit / (loss)	423,594	93,525	(7,406)	(18,393)	-	-	491,320
Income from investments - net	-	-	-	-	47,925	-	47,925
	423,594	93,525	(7,406)	(18,393)	47,925	-	539,245
Distribution and selling expenses	3,767	1,630	-	322	-	-	5,719
Administrative expenses	87,524	18,014	1,421	6,877	13,010	-	126,846
Other expenses	22,756	4,155	-	-	-	-	26,911
	114,047	23,799	1,421	7,199	13,010	-	159,476
	309,547	69,726	(8,827)	(25,592)	34,915	-	379,769
Other income	20,057	11,308	-	5,674	128,201	-	165,240
Operating profit / (loss) before finance costs	329,604	81,034	(8,827)	(19,918)	163,116	-	545,009
Finance costs	98,398	6,029	-	6,598	82	-	111,107
Profit / (loss) before taxation	231,206	75,005	(8,827)	(26,516)	163,034	-	433,902
Taxation							121,324
Profit for the period							312,578

For the six months ended 31 December 2019	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	356,859	801,606	93,125	238,933	-	(21,239)	1,469,284
Cost of sales	432,287	776,938	108,569	248,361	-	(21,239)	1,544,916
Gross (loss) / profit	(75,428)	24,668	(15,444)	(9,428)	-	-	(75,632)
Income from investments - net	-	-	-	-	223,005	-	223,005
	(75,428)	24,668	(15,444)	(9,428)	223,005	-	147,373
Distribution and selling expenses	5,646	1,518	-	326	-	-	7,490
Administrative expenses	86,274	17,479	1,799	2,451	8,943	-	116,946
Other expenses	-	13	-	-	-	-	13
	91,920	19,010	1,799	2,777	8,943	-	124,449
	(167,348)	5,658	(17,243)	(12,205)	214,062	-	22,924
Other income	17,533	5,868	-	1,046	-	-	24,447
Operating (loss) / profit before finance costs	(149,815)	11,526	(17,243)	(11,159)	214,062	-	47,371
Finance costs	111,977	11,445	-	8,759	9,310	-	141,491
(Loss) / profit before taxation	(261,792)	81	(17,243)	(19,918)	204,752	-	(94,120)
Taxation							(68,173)
Loss for the period							(25,947)

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. 30.826 million (31 December 2019: Rs. Nil) and Rs. 5.969 million (31 December 2019: Rs. Nil) of scrap sales by Steel Segment to Hadeed (Billet) Segment.

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 2020. The Steel segment allocates certain percentage of the common expenditure to other segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

24.3 Revenue from major products and services

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

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24.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 2,162.604 million (31 December 2019: Rs. 280.3 million) of total Steel segment revenue of Rs. 2,288.930 million (31 December 2019: Rs. 356,859 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 329.174 million (31 December 2019: Rs. 140,188 million) of total Cotton segment revenue of Rs. 915.258 million (31 December 2019: Rs. 801.606 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 152.248 million (31 December 2019: Rs. 71.885 million) of total Energy segment revenue of Rs. 183.075 million (31 December 2019: Rs. 93,125 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. 452.134 million (31 December 2019: Rs. 212.411 million) of total Hadeed (Billet) segment revenue of Rs. 468.669 million (31 December 2019: Rs. 238.933 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 December 2020 and 30 June 2020 were located and operating in Pakistan.

24.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	(Rupees in '000)					
As at 31 December 2020 - (Unaudited)						
Segment assets for reportable segments	1,770,356	389,230	659,440	1,337,319	2,576,421	6,732,766
Unallocated corporate assets						1,891,667
Total assets as per unconsolidated statement of financial position						<u>8,624,433</u>
Segment liabilities for reportable segments	549,171	199,064	38,879	181,612	5,157	973,883
Unallocated corporate liabilities and deferred income						1,883,093
Total liabilities as per unconsolidated statement of financial position						<u>2,856,976</u>
As at 30 June 2020 - (Audited)						
Segment assets for reportable segments	2,934,338	506,150	660,381	846,220	2,470,678	7,417,767
Unallocated corporate assets						2,242,986
Total assets as per unconsolidated statement of financial position						<u>9,660,753</u>
Segment liabilities for reportable segments	756,226	269,746	72,385	57,488	1,445	1,157,290
Unallocated corporate liabilities and deferred income						3,055,175
Total liabilities as per unconsolidated statement of financial position						<u>4,212,465</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.

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24.7 Other segment information

	Unaudited					Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	
	(Rupees in '000)					
For the six months ended 31 December 2020						
Capital expenditure	1,930	-	-	917	-	2,847
Depreciation and amortisation	36,806	14,711	30,249	26,860	1,048	109,674
Non-cash items other than depreciation and amortisation - net	121,319	1,558	57	6,698	(168,185)	(38,553)
For the six months ended 31 December 2019						
Capital expenditure	1,602	-	-	-	-	1,602
Depreciation and amortisation	39,724	15,638	30,271	26,758	1,392	113,783
Non-cash items other than depreciation and amortisation - net	105,401	12,006	72	8,859	(211,953)	(85,615)

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 Six months ended	
			31 December 2020	31 December 2019
			(Rupees in '000)	
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	668	666
Solution de Energy (Private) Limited	Subsidiary company	Loan Given	3,000	3,000
		Reimbursable expenses	2	48
Altern Energy Limited	Associated company	Dividend received	-	181,991
Shakarganj Limited	Associated company	Sales of finished goods	18,311	1,108
		Sales of electricity and steam	152,349	71,886
		Services received	3,215	884
		Reimbursable expenses	1,098	739
		Purchase of raw material	181,121	71,885
		Advance given for raw material	46,000	-
		Payment made against services received	565	-
Shakarganj Food Products Limited	Related party	Services given	3,264	-
		Payments received from services given	2,000	-
Crescent Socks (Private) Limited	Related party	Services given	200	-
The Crescent Textile Mills Limited	Associated company	Dividend received	-	271
		Payment received	290	36,385
		Services received	465	-
		Sales return	-	301
		Sales of finished goods	-	34,696
The Citizens' Foundation*	Related party	Donation given	4,149	133

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Continued ... Note 25: TRANSACTIONS WITH RELATED PARTIES

Name of entity	Nature of relationship	Nature of transaction	Unaudited Six months ended	
			31 December 2020	31 December 2019
			----- (Rupees in '000) -----	
Premier Insurance Limited*	Related party	Insurance premium	5,382	4,428
		Insurance premium paid	5,328	-
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	605	2,131
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,252	3,199
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	8,773	8,318
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	4,673	8,641
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	2,034	-
Key management personnel	Related parties	Remuneration and benefits	55,198	47,995
Directors	Related parties	Meeting fee	1,650	1,445

* 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 2020.

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 December 2020 (Un-audited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	186,359	16,010	-	202,369	202,369	-	-	202,369
- unlisted equity securities	482,956	-	-	482,956	-	-	482,956	482,956
	669,315	16,010	-	685,325	202,369	-	482,956	685,325
Financial assets not measured at fair value								
Deposits	-	-	288,033	288,033	-	-	-	-
Trade debts	-	-	252,091	252,091	-	-	-	-
Loan to subsidiary	-	-	94,208	94,208	-	-	-	-
Other receivables	-	-	41,583	41,583	-	-	-	-
Bank balances	-	-	7,052	7,052	-	-	-	-
	-	-	682,967	682,967	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	328,881	328,881	-	-	-	-
Lease liabilities	-	-	84,761	84,761	-	-	-	-
Trade and other payables	-	-	583,019	583,019	-	-	-	-
Mark-up accrued	-	-	15,119	15,119	-	-	-	-
Short term borrowings	-	-	1,443,710	1,443,710	-	-	-	-
Unclaimed dividend	-	-	25,765	25,765	-	-	-	-
	-	-	2,481,255	2,481,255	-	-	-	-
30 June 2020 (Audited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- listed equity securities	124,611	9,419	-	134,030	134,030	-	-	134,030
- unlisted equity securities	482,956	-	-	482,956	-	-	482,956	482,956
	607,567	9,419	-	616,986	134,030	-	482,956	616,986
Financial assets not measured at fair value								
Deposits	-	-	278,446	278,446	-	-	-	-
Trade debts	-	-	225,799	225,799	-	-	-	-
Loan to subsidiary	-	-	91,208	91,208	-	-	-	-
Other receivables	-	-	39,658	39,658	-	-	-	-
Bank balances	-	-	22,560	22,560	-	-	-	-
	-	-	657,671	657,671	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	239,680	239,680	-	-	-	-
Lease liabilities	-	-	111,287	111,287	-	-	-	-
Trade and other payables	-	-	715,436	715,436	-	-	-	-
Mark-up accrued	-	-	54,214	54,214	-	-	-	-
Short term borrowings	-	-	2,675,360	2,675,360	-	-	-	-
Unclaimed dividend	-	-	26,443	26,443	-	-	-	-
	-	-	3,822,420	3,822,420	-	-	-	-

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

Investments in subsidiaries and associates are stated at cost. 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 December 2020 for unquoted equity investments were same as at 30 June 2020. There was no change in significant unobservable inputs from 30 June 2020; therefore, carried at the same values.

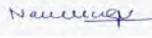
27. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements was authorized for issue in the Board of Directors meeting held on 11 February 2021.





Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL
STATEMENTS**

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

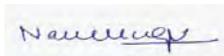
Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 December 2020

	Note	Unaudited 31 December 2020	Audited 30 June 2020
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,957,997	2,106,683
Right-of-use-assets		152,635	168,601
Intangible assets		147,787	145,728
Investment properties		88,416	51,061
Investment in equity accounted investees	6	3,437,894	3,087,141
Other long term investments	7	824,421	731,439
Long term deposits	8	234,048	224,748
Deferred taxation		179,167	291,489
		<u>7,022,365</u>	<u>6,806,890</u>
Current assets			
Stores, spares and loose tools		155,359	169,232
Stock-in-trade	9	1,297,545	2,130,741
Trade debts	10	252,091	225,799
Advances	11	133,467	54,017
Trade deposits and short term prepayments		68,007	66,102
Investments	12	466,609	339,692
Other receivables	13	172,808	207,404
Taxation - net		1,131,932	1,272,340
Cash and bank balances		8,693	23,748
		<u>3,686,511</u>	<u>4,489,075</u>
Total assets		<u>10,708,876</u>	<u>11,295,965</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,049,627	1,091,622
Revenue reserves		5,951,004	5,140,316
		<u>7,776,956</u>	<u>7,008,263</u>
Non-current liabilities			
Long term loans	14	188,622	190,335
Lease liabilities		50,869	64,820
Deferred income		7,759	7,053
Deferred liability - staff retirement benefits		23,713	23,713
		<u>270,963</u>	<u>285,921</u>
Current liabilities			
Trade and other payables	15	964,867	1,115,336
Unclaimed dividend		25,765	26,443
Mark-up accrued		15,752	55,112
Short term borrowings	16	1,471,006	2,702,863
Current portion of long term loans	14	140,259	49,345
Current portion of lease liabilities		33,892	46,467
Current portion of deferred income		9,416	6,215
		<u>2,660,957</u>	<u>4,001,781</u>
Contingencies and commitments	17	2,931,920	4,287,702
Total equity and liabilities		<u>10,708,876</u>	<u>11,295,965</u>

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



Chief Executive



Director



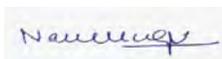
Chief Financial Officer

Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For the quarter and six months ended 31 December 2020

Note	Quarter ended		Six months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----				
Sales	1,781,858	941,639	4,469,495	1,719,874
Less: Sales tax	258,932	136,917	650,358	250,590
	<u>1,522,926</u>	<u>804,722</u>	<u>3,819,137</u>	<u>1,469,284</u>
Cost of sales	1,358,221	836,562	3,327,817	1,544,916
Gross profit / (loss)	<u>164,705</u>	<u>(31,840)</u>	<u>491,320</u>	<u>(75,632)</u>
Income from investments - net	40,014	312,856	116,489	283,368
	<u>204,719</u>	<u>281,016</u>	<u>607,809</u>	<u>207,736</u>
Distribution and selling expenses	3,249	4,805	5,719	7,490
Administrative expenses	61,781	61,593	129,760	119,439
Other operating expenses	10,797	13	26,911	13
	<u>75,827</u>	<u>66,411</u>	<u>162,390</u>	<u>126,942</u>
	<u>128,892</u>	<u>214,605</u>	<u>445,419</u>	<u>80,794</u>
Other income	157,428	15,211	165,240	24,447
Operating profit before finance costs	<u>286,320</u>	<u>229,816</u>	<u>610,659</u>	<u>105,241</u>
Finance costs	36,582	73,053	112,398	145,403
Share of profit in equity accounted investees - net of taxation	156,568	7,832	392,748	47,448
Profit before taxation	<u>406,306</u>	<u>164,595</u>	<u>891,009</u>	<u>7,286</u>
Taxation				
- current for the period	(25,066)	(31,208)	(60,038)	(40,472)
- current for prior year	-	-	(1,678)	-
- deferred	(35,167)	224,012	(104,444)	260,869
	<u>(60,233)</u>	<u>192,804</u>	<u>(166,160)</u>	<u>220,397</u>
Profit for the period	<u>346,073</u>	<u>357,399</u>	<u>724,849</u>	<u>227,683</u>
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)	95,093	8,679	85,839	16,337
Items that will be reclassified subsequently to profit or loss				
Proportionate share of other comprehensive (loss) / income of equity accounted investees	(42,241)	7,901	(41,995)	8,002
	<u>52,852</u>	<u>16,580</u>	<u>43,844</u>	<u>24,339</u>
Total comprehensive income for the period	<u><u>398,925</u></u>	<u><u>373,979</u></u>	<u><u>768,693</u></u>	<u><u>252,022</u></u>
----- (Rupees) -----				
Earnings per share - Basic and diluted	4.46	4.60	9.34	2.93

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)

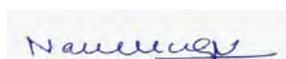
For the six months ended 31 December 2020

	Note	Six months ended	
		31 December 2020	31 December 2019
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash generated from operations	23	1,092,192	104,571
Taxes refund received / (paid)		78,693	(54,824)
Finance costs paid		(143,012)	(126,632)
Contribution to gratuity and pension funds		(11,548)	(11,517)
Contribution to Workers' Profit Participation Fund		-	(3,824)
Long term deposits - net		-	2,485
Net cash generated from / (used in) operating activities		<u>1,016,325</u>	<u>(89,741)</u>
Cash flows from investing activities			
Capital expenditure		(2,847)	(1,602)
Acquisition of intangible assets		(2,114)	(784)
Proceeds from disposal of operating fixed assets		153,429	1,742
Investments - net		(31,122)	34,163
Dividend income received		14,914	213,180
Interest income received		313	676
Net cash generated from investing activities		<u>132,573</u>	<u>247,375</u>
Cash flows from financing activities			
Proceeds from / (repayments of) long term loans - net		92,489	(64,947)
Payments against finance lease obligations		(23,907)	(30,831)
(Repayments of) / proceeds from short term loans obtained - net		(1,126,373)	210,993
Dividends paid		(678)	(49)
Net cash (used in) / generated from financing activities		<u>(1,058,469)</u>	<u>115,166</u>
Net increase in cash and cash equivalents		<u>90,429</u>	<u>272,800</u>
Cash and cash equivalents at beginning of the period		<u>(586,072)</u>	<u>(877,721)</u>
Cash and cash equivalents at end of the period	24	<u><u>(495,643)</u></u>	<u><u>(604,921)</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 Changes in Equity (Unaudited)
 For the six months ended 31 December 2020

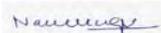
	Issued, subscribed and paid-up capital	Capital reserves		Total capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Others *		Fair value reserve	General reserve	Unappropriated profit		
(Rupees in '000)									
Balance as at 1 July 2019	776,325	1,020,908	62,542	1,083,450	36,670	3,642,000	1,417,637	5,096,307	8,039,532
Total comprehensive income for the period									
Profit after taxation for the period	-	-	-	-	-	-	227,683	227,683	227,683
Other comprehensive income									
Other comprehensive income for the period	-	-	8,002	8,002	16,337	-	-	16,337	24,339
Total comprehensive income for the period	-	-	8,002	8,002	16,337	-	227,683	244,020	252,022
Balance as at 31 December 2019	776,325	1,020,908	70,544	1,091,452	53,007	3,642,000	1,645,320	5,340,327	8,291,554
Balance as at 1 July 2020	776,325	1,020,908	70,714	1,091,622	28,772	3,642,000	1,469,544	5,140,316	7,008,263
Total comprehensive income for the period									
Profit after taxation for the period	-	-	-	-	-	-	724,849	724,849	724,849
Other comprehensive income									
Other comprehensive (loss) / income for the period	-	-	(41,995)	(41,995)	85,839	-	-	85,839	43,844
Total comprehensive income for the period	-	-	(41,995)	(41,995)	85,839	-	724,849	810,688	768,693
Balance as at 31 December 2020	776,325	1,020,908	28,719	1,049,627	114,611	3,642,000	2,194,393	5,951,004	7,776,956

* 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 six months ended 31 December 2020

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,
- 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 Holding Company acquired this subsidiary on 26 September 2011. The principal activity of the Subsidiary Company is to manage portfolio of shares, commodities and other securities (strategic as well as short term).
- 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 (JV) agreement between the Holding Company and a partnership concern. The principal activity of the Subsidiary Company is to build, own, operate and maintain 100MW solar power project (the Project) and to generate, accumulate, distribute, sell and supply electricity / power to PEPCO / DISCOS under the agreement with the Government of Pakistan or to any other consumer as permitted.
- 1.5 Crescent Continental Gas Pipelines Limited is not carrying on any business operations.
- 1.6 Details regarding the Group's associates are given in note 6 to this condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

- 2.1 These condensed interim consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act,
 - 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 2020. 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 2020.

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 2020 but they do not have a material effect on these condensed interim consolidated financial statements and therefore detailed have not been disclosed.

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 2021. 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 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2** Estimates and judgements made by management in the preparation of these condensed interim consolidated financial statements are the same as those that were applied to the annual audited consolidated financial statements of the Group for the year ended 30 June 2020.

5. PROPERTY, PLANT AND EQUIPMENT

		Unaudited	Audited
	Note	31 December	30 June 2020
		2020	
		----- (Rupees in '000) -----	
Operating fixed assets	5.1	1,865,315	2,015,212
Capital work-in-progress		92,682	91,471
		<u>1,957,997</u>	<u>2,106,683</u>

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

	Unaudited		Unaudited	
	Six months ended		Six months ended	
	31 December 2020		31 December 2019	
	Additions /	Disposals /	Additions /	Disposals
	Transfers	Transfers	Transfers	
	----- (Rupees in '000) -----			
Land	-	56,757	-	-
Plant and machinery - owned	-	53,148	-	-
Electrical / office equipment and installation	507	72	-	-
Computers	1,129	495	187	1,800
Motor vehicles - owned	-	-	-	3,997
	<u>1,636</u>	<u>110,472</u>	<u>187</u>	<u>5,797</u>

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited	Audited		Note	Unaudited	Audited
31 December	30 June 2020			31 December	30 June 2020
2020				2020	
(Number of shares)				----- (Rupees in '000) -----	
		Quoted			
63,967,500	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.1	3,349,348	2,875,409
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Anjum M. Saleem)	6.1	88,546	211,732
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.1	-	-
				<u>3,437,894</u>	<u>3,087,141</u>

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

Description	31 December 2020			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	Rupees in '000			
Opening balance as at 1 July 2020	2,875,409	211,732	-	3,087,141
Share of profit / (loss)	473,693	(80,945)	-	392,748
Share of equity	246	(42,241)	-	(41,995)
Closing balance as at 31 December 2020	3,349,348	88,546	-	3,437,894

Description	30 June 2020			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	Rupees in '000			
Opening balance as at 1 July 2019	2,865,712	401,194	-	3,266,906
Share of profit / (loss)	370,961	(197,482)	-	173,479
Share of equity	152	8,020	-	8,172
Dividend received	(361,416)	-	-	(361,416)
Closing balance as at 30 June 2020	2,875,409	211,732	-	3,087,141

6.2 These figures are based on financial statements / information of these companies as at 30 September 2020.

6.3 Percentage of holding of equity in associates is as follows

	Note	Unaudited 31 December 2020	Audited 30 June 2020
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 December 2020 is Rs. 3,340.563 million (30 June 2020: Rs. 3,284.274 million).

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2020	Audited 30 June 2020
(Rupees in '000)			
Fair value through other comprehensive income (FVOCI)	7.1	225,850	132,868
Fair value through profit or loss (FVTPL)	7.2 & 7.3	598,571	598,571
		824,421	731,439

- 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. 462.459 million and Rs. 136.112 million, respectively.

8. LONG TERM DEPOSITS

This includes security deposit amounting to Rs. 209.570 million (30 June 2020: Rs. 199.694 million) under Ijarah financing arrangement.

9. STOCK-IN-TRADE

		Unaudited 31 December 2020	Audited 30 June 2020
(Rupees in '000)			
Raw materials			
Hot rolled steel coils (HR Coil)		258,783	1,470,714
Coating materials		37,633	39,315
Remelting steel scrap		194,605	56,030
Others		94,748	117,476
Raw cotton		91,312	118,521
Stock-in-transit		465,235	58,535
		1,142,316	1,860,591
Provision for obsolescence and slow-moving raw materials		(2,039)	(2,039)
		1,140,277	1,858,552
Work-in-process		14,711	46,508
Finished goods	9.1	137,059	214,215
Scrap / cotton waste		5,498	11,466
		157,268	272,189
		1,297,545	2,130,741

- 9.1** Stock in trade as at 31 December 2020 includes certain items valued at net realisable value (NRV). Charge for the period in respect of stock written down to NRV amounting to Rs. Nil (30 June 2020: Reversal of Rs. 6.906 million) has been recognised in cost of sales.

10. TRADE DEBTS

	Note	Unaudited 31 December 2020	Audited 30 June 2020
(Rupees in '000)			
Secured			
Considered good		80,323	158,208
Unsecured			
Considered good	10.1	171,768	67,591
Considered doubtful		30,706	30,706
		202,474	98,297
Impairment loss on trade debts		(30,706)	(30,706)
		252,091	225,799
10.1	This includes balance due from following related party:		
	The Crescent Textile Mills Limited	175	-

11. ADVANCES

This includes advances amounting to Rs. 132.57 million (30 June 2020: Rs. 52.731 million) given to suppliers for goods and services.

12. INVESTMENTS

	Note	Unaudited 31 December 2020	Audited 30 June 2020
(Rupees in '000)			
At fair value through profit or loss (FVTPL)	12.1	466,609	339,692
12.1	These comprise investment in ordinary shares of listed companies and units of mutual funds. These also include investments in Jubilee Spinning and Weaving Mills Limited and Innovative Investment Bank Limited, which had been fully provided for as the break-up value of their shares was Rs. Nil per share (30 June 2020: Rs. Nil per share).		
12.2	Investments having an aggregate market value of Rs. 2,118.107 million (30 June 2020: Rs. 1,871.782 million) have been pledged with financial institutions as security against financing facilities (see note 16.4) out of which Rs. 1,778.805 million (30 June 2020: Rs. 1,468.823 million) relates to long term investments.		

13. OTHER RECEIVABLES

	Note	Unaudited 31 December 2020	Audited 30 June 2020
----- (Rupees in '000) -----			
Dividend receivable		1,438	885
Provision there against		(885)	(885)
		<u>553</u>	<u>-</u>
Receivable against sale of investments		17,723	17,723
Provision there against		(17,723)	(17,723)
Receivable against sale of investments		-	-
Receivable against rent from investment property		519	305
Claim receivable		-	989
Due from related parties	13.1	9,633	1,102
Sales tax refundable		119,336	154,859
Margin on letter of credit and guarantee		15,359	15,359
Receivable from staff retirement benefits funds		24,995	24,995
Others		2,413	9,795
		<u>172,808</u>	<u>207,404</u>

13.1 Due from related parties

Shakarganj Limited		1,113	1,102
Shakarganj Food Products Limited		8,520	-
		<u>9,633</u>	<u>1,102</u>

14. LONG TERM LOANS

		Unaudited 31 December 2020	Audited 30 June 2020
----- (Rupees in '000) -----			
Secured - Under non-shariah arrangement			
Allied Bank Limited	14.1	185,968	195,240
Habib Metropolitan Bank Limited - Government grant	14.2	142,913	44,440
		<u>328,881</u>	<u>239,680</u>
Less: Current portion shown under current liabilities		140,259	49,345
		<u>188,622</u>	<u>190,335</u>

- 14.1** During year ended 30 June 2017, Holding Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million have been disbursed till date. The term of the loan is 5 years from the date of disbursement with a grace period of one year, repayable in 16 equal quarterly installments starting after fifteen months from date of disbursement. During the period, the Holding Company has made repayment of Rs. 9.272 million (30 June 2020: Rs. 18.544 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per

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

The mark-up on such arrangements ranged from 8.19% to 10.04% (30 June 2020: 12.69% to 14.99%) per annum. The facility is secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Holding Company.

- 14.2** During the year ended 30 June 2020, the Holding Company entered into new loan arrangement with Habib Metropolitan Bank Limited under the State Bank of Pakistan's (SBP) "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concern". The Holding Company has obtained the said loan at subsidized rate in two tranches in May 2020 and June 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.

During the period, the Holding Company further entered into new loan arrangement with Habib Metropolitan Bank Limited under the SBP's "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concern". The Holding Company has obtained the said loan at subsidized rate in four tranches; 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 arrangements ranged from 8.68% to 10.16% per annum.

15. TRADE AND OTHER PAYABLES

	Note	Unaudited 31 December 2020	Audited 30 June 2020
		----- (Rupees in '000) -----	
Trade creditors		183,599	263,949
Bills payable		81,201	42,647
Commission payable		2,044	1,925
Customer's security deposits		545	-
Accrued liabilities		295,706	411,753
Advances from customers		25,240	95,674
Provisions		249,548	237,414
Due to related parties	15.1	17,584	4,016
Payable against purchase of investments		936	-
Payable to provident fund		1,950	2,067
Payable to staff retirement benefit funds		2,801	2,257
Retention money		10,471	10,471
Sales tax payable		24,355	12,297
Withholding tax payable		7,509	1,504
Workers' Profit Participation Fund		18,188	2,061
Workers' Welfare Fund		9,993	4,114
Others		33,197	23,187
		964,867	1,115,336

15.1 Due to related parties

Premier Insurance Company Limited	262	232
Staff Benevolent Fund	2,007	-
Shakarganj Food Products Limited	6,247	-
The Citizens Foundation	4,043	-
Shakarganj Limited	5,025	3,784
	17,584	4,016

16. SHORT TERM BORROWINGS

	Note	Unaudited 31 December 2020	Audited 30 June 2020
----- (Rupees in '000) -----			
Secured from banking companies			
Running finances under mark-up arrangements	16.1	504,336	609,820
Short term loans	16.2	966,670	2,093,043
		<u>1,471,006</u>	<u>2,702,863</u>

16.1 Short term running finance / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2020: Rs. 1,310.8 million) out of which Rs. 300 million (30 June 2020: Rs. 300 million) and Rs. 150 million (30 June 2020: Rs. 150 million) and Rs. 300 million (30 June 2020: Rs. 450 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 8.19% to 10.54% (30 June 2020: 10.33% to 15.85%) per annum.

16.2 These include an amount of Rs. 596.066 million (30 June 2020: Rs. 697.11 million) outstanding against Islamic mode of financing. Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 4,350 million (30 June 2020: Rs. 4,600 million) out of which Rs. 3,650 million (30 June 2020: Rs. 3,400 million), Rs. 350 million (30 June 2020: Rs. 255 million) and Rs. 305 million (30 June 2020: Rs. 350 million) are interchangeable with letters of credit, short-term running finance and letters of guarantee facility, respectively. During the period, the mark-up on such arrangements ranged from 8.19% to 10.54% (30 Jun 2020: 9.79% to 16.18%) per annum.

16.3 The facilities for opening letters of credit amounted to Rs. 4,600 million (30 June 2020: Rs. 4,600 million) out of which Rs. 300 million (30 June 2020: Rs. 300 million), Rs. 3,650 million (30 June 2020: Rs. 3,650 million) and Rs. 305 million (30 June 2020: Rs. 255 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 December 2020 amounted to Rs. 1,847 million (30 June 2020: Rs. 1,826.1 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2020 were Rs. 4,090.25 million and Rs. 222.5 million (30 June 2020: Rs. 4,458.24 million and Rs. 71.423 million), respectively.

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

17. CONTINGENCIES AND COMMITMENTS**17.1 Contingencies**

There is no significant change in the status of the matters as set out in note 12.3,15, 29.3 and 30.1 to the Group's annual consolidated financial statements for the year ended 30 June 2020.

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 December 2020, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 116.532 million (30 June 2020: Rs. 121.692 million), which is payable in quarterly installments of Rs. 22.898 million (30 June 2020: Rs. 22.898 million).

17.2.2 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 1,624.33 million (30 June 2020: Rs. 1,654 million). These include guarantees issued by Islamic banks amounting to Rs. 207.590 million (30 June 2020: Rs. 153.591 million).

17.2.3 Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 December 2020 amounted to Rs. 8.455 million (30 June 2020: Rs. 8.455 million).

17.2.4 Commitments under letters of credit as at 31 December 2020 amounted to Rs. 509.75 million (30 June 2020: Rs. 228.486 million).

18. SALES	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----					
Local sales					
	18.1	497,257	25,334	2,537,884	247,012
		508,428	277,920	508,428	277,920
		5,753	1,244	5,753	84,374
		7,802	10,272	32,972	11,810
		532,616	507,258	1,056,829	933,119
		54,405	47,051	54,405	47,051
		123,728	37,055	123,728	37,055
		25,935	20,726	52,987	37,133
		25,934	14,779	96,509	44,400
		<u>1,781,858</u>	<u>941,639</u>	<u>4,469,495</u>	<u>1,719,874</u>

18.1 This is presented net of liquidated damages amounting to 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 Quarter ended		Unaudited Six months ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----					
	19.1	14,008	208,248	15,467	213,092
	19.2	3,765	2,782	6,420	(4,775)
	19.3	20,096	100,196	89,376	71,790
	19.5	2,145	1,630	5,226	3,261
		<u>40,014</u>	<u>312,856</u>	<u>116,489</u>	<u>283,368</u>

19.1 This includes Rs. 7.436 million earned on investments in Shariah Compliant Investee Companies.

19.2 This includes gain of Rs. 2.716 million incurred on investments in Shariah Compliant Investee Companies.

19.3 This includes gain of Rs. 76.06 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. 6.852 million (31 December 2019: Rs. 0.280 million). Further, Rs. Nil (31 December 2019: Rs. 1.293 million) were incurred against non rented out area.

20. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	----- (Rupees in '000) -----			
Provision for:				
Workers' Profit Participation Fund	4,633	13	16,127	13
Workers' Welfare Fund	1,259	-	5,879	-
Slow moving stores, spares and loose tools	4,905	-	4,905	-
	<u>10,797</u>	<u>13</u>	<u>26,911</u>	<u>13</u>

21. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	----- (Rupees in '000) -----			
Mark-up on short term loans - Shariah arrangement	5,728	29,985	17,990	29,985
Interest on - Non - Shariah arrangement	-	-	-	-
- finance lease obligations	1,954	5,078	4,066	8,854
- long term loan	7,286	8,714	13,175	18,459
- running finances / short term loans	27,308	27,074	74,440	83,915
Bank charges	(5,694)	2,202	2,727	4,190
	<u>36,582</u>	<u>73,053</u>	<u>112,398</u>	<u>145,403</u>

22. BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	----- (Rupees in '000) -----			
Profit for the period	<u>346,073</u>	<u>357,399</u>	<u>724,849</u>	<u>227,683</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 per share - Basic and diluted	<u>4.46</u>	<u>4.60</u>	<u>9.34</u>	<u>2.93</u>

23. CASH GENERATED FROM OPERATIONS

	Note	Unaudited	
		Six months ended	
		31 December 2020	31 December 2019
		----- (Rupees in '000) -----	
Profit before taxation		891,009	7,286
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		110,699	114,908
Amortization of intangible assets		200	96
Charge for the period on staff retirement benefit funds		11,548	11,517
Dividend income		(15,467)	(213,092)
Unrealized gain on FVTPL investments - net		(89,376)	(71,790)
(Gain) / loss on sale of FVTPL investments - net		(6,420)	4,775
Provision for stores, spares and loose tools - net		4,905	-
Provision for Workers' Welfare Fund		5,879	-
Provision for Workers' Profit Participation Fund		16,127	13
Provision for liquidated damages		6,429	-
Return on deposits		(284)	(676)
Gain on disposal of operating fixed assets		(134,131)	(804)
Deferred income		(4,333)	(3,628)
Unwinding of discount on long term deposit		(11,301)	(11,000)
Liabilities written back		-	(804)
Finance costs		112,398	145,403
Share of profit from equity accounted investees - net of taxation		(392,748)	(47,448)
Working capital changes	23.1	<u>587,058</u>	<u>169,815</u>
		<u>1,092,192</u>	<u>104,571</u>
23.1 Working capital changes			
<i>Decrease / (increase) in current assets</i>			
Stores, spares and loose tools		8,968	18,740
Stock-in-trade		833,196	(197,456)
Trade debts		(26,292)	(1,579)
Advances		(79,450)	13,915
Trade deposits and short term prepayments		96	(16,722)
Other receivables		<u>35,149</u>	<u>30,650</u>
		<u>771,667</u>	<u>(152,452)</u>
<i>(Decrease) / increase in current liabilities</i>			
Trade and other payables		<u>(184,609)</u>	<u>322,267</u>
		<u>587,058</u>	<u>169,815</u>
24. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(504,336)	(621,867)
Cash and bank balances		<u>8,693</u>	<u>16,946</u>
		<u>(495,643)</u>	<u>(604,921)</u>
25. SEGMENT REPORTING			
25.1 Reportable segments			

The Group's reportable segments are as follows:

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

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

25.2 Segment revenues and results

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

For the six months ended 31 December 2020	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
------(Rupees in '000)-----							
Sales - net	2,288,930	915,258	183,075	468,669	-	(36,795)	3,819,137
Cost of sales	1,865,336	821,733	190,481	487,062	-	(36,795)	3,327,817
Gross profit / (loss)	423,594	93,525	(7,406)	(18,393)	-	-	491,320
Income from investments	-	-	-	-	116,489	-	116,489
	423,594	93,525	(7,406)	(18,393)	116,489	-	607,809
Distribution and selling expenses	3,767	1,630	-	322	-	-	5,719
Administrative expenses	87,524	18,014	1,474	6,877	15,871	-	129,760
Other operating expenses	22,756	4,155	-	-	-	-	26,911
	114,047	23,799	1,474	7,199	15,871	-	162,390
	309,547	69,726	(8,880)	(25,592)	100,618	-	445,419
Other income	20,057	11,308	-	5,674	128,201	-	165,240
Operating profit / (loss) before finance costs	329,604	81,034	(8,880)	(19,918)	228,819	-	610,659
Finance costs	98,398	6,029	1	6,598	1,372	-	112,398
Share of profit in equity accounted investees - net of taxation	-	-	-	-	392,748	-	392,748
Profit / (loss) before taxation	231,206	75,005	(8,881)	(26,516)	620,195	-	891,009
Taxation							(166,160)
Profit for the period							724,849

For the six months ended 31 December 2019	Unaudited						Total
	Steel segment (Restated)	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
------(Rupees in '000)-----							
Sales - net	356,859	801,606	93,125	238,933	-	(21,239)	1,469,284
Cost of sales	432,287	776,938	108,569	248,361	-	(21,239)	1,544,916
Gross (loss) / profit	(75,428)	24,668	(15,444)	(9,428)	-	-	(75,632)
Income from investments - net	-	-	-	-	283,368	-	283,368
	(75,428)	24,668	(15,444)	(9,428)	283,368	-	207,736
Distribution and selling expenses	5,646	1,518	-	326	-	-	7,490
Administrative expenses	86,274	17,479	1,832	2,451	11,403	-	119,439
Other operating expenses	-	13	-	-	-	-	13
	91,920	19,010	1,832	2,777	11,403	-	126,942
	(167,348)	5,658	(17,276)	(12,205)	271,965	-	80,794
Other income	17,533	5,868	-	1,046	-	-	24,447
Operating (loss) / profit before finance costs	(149,815)	11,526	(17,276)	(11,159)	271,965	-	105,241
Finance costs	111,977	11,445	2	8,759	13,220	-	145,403
Share of profit in equity accounted investees - net of taxation	-	-	-	-	47,448	-	47,448
(Loss) / profit before taxation	(261,792)	81	(17,278)	(19,918)	306,193	-	7,286
Taxation							(220,397)
Profit for the period							227,683

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. 30.826 million (31 December 2019: Rs. Nil) and Rs. 5.969 million (31 December 2019: Rs. Nil) of scrap sales by Steel Segment to Hadeed (Billet) Segment.

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 2020. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

25.3 Revenue from major products and services

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

25.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 2,162.604 million (31 December 2019: Rs. 280.300 million) of total Steel segment revenue of Rs. 2,288.930 million (31 December 2019: Rs. 356.859 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 329.174 million (31 December 2019: Rs. 140.188 million) of total Cotton segment revenue of Rs. 915.258 million (31 December 2019: Rs. 801.606 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 152.248 million (31 December 2019: Rs. 71.885 million) of total Energy segment revenue of Rs. 183.075 (31 December 2019: Rs. 93.125 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. 452.134 million (31 December 2019: Rs. 212.411 million) of total Hadeed (Billet) segment revenue of Rs. 468.669 million (31 December 2019: Rs. 238.933 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 December 2020 and 30 June 2020 were located and operating in Pakistan.

25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	----- (Rupees in '000) -----					
As at 31 December 2020 - Unaudited						
Segment assets for reportable segments	1,770,356	389,230	810,657	1,337,319	1,399,526	5,707,088
Investment in equity accounted investees	-	-	-	-	3,437,894	3,437,894
Unallocated corporate assets						1,563,894
Total assets as per consolidated statement of financial position						10,708,876
Segment liabilities for reportable segments	549,171	199,064	84,563	181,612	34,413	1,048,823
Unallocated corporate liabilities and deferred income						1,883,097
Total liabilities as per consolidated statement of financial position						2,931,920
As at 30 June 2020 - Audited						
Segment assets for reportable segments	2,934,338	506,150	809,174	846,220	1,143,380	6,239,262
Investment in equity accounted investees	-	-	-	-	3,087,141	3,087,141
Unallocated corporate assets						1,969,562
Total assets as per consolidated statement of financial position						11,295,965
Segment liabilities for reportable segments	756,226	269,746	118,597	57,488	30,470	1,232,527
Unallocated corporate liabilities and deferred income						3,055,175
Total liabilities as per consolidated statement of financial position						4,287,702

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

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

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

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

25.7 Other segment information

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
	----- Unaudited -----					
	----- (Rupees in '000) -----					
For the six months ended 31 December 2020						
Capital expenditure	1,930	-	2,114	917	-	4,961
Depreciation and amortization	36,806	14,711	30,249	26,860	2,273	110,899
Non-cash items other than depreciation and amortization	121,319	5,506	58	6,698	(630,355)	(496,774)
For the six months ended 31 December 2019						
Capital expenditure	1,602	-	-	-	-	1,602
Depreciation and amortization	39,724	15,638	26,758	30,270	2,614	115,004
Non-cash items other than depreciation and amortization	105,592	16,603	74	8,859	(318,662)	(187,534)

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	
			Six months ended	
			31 December 2020	31 December 2019
----- (Rupees in '000) -----				
Shakarganj Limited	Associated company	Sales of finished goods	18,311	1,108
		Sales of electricity and steam	152,249	71,886
		Services received	3,215	884
		Reimbursable expenses	1,098	739
		Advance given for raw material	46,000	-
		Purchase of raw material	181,121	71,885
		Payment made against services received	565	-
Shakarganj Food Products Limited	Related party	Services given	3,264	-
		Payments received from services given	2,000	-
The Crescent Textile Mills Limited	Associated company	Dividend received	-	271
		Payment received	290	36,385
		Services received	465	-
		Sales return	-	301
		Sales of finished goods	-	34,696
Crescent Socks (Private) Limited	Related party	Services given	200	-
The Citizens' Foundation*	Related party	Donation given	4,149	133
Premier Insurance Limited*	Related party	Insurance premium	5,382	4,428
		Insurance premium paid	5,328	-
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	2,034	-
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	605	2,131
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,252	3,199
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	8,773	8,318
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	4,673	8,641
Key management personnel	Related parties	Remuneration and benefits	55,198	47,995
Directors	Related parties	Meeting fee	1,650	1,445

* 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 2020.

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 December 2020 (Unaudited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment								
- Listed equity securities	466,609	225,850	-	692,459	692,459	-	-	692,459
- Unlisted equity securities	598,571	-	-	598,571	-	-	598,571	598,571
	1,065,180	225,850	-	1,291,030	692,459	-	598,571	1,291,030
Financial assets not measured at fair value								
Deposits								
	-	-	291,078	291,078	-	-	-	-
Trade debts								
	-	-	252,091	252,091	-	-	-	-
Other receivables								
	-	-	28,477	28,477	-	-	-	-
Bank balances								
	-	-	7,723	7,723	-	-	-	-
	-	-	579,369	579,369	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans								
	-	-	328,881	328,881	-	-	-	-
Lease liabilities								
	-	-	84,761	84,761	-	-	-	-
Trade and other payables								
	-	-	630,034	630,034	-	-	-	-
Mark-up accrued								
	-	-	15,752	15,752	-	-	-	-
Short term borrowings								
	-	-	1,471,006	1,471,006	-	-	-	-
	-	-	2,530,434	2,530,434	-	-	-	-

30 June 2020 (Audited)

	Carrying amount				Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investment									
- Listed equity securities	339,692	132,868	-	-	472,560	472,560	-	-	472,560
- Unlisted equity securities	598,571	-	-	-	598,571	-	-	598,571	598,571
	<u>938,263</u>	<u>132,868</u>	<u>-</u>	<u>-</u>	<u>1,071,131</u>	<u>472,560</u>	<u>-</u>	<u>598,571</u>	<u>1,071,131</u>
Financial assets not measured at fair value									
Deposits	-	-	281,491	-	281,491	-	-	-	-
Trade debts	-	-	225,799	-	225,799	-	-	-	-
Other receivables	-	-	27,550	-	27,550	-	-	-	-
Bank balances	-	-	23,748	-	23,748	-	-	-	-
	<u>-</u>	<u>-</u>	<u>558,588</u>	<u>-</u>	<u>558,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Long term loan	-	-	-	239,680	239,680	-	-	-	-
Lease liabilities	-	-	-	111,287	111,287	-	-	-	-
Trade and other payable	-	-	-	762,271	762,271	-	-	-	-
Unclaimed dividend	-	-	-	26,443	26,443	-	-	-	-
Mark-up accrued	-	-	-	55,112	55,112	-	-	-	-
Short term borrowings	-	-	-	2,702,863	2,702,863	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,897,656</u>	<u>3,897,656</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

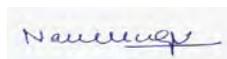
The valuation techniques used in measuring level 3 fair values as at 31 December 2020 for unquoted equity investments were same as at 30 June 2020. There was no change in significant unobservable inputs from 30 June 2020; therefore, carried at same values.

28. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 11 February 2021.



Chief Executive



Director



Chief Financial Officer

