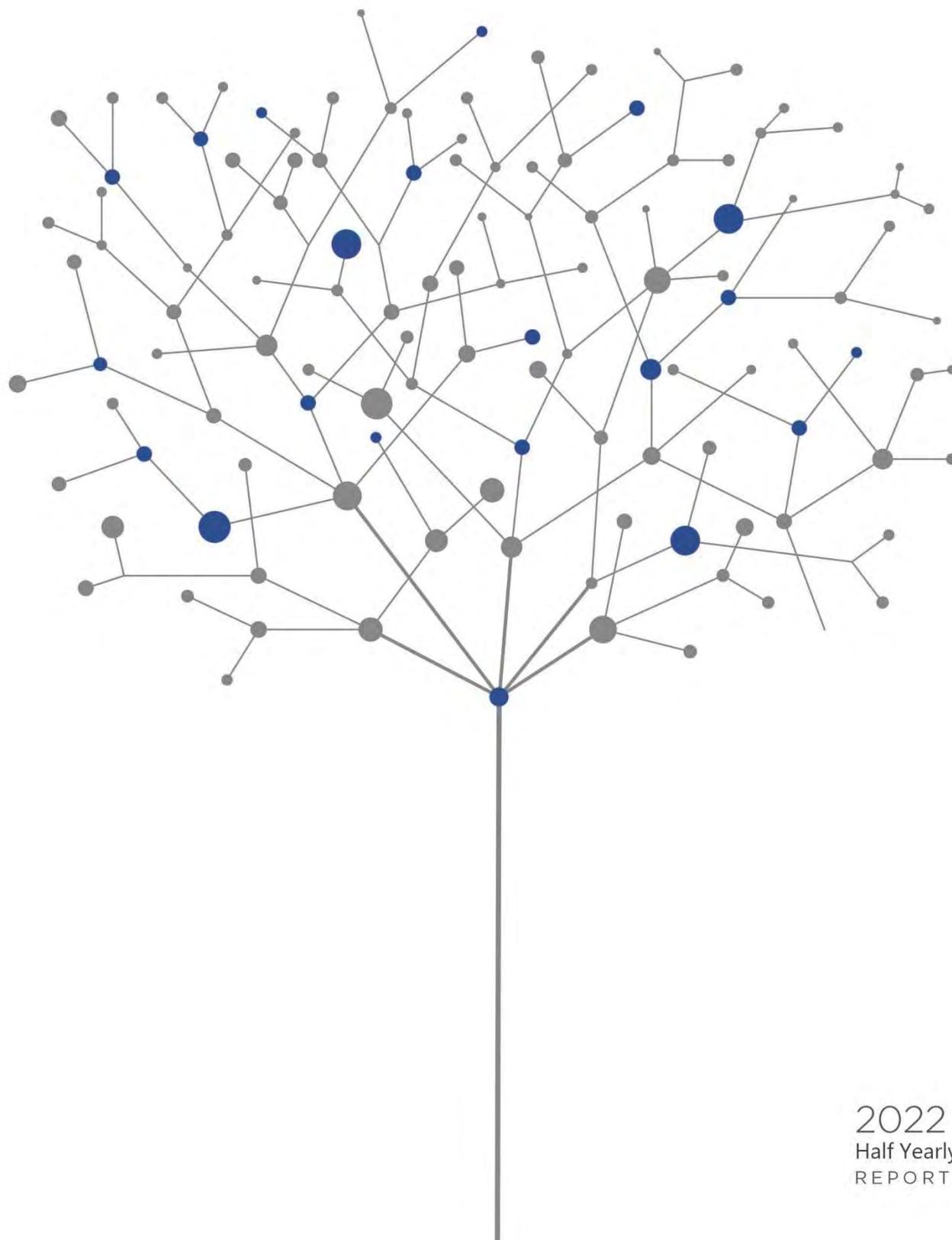




Crescent Steel and
Allied Products Limited



2022
Half Yearly
REPORT

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COMPANY PROFILE

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

STEEL DIVISION - SPIRAL PIPE PRODUCTION LINE, PIPE COATINGS AND FABRICATION

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

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

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

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

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

COTTON DIVISION - COTTON YARN SPINNING UNIT

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

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

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

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

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

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

CS ENERGY DIVISION

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

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

CRESCENT HADEED DIVISION– BILLET MANUFACTURING UNIT

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

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

SUBSIDIARY COMPANIES

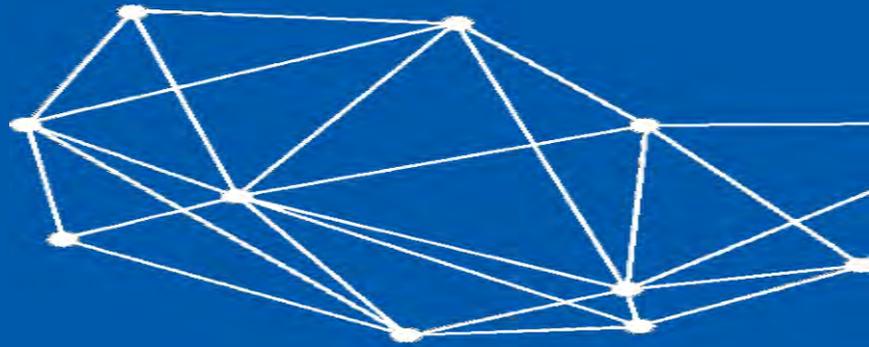
CS CAPITAL (PRIVATE) LIMITED

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

SOLUTION DE ENERGY (PRIVATE) LIMITED

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

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



COMPANY INFORMATION

BOARD OF DIRECTORS

Ahmad Waqar

Chairman, Non-Executive Director

Ahsan M. Saleem

Chief Executive Officer

Farah Ayub Tarin

Non-Executive Director (Independent)

Farrukh V. Junaidy

Non-Executive Director (Independent)

Muhammad Kamran Saleem

Non-Executive Director (Independent)

Nadeem Maqbool

Non-Executive Director (Independent)

Nasir Shafi

Non-Executive Director

S.M. Ehtishamullah

Non-Executive Director

COMPANY SECRETARY

Iesha Fazal

AUDIT COMMITTEE

Farrukh V. Junaidy

Chairman, Non-Executive Director (Independent)

Nadeem Maqbool

Member, Non-Executive Director (Independent)

Nasir Shafi

Member, Non-Executive Director

S.M. Ehtishamullah

Member, Non-Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Nadeem Maqbool

Chairman, Non-Executive Director (Independent)

Ahmad Waqar

Member, Non-Executive Director

Farah Ayub Tarin

Member, Non-Executive Director (Independent)

Nasir Shafi

Member, Non-Executive Director

GOVERNANCE AND NOMINATION COMMITTEE

Ahmad Waqar

Chairman, Non-Executive Director

Ahsan M. Saleem

Member, Chief Executive Officer

Farrukh V. Junaidy

Member, Non-Executive Director (Independent)

RISK MANAGEMENT COMMITTEE

S.M. Ehtishamullah

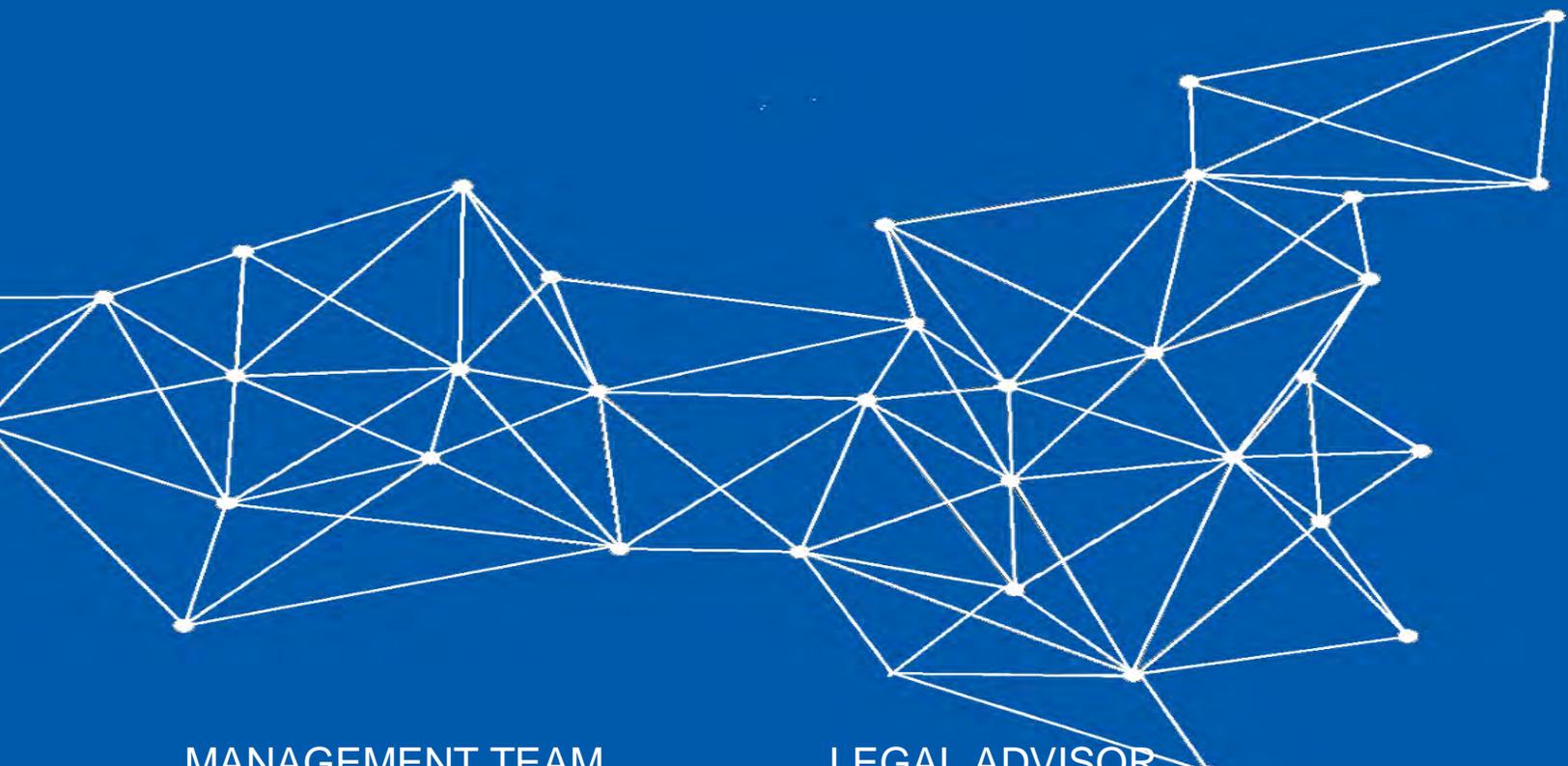
Chairman, Non-Executive Director

Farah Ayub Tarin

Member, Non-Executive Director (Independent)

Muhammad Kamran Saleem

Member, Non-Executive Director (Independent)



MANAGEMENT TEAM

Ahsan M. Saleem - 1983*

Chief Executive Officer

Muhammad Saad Thaniana - 2007*

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

Abdul Rouf - 2000*

Business Unit Head - Cotton Division

Arif Raza - 1985*

Business Unit Head - Steel Division

Hajerah A. Saleem - 2012*

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

Hasan Altaf Saleem - 2010*

Business Unit Head – Crescent Hadeed

Abdullah A. Saleem – 2017*

Head of Supply Chain

Iqbal Abdulla - 2014*

IT Advisor

Mushtaque Ahmed - 1985*

Head of Manufacturing - Steel Division

HEAD OF INTERNAL AUDIT

Azeem Sarwar - 2018*

AUDITORS

External Auditors

A.F. Ferguson & Co
Chartered Accountants

Internal Auditors

BDO Ebrahim & Co
Chartered Accountants

LEGAL ADVISOR

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

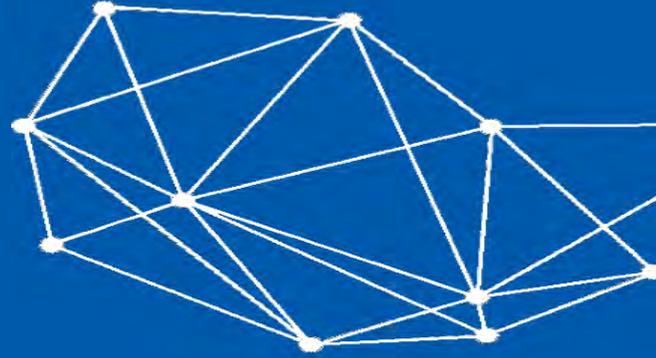
BANKERS

Conventional

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

Shariah Compliant

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



SUBSIDIARIES**

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

REGISTERED OFFICE

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

LIAISON OFFICE LAHORE

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

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, Dalawal,
District Faisalabad, Punjab.
Tel : +92 41 2569 825-26
Fax: +92 41 2679 825

COTTON DIVISION CRESCENT COTTON PRODUCTS

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

CRESCENT HADEED DIVISION BILLET MANUFACTURING UNIT

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



CS ENERGY DIVISION POWER GENERATION UNIT

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

PUBLIC INFORMATION

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

Ms. Isha Fazal

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

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 2022 go to:
<https://crescent.com.pk/wp-content/uploads/2021/10/Half-Yearly-Report-2022>



DIRECTORS' REPORT

The Directors of the Company have pleasure in submitting their report together with unaudited condensed interim unconsolidated and consolidated financial statements of the Company and the Group, respectively, for the half year ended 31 December 2021.

ECONOMIC OUTLOOK

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

As we stepped into the third quarter of FY22 and a new calendar year, we take comfort in the fact the pandemic crisis has eased out with business and operations normalizing fast in Pakistan which is apparent in increasing productivity – LSM for example is up 3.3% during July to November 2021. The projections for FY22 growth have been revised upwards from 3.4% to 4%

For Pakistan, however, fiscal year 2022 has already been a difficult year as the government took steps to roll back stimulus measures and monetary easing. So far, the SBP has raised policy rates by 275 bps taking rates from 7% to 9.75%, with an expectation of further tightening if inflationary pressures continue to tick upward.

Rising international oil prices have been contributing to both, energy price inflation as well as the growing import bill which stood at 2.7x exports at USD 40.5 billion resulting in a widening deficit of USD 25.4 billion and absorbing the entire remittances inflow of USD 15.8 billion. During the period the rupee has also seen approximately 13% depreciation against green back, however, no significant depreciation is expected in the near term.

Pakistan has managed to satisfy IMF requirements securing the release of a USD 1 billion tranche under the Extended Fund Facility. We expect that this will help improve investor confidence in the months to come.

Pakistan's economic challenges as we look ahead will be compounded by several factors. One is failing state-owned enterprises. Their struggles are a big reason why Pakistan's public debt stands at 80.94% of GDP. Others include inflationary pressures, payback and refinancing asks, revenue collections, a widening deficit and worsening regional and domestic security conditions.

The immediate challenge for the government is to continue to push toward fiscal consolidation and policy reforms to achieve macroeconomic stability, especially in broadening the tax base and improving the business environment. Critical reforms are required to promote high value-added exports the right way, expand spending on quality education and providing adequate social security to people, reinforce energy sector sustainability, and implement structural changes that will strengthen institutions for lasting stability.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overall Financial Performance

During half year ended 31 December 2021 (HYFY22) the Company's after tax profit amounted to Rs. 882.5 million as compared to after tax profit of Rs. 312.6 million in HYFY21. Earnings per share (EPS) for HYFY22 was Rs. 11.37 per share, as compared to EPS of Rs. 4.03 in HYFY21.

Company's sales revenue for the HYFY22 stood at Rs. 2,640.7 million (HYFY21: Rs. 3,819.1 million, which generated a gross profit (GP) of Rs. 80.1 million (HYFY21: GP of Rs. 491.3 million) which was 3.03 percent of sales as compared to 12.86 percent in HYFY21.

Steel division, Cotton division, Hadeed (Billet) division and CS Energy division generated 44.3 percent, 47.7 percent, 4.9 percent and 3.1% of the total sales respectively. Turnover of Steel division was Rs. 1,170.9 million (HYFY21: Rs. 2,288.9 million). Cotton Division posted a turnover of Rs. 1,258.8 million (HYFY21: Rs. 915.3 million), an increase of 37.5 percent. During HYFY22, gross loss of the Steel division amounted to Rs. 73.9 million (HYFY21: GP of Rs. 423.6 million), whereas Cotton Division reported a GP of Rs. 203.7 million (HYFY21: Rs. 93.5 million).

The Steel Division reported Loss before tax (LBT) of Rs. 274.2 million (HYFY21 Profit before tax: Rs. 231.2 million). Cotton Division reported Profit before tax (PBT) of Rs. 168.2 million

(HYFY21 PBT: Rs. 75.0 million). IID Division reported a PBT of Rs. 1,099.2 million (HYFY21 PBT: Rs. 163.0 million).

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

- Sales revenue decreased to Rs. 2,640.7 million as compared to Rs. 3,819.1 million in HYFY21.
- Income from Investment amounted to Rs. 1,107.6 million as compared to Rs. 47.9 million in HYFY21.
- Gross profit of Rs. 80.1 million as compared to a gross profit of Rs. 491.3 million in HYFY21.
- Other income decreased to Rs. 32.4 million as compared to Rs. 165.2 million in HYFY21.
- Earnings before interest and tax (EBIT) for HYFY22 was Rs. 1,028.5 million as compared to EBIT of Rs. 545.0 million in HYFY21.
- EBITDA was Rs. 1,131.7 million as compared to Rs. 654.7 million in HYFY21.
- EPS for HYFY22 was Rs. 11.37, as compared to EPS of Rs. 4.03 for HYFY21.
- Return on average capital employed (annualized) was 47.3 percent for HYFY22 as compared to 13.5 percent in corresponding period last year.
- Break-up value per share increased to Rs. 88.23 from Rs. 76.91 as at 30 June 2021.

BUSINESS SEGMENTS

Steel Segment

Steel Division revenue for HYFY22 amounted to Rs. 1,170.9 million as compared to Rs. 2,288.9 million in corresponding period last year. Total gross loss during the HYFY22 amounted to Rs. 73.9 million (i.e. -6.3%), as compared to gross profit of Rs. 423.6 million (i.e. 18.5 %) in corresponding period last year. The orders produced during the period were at negative margins due to steep rise in Steel prices and unprecedented global disruption in supply chains, additionally Plant idling resulted in unabsorbed fixed cost.

LBT for the period stood at Rs. 274.2 million as compared to Rs. 231.2 million in corresponding period last year.

Cotton Segment

Despite prices of cotton both local and international have peaked to a 10 year high, market rates for yarn remained

attractive, not only absorbed the increased costs but resulted in margins. Basically, supported by Dollar exchange rates. Resultantly, Cotton Division recorded sales revenue of 1,258.8 million as compared to Rs. 915.3 million in corresponding period last year. Division posted gross profit of Rs. 203.7 million (16.2% of sales) as compared to gross profit of Rs. 93.5 million (10.2 % of sales) in corresponding period last year.

IID Segment

Market Review

The KSE-100 opened fiscal year 2022 at 47,356.02 points, losing 6.18% during HYFY22 – performing lower than market expectations. The local bourse remained under pressure primarily due to continued foreign selling which stood at USD 250.34 million (Rs. 44.56 billion) constituting 0.58% of total market cap (Rs. 7.68 trillion). The KSE-100 is currently trading at a significant discount to regional peers, with a Price per Book Value (P/BV) of 1x and a forward Price Earnings (P/E) of 4.8x times, offering dividend yields of 8%.

Our portfolio of stock investments manages trading investments (8%) and strategic investments (92%) – the trading segment of the portfolio constitutes investments in blue chip Pakistan corporates with a 2-3 year investment horizon with indicative dividend yields of 8%. The trading segment P/E and P/BV are 5.49 and 1.4, respectively offering an attractive capital upside.

Segment Performance

The portfolio's accumulated PBT for the period ended 31 December 2021 stood at Rs. 1,099.2 million while PBT of Rs. 163.0 in the corresponding period last year.

The PBT includes Dividend income of Rs. 1,137.8 million of which Rs. 1,122.3 million is from Altern Energy Limited – An associated undertaking and Rs. 9.12 million constitutes dividends from the fair value through profit and loss (FVTPL) investments segment. Unrealized losses for the period stood at Rs. 32.1 million while gains of Rs. 0.9 million were realized.

During the period ended 31 December 2021, the division's FVTPL investments recorded a negative ROI of 9.86% on weighted average investments of Rs. 224.22 million whereas the benchmark KSE- 100 index decreased by 5.83%.

UNCONSOLIDATED BALANCE SHEET

Balance sheet footing stood at Rs. 10,656.1 million as of 31 December 2021, compared to Rs 8,705.6 million on 30 June 2021. Break-up value per share increased to Rs. 88.23 from Rs. 76.91 as at 30 June 2021.

Current ratio increased to 1.53, as compared to 1.45 as at 30 June 2021. Gearing ratio (including short term borrowings) increased to 27.9 percent as compared to 24.2 percent as at 30 June 2021. Interest cover for HYFY22 was 8.6 times (HYFY21: 4.9 times). This is without cash flow impact of dividend from Altern Energy Limited which was received on 10 January 2022.

Overall Consolidated Financial Performance

On a consolidated basis, operating loss before finance costs and share of profit in equity accounted investees amounted to Rs. 109.1 million (HYFY21: Profit Rs. 610.7 million). Consolidated loss after tax for the Group for HYFY22 was Rs.133.2 million as compared to profit after tax of Rs. 724.8 million in HYFY21. Net share of profit from equity-accounted associates amounted to Rs. 41.4 million (HYFY21: Rs. 392.7 million).

Consolidated loss per share of the Group for HYFY22 was Rs. 1.72 per share as compared to EPS of Rs. 9.34 per share respectively in the corresponding period last year.

During HYFY22, profit after tax of CS Capital (Private) Limited – a wholly owned subsidiary amounted to Rs. 39.6 million (HYFY21: profit after tax Rs. 25.6 million). This has resulted mainly due to dividends of Rs. 82.5 million.

CONSOLIDATED BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 11,710.5 million, compared to Rs. 10,778.9 million as at 30 June 2021. Total shareholders' fund decreased to Rs. 7,789.0 million from Rs. 7,968.4 million as at 30 June 2021.

FUTURE OUTLOOK

At the end of half year of FY2022, the ever-present COVID-19 risk has increased with few restrictions imposed in selected cities. The government continues to assure the business community and population at large that the mass lock down will not be re-imposed.

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

For Cotton division, textile exports have been supported by multiple factors mainly the energy package announced for the export oriented sectors (Zero rated Industries) and market based exchange rates. However, increase in policy rate, rising inflation and record high raw material prices may disturb the margins as exporters may face difficulty in transferring the entire burden of increased input cost to the market.

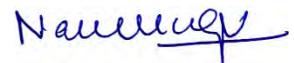
Company will continue to work tirelessly to keep its employees, business partners and communities safe and healthy.

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

For and behalf of Board of Directors.



Ahsan M. Saleem
Chief Executive Officer



Nadeem Maqbool
Director

08 February 2022

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی جائزہ رپورٹ اور بالترتیب کمپنی اور گروپ کی غیر مربوط اور مربوط مرکز عبوری مالیاتی دستاویزات بابت ششماہی اختتامیہ 31 دسمبر 2021 پیش کر رہے ہیں۔

معاشی منظر نامہ

معزز حصص داران، ہماری جانب سے رپورٹ ہذا غیر معمولی حالات کے دوران پیش کی جا رہی ہے۔

جیسا کہ ہم مالی سال 2022 کی تیسری سہ ماہی میں قدم رکھ رہے ہیں اور یہ کلینڈر کے حساب سے بھی نیا سال ہے، ہم اس بات سے مطمئن ہیں کہ عالمی وباء میں کمی واقع ہوئی ہے اور پاکستان میں کاروباری اور پیداواری سرگرمیاں تیزی سے بحال ہو رہی ہیں جس کا اندازہ بڑھتی ہوئی پیداوار سے لگایا جاسکتا ہے، مثلاً جولائی تا نومبر 2021 بڑے پیمانے کی صنعتوں کی پیداوار میں 3.3% کا اضافہ ریکارڈ کیا گیا ہے۔ اسی طرح مالی سال 2022 کیلئے لگائے جانے والے تخمینوں کے مطابق شرح نمو 3.4% سے 4% تک رہنے کا امکان ہے۔

تاہم پاکستان کیلئے مالی سال 2022 پہلے ہی ایک مشکل سال ثابت ہوا ہے کیونکہ حکومت پاکستان کی جانب سے کاروباری سرگرمیوں میں تیزی پیدا کرنے والے اقدامات اور مالی معاملات میں پیدا کی جانے والی آسانوں کو واپس لیا گیا ہے۔ اب تک اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹس میں 275 پیسے پوائنٹس کا اضافہ کیا گیا ہے جس کے باعث شرح سود 7% سے بڑھ کر 9.75% تک جا پہنچی ہے اور اس بات کی توقع کی جا رہی ہے کہ افراط زر کی شرح میں اضافے کے ساتھ شرح سود میں مزید اضافہ بھی ہو سکتا ہے۔

عالمی منڈی میں تیل کی بڑھتی ہوئی قیمتوں کا اثر توانائی کی قیمت پر ہوا ہے اور درآمدی بل میں بھی اضافہ ہوا جو برآمدات کا 2.7 گنا ہے اور اس کا مالیاتی حجم 40.5 بلین ڈالر ہے خسارے کا حجم اب 25.4 بلین ڈالر تک پہنچ چکا ہے جس کے باعث بیرون ملک سے آنے والی 15.8 بلین ڈالر کی ترسیلات زر کا مثبت اثر بھی زائل ہو جاتا ہے۔ اسی عرصے کے دوران ڈالر کے مقابلے میں پاکستانی روپے نے 13% اپنی قدر کھوئی ہے، البتہ مستقبل قریب میں روپے کی قدر میں مزید کمی کے کوئی اشارے نہیں ملتے۔

پاکستان کی جانب سے آئی ایم ایف کی تمام شرائط پوری کی جانے کے بعد اب توسیعی فنڈ کی سہولت کے تحت آئی ایم ایف کی جانب سے 1 بلین ڈالر کی قسط وصول کی جا چکی ہے۔ امید کی جاتی ہے کہ آنے والے چند ماہ کے دوران ان اقدامات کی وجہ سے سرمایہ کاروں کا اعتماد بھی پاکستان پر بحال ہوگا۔

جیسا کہ ہم دیکھ سکتے ہیں آنے والے دنوں میں کئی عوامل پاکستان کیلئے معاشی مسائل کو گھمبیر بنا سکتے ہیں۔ ان میں سے وجہ ریاست کے تحت چلنے والے اداروں کا فیل ہونا ہے۔ ان اداروں کی کسمپرسی ہی کی وجہ سے آج عوامی قرضوں کا حجم مجموعی پیداوار کا 80.94% ہو چکا ہے۔ دیگر عوامل میں افراط زر کی بڑھتی ہوئی شرح، قرضوں کی واپسی اور تنویلی ضروریات، آمدن کا حصول، بڑھتا ہوا تجارتی خسارہ اور اور مقامی اور عالمی سطح پر بڑھتے ہوئے سیکورٹی کے خدشات وغیرہ شامل ہیں۔

موجودہ حکومت کے سامنے یہ مسئلہ پیش ہے کہ کئی معاشی اشاریوں میں توازن پیدا کرنے کیلئے کس طرح مالیاتی انضباط اور پالیسی اصلاحات کی جانب قدم بڑھایا جائے، اس سلسلے میں بالخصوص ٹیکس نیٹ کو بڑھانے اور کاروباری ماحول میں بہتری پیدا کرنے جیسے اقدامات انتہائی اہمیت کے حامل ہونگے۔ ویلیو ایڈڈ برآمدات کو صحیح انداز سے فروغ دینے کی اشد ضرورت ہے، اس کے ساتھ ساتھ معیاری تعلیم پر اخراجات میں اضافہ کرنے، عوام الناس کو خاطر خواہ سوشل سیکیورٹی فراہم کرنے اور توانائی کے ڈھانچے میں اصلاحات لانے کیلئے فوری اقدامات کی ضرورت ہے جس سے اداروں میں ایسی قوت پیدا ہوگی جو کہ طویل المیعاد استحکام کا ضامن بن سکتی ہے۔

مالیاتی و کاروباری کارکردگی

مجموعی معاشی کارکردگی

زیر نظر عرصے یعنی ششماہی اختتامیہ 31 دسمبر 2021 کے دوران کمپنی کی جانب سے بعد از ٹیکس منافع 882.5 ملین روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران 312.6 ملین روپے کا منافع بعد از ٹیکس درج کیا گیا تھا۔ زیر نظر عرصے کے دوران آمدن فی حصص 11.37 روپے فی حصص رہی جو کہ گزشتہ مالی سال کے اسی عرصے کے دوران 4.03 فی حصص منافع درج کیا گیا تھا۔

ششماہی 2022 کے دوران آمدن از فروخت 2,640.7 ملین روپے رہی (3,819.1 ملین روپے بمطابق ششماہی 2021) جس کے باعث 80.1 ملین روپے کا خام منافع حاصل ہوا (بمطابق ششماہی 2021 خام منافع 491.3 ملین روپے تھا) جو کہ فروخت کا %3.03 بنتا ہے جبکہ مالی سال 2021 کے دوران یہ فروخت کا %12.86 درج کیا گیا تھا۔

مجموعی فروخت کے تناسب سے اسٹیل ڈویژن، کاٹن ڈویژن، حدید (بلٹ) ڈویژن اور سی ایس انرجی ڈویژن کی جانب سے کل آمدن کی بالترتیب %47.7، %44.3، %4.9 اور %3.1 آمدن حاصل کی گئی۔ اسٹیل ڈویژن کا کاروباری حجم 1,170.9 ملین روپے (2,288.9 ملین روپے بمطابق ششماہی 2021)؛ کاٹن ڈویژن کا کاروباری حجم 1,258.8 ملین روپے (915.3 ملین روپے بمطابق ششماہی 2021)؛ درج کیا گیا جو کہ %37.5 سے زائد ہے۔ مالی سال 2022 کی ششماہی کے دوران اسٹیل ڈویژن کا خام نقصان 73.9 ملین روپے رہا (خام منافع 423.6 ملین روپے بمطابق ششماہی 2021)؛ جبکہ کاٹن ڈویژن کی جانب سے خام منافع 203.7 ملین روپے درج کیا گیا ہے (93.5 ملین روپے بمطابق ششماہی 2021)۔

اسٹیل ڈویژن کا نقصان قبل از ٹیکس 274.2 ملین روپے رہا (منافع قبل از ٹیکس 231.2 ملین روپے بمطابق ششماہی 2021)؛ جبکہ کاٹن ڈویژن کی جانب سے قبل از ٹیکس منافع 168.2 ملین روپے درج کیا گیا ہے (75.0 ملین روپے منافع قبل از ٹیکس بمطابق ششماہی 2021)۔ آئی آئی ڈی ڈویژن کی جانب سے قبل از ٹیکس منافع 1,099.2 ملین روپے درج کیا گیا ہے (163.0 ملین روپے منافع قبل از ٹیکس بمطابق ششماہی 2021)۔

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

☆ آمدن از فروخت گزشتہ مالی سال کی آمدن از فروخت 3,819.1 ملین روپے کے مقابلے میں کم ہو کر 2,640.7 ملین روپے ہو چکی ہے۔

☆ آمدن از سرمایہ کاری 1,107.6 ملین روپے درج کی گئی ہے جبکہ ششماہی 2021 کے اختتام پر 47.9 ملین روپے کی آمدن درج کی گئی تھی۔

☆ خام منافع 80.1 ملین روپے درج کیا گیا ہے جبکہ ششماہی 2021 کے اختتام پر 491.3 ملین روپے کا خام منافع درج کیا گیا تھا۔

☆ دیگر آمدن کمی کے بعد 32.4 ملین روپے رہی جبکہ مالی سال 2021 کی ششماہی کے دوران یہ آمدن 165.2 ملین روپے درج کی گئی تھی۔

☆ ششماہی 2022 کے اختتام پر آمدن قبل از سود ٹیکس 1,028.5 ملین روپے درج کی گئی ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران قبل از سود ٹیکس آمدن 545.0 ملین روپے درج کی گئی تھی۔

☆ آمدن قبل از سود، ٹیکس و فرسودگی 1,131.7 ملین روپے درج کی گئی ہے جبکہ ششماہی 2021 کے اختتام پر یہ آمدن 654.7 ملین روپے درج کی گئی تھی۔

☆ مالی سال 2022 کے دوران آمدن فی حصص 11.37 روپے درج کی گئی ہے جبکہ مالی سال 2021 کی ششماہی کے دوران فی حصص 4.03 روپے کا منافع درج کیا گیا تھا۔

☆ لگائے گئے سرمائے کی اوسط (سالانہ پر) پر ششماہی 2022 کے اختتام پر 47.3% منافع حاصل ہوا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ منافع 13.54% درج کیا گیا تھا۔

☆ حصص کی تحلیل شدہ قدر اضافے کے بعد 88.23 روپے ہو گئی ہے جبکہ 30 جون 2021 تک یہ قدر 76.91 روپے تھی۔

کاروباری شعبے

اسٹیل کا شعبہ

ششماہی 2022 کے اختتام پر اسٹیل کے شعبے کی آمدن 1,170.9 ملین روپے رہی جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ آمدن 2,288.9 ملین روپے درج کی گئی تھی۔ زیر نظر ششماہی کے اختتام پر خام نقصان 73.9 ملین روپے (یعنی 6.3%) درج کیا گیا ہے، جبکہ گزشتہ مالی سال کی ششماہی کے دوران 423.6 ملین روپے کا خام منافع (18.5%) درج کیا گیا تھا۔ زیر نظر عرصے کے دوران آرڈرز سے منفی نتائج برآمد ہوئے جس کی وجوہات میں اسٹیل کی قیمت میں اضافہ، عالمی سطح پر سپلائی چین میں پیدا ہونے والا بے مثال تعطل اور پلانٹ کے بند ہونے کی وجہ سے معین اخراجات کا ازالہ نہ ہونا شامل ہیں۔

زیر نظر عرصے کے دوران نقصان قبل از ٹیکس 274.2 ملین روپے رہا جبکہ گزشتہ مالی سال کی ششماہی کے دوران یہ نقصان 231.2 ملین روپے درج کیا گیا تھا۔

کاٹن کا شعبہ

باوجود اس کے کہ کاٹن کی قیمت عالمی اور مقامی سطح پر دس سال کی بلند ترین سطح پر پہنچ چکی ہے یارن کے مارکیٹ ریٹس پر کشش سطح پر قائم رہے جس کی وجہ سے نہ صرف بڑھتے ہوئے اخراجات کا ازالہ ہو گیا بلکہ منافع بھی حاصل کیا گیا۔ بنیادی طور پر ایسا ڈالر کے شرح مبادلہ سے ہوا۔ نتیجتاً کاٹن کے شعبے کی آمدن از فروخت 1,258.8 ملین روپے رہی جو گزشتہ سال 915.3 ملین روپے تھی۔ کاٹن کے شعبے کا خام منافع 203.7 ملین روپے رہا (فروخت کا 16.2%) جبکہ گزشتہ مالی سال کی ششماہی کے دوران اس شعبے کا خام منافع 93.5 ملین روپے (فروخت کا 10.2%) رہا۔

آئی آئی ڈی کا شعبہ

مارکیٹ کا جائزہ

کے ایس ای-100 کی مالی سال 2022 کے آغاز پر 47,356.02 پوائنٹس کے ساتھ ابتدا ہوئی، اور ششماہی 2022 کے دوران 6.18% پوائنٹس کی کمی واقع ہوئی۔ مارکیٹ کی کارکردگی توقع سے کم رہی۔ مقامی اسٹاک مارکیٹ دباؤ کا شکار رہی جس کی بنیادی وجہ غیر ملکی فروخت کا رجحان تھا جس کا حجم 250.34 ملین ڈالر (44.56 بلین روپے) تھا جو کہ مجموعی مارکیٹ (7.68 ٹریلین روپے) کا 0.58% بنتا ہے۔ کے ایس ای - 100 اس وقت خطے کی مارکیٹس کے مقابلے میں رعایتی سطح پر چل رہی ہے جس میں P/BV ایک گنا اور P/E 4.8 کا گنا ہے جس پر ڈیویڈنڈ کی شرح حصول 8% ہے۔

ہماری پورٹ فولیو اسٹاک میں تجارتی انویسٹمنٹ (8%) اور اسٹریٹیجک انویسٹمنٹ (92%) ہے۔ پورٹ فولیو میں پاکستان کی کارپوریٹ کے بلوچپ (blue chip) ادارے شامل ہیں جس کی مدت دو سے تین سال کے درمیان ہے اور اس میں 8% کے حساب سے ڈیویڈنڈ کا وصول ہے۔ سرمایہ کاری کا شعبہ P/E اور P/BV کے اعتبار سے بالترتیب 5.49 اور 1.4 ہے اور پرکشش منافع پیش کر رہا ہے۔

شعبے کی کارکردگی

مالی سال 2022 کی ششماہی کے اختتام پر پورٹ فولیو کا جمع شدہ منافع قبل از ٹیکس 1,099.2 ملین روپے درج کیا گیا ہے، جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران منافع قبل از ٹیکس 163.0 ملین روپے درج کیا گیا تھا۔

منافع قبل از ٹیکس میں ڈیویڈنڈ سے حاصل ہونے والی آمدن 1,137.8 ملین روپے رہی جس میں سے 1,122.3 ملین روپے آلٹرن انرجی لمیٹڈ سے ہیں جو کہ ایک ایسوسی ایٹ ادارہ ہے اور 9.12 ملین روپے کا ڈیویڈنڈ دیگر سرمایہ کاری سے حاصل ہوا۔ زیر نظر عرصے کے دوران تخمین شدہ نقصان 32.1 ملین روپے رہا جبکہ 0.9 ملین روپے کا حقیقی منافع حاصل ہوا۔

زیر نظر عرصے یعنی ششماہی اختتامیہ 31 دسمبر 2021 کے دوران شعبے کی FVTPL انویسٹمنٹ پر نقصان کی شرح منفی 9.86% رہی جو کہ 224.22 ملین روپے کی اوسط انویسٹمنٹ پر تھی جبکہ کے ایس ای - 100 انڈیکس کے بیچ مارک میں 5.83% کی گراؤٹ درج کی گئی ہے۔

غیر مربوطہ بیننس شیٹ

بتاریخ 30 دسمبر 2021 بیننس شیٹ کا میزانیہ 10,656.1 ملین روپے رہا جبکہ 30 جون 2021 کو بیننس شیٹ کا میزانیہ 8,705.6 ملین روپے تھا۔ فی حصص بریک اپ ویلیو برائے حصص بڑھ کر 88.23 روپے ہو گئی جو کہ 30 جون 2021 کو 76.91 روپے تھی۔

کرنٹ ریٹو بڑھ کر 1.53 ہو گیا ہے جو کہ 30 جون 2021 کو 1.45 تھا۔ گنیرنگ ریٹو (بشمول قلیل المیعاد قرضے) بڑھ کر 27.9 تک آ گیا جو کہ 30 جون 2021 کو 24.2 تھا۔ انٹرسٹ کوریج ریٹو ششماہی 2022 کے اختتام پر 8.6 گناہ تھا (ششماہی 2021 کے اختتام پر یہ ریٹو 4.9 گناہ تھا)۔ یہ 10 جنوری 2022 کو آلٹرن انرجی لمیٹڈ سے موصول ہونے والے نقد ڈیویڈنڈ کے اثرات سے قبل کے نتائج ہیں۔

مجموعی مربوط مالیاتی کارکردگی

مربوط بنیادوں پر تمویلی لاگت اور ایکویٹی اکائیڈ انویسٹیز سے حاصل کردہ منافع سے قبل کاروباری نقصان 109.1 ملین روپے درج کیا گیا ہے (بمطابق ششماہی 2021 یہ نقصان 610.7 ملین روپے تھا)۔ گروپ کا یکجا نقصان بعد از ٹیکس برائے ششماہی 2022 کے اختتام پر 133.2 ملین روپے درج کیا گیا تھا جبکہ ششماہی 2021 کے اختتام پر بعد از ٹیکس منافع 724.8 ملین روپے درج کیا گیا تھا۔ ایکویٹی اکائیڈ ایسوسی ایٹس کی جانب سے ملنے والا منافع 41.4 ملین روپے درج کیا گیا ہے (بمطابق ششماہی 2021 یہ منافع 392.7 ملین روپے تھا)۔

ششماہی 2022 کی بابت یکجا نقصان فی حصص برائے گروپ 1.72 بنتا ہے جبکہ گزشتہ مالی سال کی ششماہی کے دوران 9.34 روپے فی حصص منافع درج کیا گیا تھا۔

ششماہی 2022 کے دوران سی ایس کیپٹل (پرائیویٹ) لمیٹڈ کا بعد از ٹیکس منافع 39.6 ملین روپے رہا جو کہ مکمل طور پر ایک ذیلی کمپنی ہے (بمطابق ششماہی 2021 یہ 25.6 ملین روپے کا منافع تھا)۔ اس کی بنیادی وجہ 82.5 ملین روپے کے ڈیویڈنڈ ہیں۔

یکجا بیننس شیٹ

گروپ کی بنیاد پر یکجا بیننس شیٹ کا میزانیہ 11,710.5 ملین روپے رہا جبکہ 30 جون 2021 کو یہ میزانیہ 10,778.9 ملین روپے تھا۔ حصص داران کا کل فنڈ 30 جون 2021 کو 7,968.4 ملین روپے سے کم ہو کر 7,789.0 ملین روپے ہو چکا ہے۔

مستقبل پر نظر

ششماہی 2022 کے اختتام پر ہر وقت منڈلاتا ہوا کرونا کا خطرہ بڑھ گیا ہے جسکے باعث چند مخصوص شہروں میں پابندی نافذ کر دی گئی ہے۔ حکومت کی جانب سے بالخصوص کاروباری طبقے اور بالعموم عوام الناس کو اس بات کی مسلسل یقین دہانی کروائی جا رہی ہے کہ عوامی سطح پر کہیں بھی لاک ڈاؤن نہیں لگایا جائے گا۔

اسٹیل کے شعبے میں پائپ لائنیز کے چند بڑے منصوبوں کے پیش نظر ہم بڑے پیمانے پر طلب دیکھ رہے ہیں جو کہ مستقبل قریب میں شروع ہو سکتے ہیں۔ ہم اس بات کی توقع بھی کر رہے ہیں کہ توانائی کے مسائل سے نمٹنے کیلئے بھی انفراسٹرکچر کی بہتری کے کاموں کو بڑے پیمانے پر شروع کیا جائے گا۔ ہماری جانب سے اس سلسلے میں تیار اور مستعد رہنے کی ضرورت ہے۔

جہاں تک کاٹن کے شعبے کا تعلق ہے، ٹیکسٹائل کی برآمدات کو کئی عوامل سے سہارا مل رہا ہے، جس میں ایکسپورٹ سیکٹر (زیرو ریٹنڈ اسٹریٹریجی) کو ملنے والا انرجی پیکیج اور مارکیٹ کی بنیاد پر شرح مبادلہ کی سہولیات شامل ہیں۔ تاہم پالیسی ریٹس میں اضافہ، افراط زر کی بڑھتی ہوئی شرح اور خام مال کی قیمتوں میں ریکارڈ اضافہ وہ عوامل ہیں جن کی وجہ سے منافع کی شرح پر منفی اثرات مرتب ہو سکتے ہیں کیونکہ برآمد کنندگان کیلئے یہ ممکن ناہوگا کہ وہ پیداواری لاگت میں ہونے والے اضافے کو من و عن مارکیٹ پر منتقل کر دیں۔

کمپنی کی جانب سے اپنے ملازمین، کاروباری شراکت داروں اور کمیونٹی کی حفاظت اور صحت کیلئے مسلسل اور انتھک محنت جاری رکھی جائے گی۔

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

برائے و مخانب بورڈ آف ڈائریکٹرز

ندیم مقبول
ڈائریکٹر

احسان ایم سلیم
چیف ایگزیکٹو آفیسر

مؤرخہ: 8 فروری 2022



CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021



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 31 December 2021, 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 31 December 2021 and 31 December 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months ended 31 December 2021.

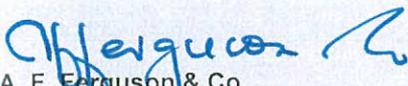
Scope of Review

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.

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


A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: 16 February 2022

UDIN: RR202110160af0G6S3MI8

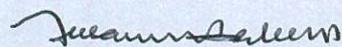
A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Crescent Steel and Allied Products Limited
Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)
As at 31 December 2021

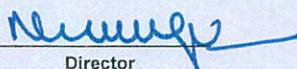
	Note	Unaudited 31 December 2021	Audited 30 June 2021
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,852,087	1,927,328
Right-of-use assets		131,797	131,603
Intangible assets		4,666	5,848
Investment properties		56,980	57,630
Long term investments	6	2,497,412	2,468,925
Long term deposits	7	28,215	23,521
Deferred taxation - net		520,394	428,387
		<u>5,091,551</u>	<u>5,043,242</u>
Current assets			
Stores, spares and loose tools		173,947	163,452
Stock-in-trade	8	1,813,155	1,236,529
Trade debts	9	227,646	137,073
Loans and advances	10	268,031	136,271
Trade deposits and short term prepayments		298,562	289,818
Short term investments	11	190,924	221,885
Other receivables	12	1,520,231	358,263
Taxation - net		1,051,085	1,115,078
Cash and bank balances		20,996	3,953
		<u>5,564,577</u>	<u>3,662,322</u>
Total assets		<u><u>10,656,128</u></u>	<u><u>8,705,564</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,020,908	1,020,908
Revenue reserves		<u>5,052,337</u>	<u>4,173,591</u>
		<u>6,849,570</u>	<u>5,970,824</u>
LIABILITIES			
Non-current liabilities			
Long-term loans	13	91,040	127,676
Lease liabilities		81,125	74,570
Deferred income		1,812	4,450
		<u>173,977</u>	<u>206,696</u>
Current liabilities			
Trade and other payables	14	1,059,345	755,188
Unclaimed dividend		25,622	25,628
Mark-up accrued		44,312	28,087
Short term borrowings	15	2,309,139	1,514,927
Current portion of long-term loans	13	153,606	159,038
Current portion of lease liabilities		32,693	36,353
Current portion of deferred income		7,864	8,823
		<u>3,632,581</u>	<u>2,528,044</u>
		<u>3,806,558</u>	<u>2,734,740</u>
Contingencies and commitments	16		
Total equity and liabilities		<u><u>10,656,128</u></u>	<u><u>8,705,564</u></u>

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

All in



Chief Executive



Director



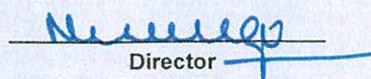
Chief Financial Officer

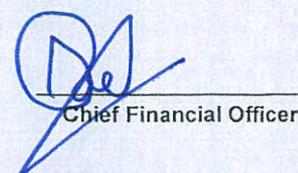
Crescent Steel and Allied Products Limited
 Condensed Interim Unconsolidated Statement of Profit or Loss and
 Other Comprehensive Income (Unaudited)
 For the quarter and six months ended 31 December 2021

	Note	Quarter ended		Six months ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
----- (Rupees in '000) -----					
Sales		1,394,862	1,781,858	3,091,032	4,469,495
Less: Sales tax		203,131	258,932	450,335	650,358
Cost of sales	17	1,191,731	1,522,926	2,640,697	3,819,137
Gross profit		1,171,650	1,358,221	2,560,562	3,327,817
Income from investments - net	18	20,081	164,705	80,135	491,320
		1,123,464	17,964	1,107,950	47,925
		1,143,545	182,669	1,188,085	539,245
Distribution and selling expenses		3,443	3,249	7,110	5,719
Administrative expenses		82,963	60,605	144,541	126,846
Other operating expenses	19	16,799	10,797	40,335	26,911
		103,205	74,651	191,986	159,476
		1,040,340	108,018	996,099	379,769
Other income		12,224	157,428	32,384	165,240
Operating profit before finance costs		1,052,564	265,446	1,028,483	545,009
Finance costs	20	67,770	35,947	118,995	111,107
Profit before taxation		984,794	229,499	909,488	433,902
Taxation					
- current for the period		(97,171)	(23,985)	(119,726)	(58,672)
- current for prior year		-	-	-	(1,678)
- deferred		44,440	(33,108)	92,759	(60,974)
		(52,731)	(57,093)	(26,967)	(121,324)
Profit for the period		932,063	172,406	882,521	312,578
Other Comprehensive Income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		(1,776)	7,247	(3,775)	6,591
Total comprehensive income for the period		930,287	179,653	878,746	319,169
----- (Rupees) -----					
Basic and diluted - earnings per share	21	12.01	2.22	11.37	4.03

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


 Chief Executive


 Director


 Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the six months ended 31 December 2021

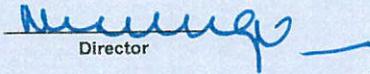
	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total revenue reserves	Total
		Share premium	Fair value reserve	General reserve	Unappropriated profit / (loss)		
(Rupees in '000)							
Balance as at 1 July 2020	776,325	1,020,908	5,393	3,642,000	3,662	3,651,055	5,448,288
Total comprehensive income for the period							
Profit after taxation for the period	-	-	-	-	312,578	312,578	312,578
Other comprehensive income for the period	-	-	6,591	-	-	6,591	6,591
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>
Balance as at 1 July 2021	776,325	1,020,908	8,966	3,642,000	522,625	4,173,591	5,970,824
Total comprehensive income for the period							
Profit after taxation for the period	-	-	-	-	882,521	882,521	882,521
Other comprehensive loss for the period	-	-	(3,775)	-	-	(3,775)	(3,775)
Total comprehensive income for the period	-	-	(3,775)	-	882,521	878,746	878,746
Balance as at 31 December 2021	<u>776,325</u>	<u>1,020,908</u>	<u>5,191</u>	<u>3,642,000</u>	<u>1,405,146</u>	<u>5,052,337</u>	<u>6,849,570</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

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the six months ended 31 December 2021

	Note	Six months ended	
		31 December 2021	31 December 2020
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash (used in) / generated from operations	22	(524,110)	1,087,607
Taxes (paid) / refund received		(54,981)	80,247
Finance costs paid		(97,665)	(141,425)
Contribution to gratuity and pension funds		(12,291)	(11,548)
Long term deposits - net		(2,140)	-
Net cash (used in) / generated from operating activities		(691,187)	1,014,881
Cash flows from investing activities			
Capital expenditure		(19,035)	(2,847)
Proceeds from disposal of operating fixed assets and investment properties		11,239	153,429
Investments - net		(32,527)	(26,558)
Dividend income received		15,515	9,162
Interest income received		37	313
Net cash (used in) / generated from investing activities		(24,771)	133,499
Cash flows from financing activities			
(Repayments of) / proceeds from long term loans - net		(40,870)	92,489
Payments against finance lease obligations		(20,335)	(23,907)
Proceeds from / (repayments of) short term loans - net		664,561	(1,126,373)
Dividends paid		(6)	(678)
Net cash generated from / (used in) financing activities		603,350	(1,058,469)
Net (decrease) / increase in cash and cash equivalents		(112,608)	89,911
Cash and cash equivalents at beginning of the period		(659,533)	(558,929)
Cash and cash equivalents at end of the period	23	(772,141)	(469,018)

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 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 Crescent Steel and Allied Products Limited ("the Company") was incorporated on 1 August 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Company is located at E-floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore. The principal office of the Company 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) segment as disclosed in note 24 to these condensed interim unconsolidated financial statements.

1.2 These condensed interim unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries and associated companies have been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

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

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

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

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

2.3 The figures included in the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the six months ended 31 December 2021.

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

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3. ACCOUNTING POLICIES

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

3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

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

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

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 2022. 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 Company's accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
Operating fixed assets	5.1	1,713,598	1,810,103
Capital work-in-progress	5.2	138,489	117,225
		<u>1,852,087</u>	<u>1,927,328</u>

- 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 2021		Unaudited Six months ended 31 December 2020	
	Additions / Transfers	Disposals / Transfers (cost)	Additions / Transfers	Disposals (cost)
	----- (Rupees in '000) -----			
Land	-	-	-	56,757
Plant and machinery - owned	365	12,000	-	53,148
Plant and machinery - leased	15,934	-	-	-
Furniture and fittings	336	-	-	-
Electrical / office equipments and installation	745	3,960	507	72
Computers and accessories	1,762	372	1,129	495
Motor vehicles - owned	60	4,002	-	-
Motor vehicles - leased	5,670	-	-	-
	<u>24,872</u>	<u>20,334</u>	<u>1,636</u>	<u>110,472</u>

- 5.2 Net additions to capital work-in-progress during the six months period ended 31 December 2021 amounted to Rs. 21.264 million (during the six months period ended 31 December 2020: Rs. 1.211 million).

6. LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		----- (Rupees in '000) -----	
Subsidiary companies - at cost	6.1	555,001	525,001
Associated companies - at cost	6.2	1,286,401	1,286,401
Other long term investments	6.3	656,010	657,523
		<u>2,497,412</u>	<u>2,468,925</u>

6.1 Subsidiary companies - at cost

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

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

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

7. LONG TERM DEPOSITS

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

8. STOCK-IN-TRADE

	Unaudited 31 December 2021	Audited 30 June 2021
	----- (Rupees in '000) -----	
Raw materials		
Hot rolled steel coils (HR Coils)	286,831	303,715
Coating materials	48,369	96,903
Steel scrap	638,858	174,883
Others	111,406	85,261
Raw cotton	185,329	241,380
Stock-in-transit	<u>180,032</u>	<u>168,850</u>
	1,450,825	1,070,992
Work-in-process	<u>17,813</u>	<u>25,797</u>
Finished goods - net	<u>341,531</u>	<u>135,235</u>
Scrap / cotton waste	<u>2,986</u>	<u>4,505</u>
	<u>362,330</u>	<u>165,537</u>
	<u>1,813,155</u>	<u>1,236,529</u>

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

9. TRADE DEBTS

	Unaudited 31 December 2021	Audited 30 June 2021
	----- (Rupees in '000) -----	
Secured		
Considered good	32,005	24,826
Unsecured		
Considered good	<u>195,641</u>	<u>112,247</u>
Considered doubtful	<u>23,214</u>	<u>23,214</u>
	<u>218,855</u>	<u>135,461</u>
Impairment loss on trade debts	<u>(23,214)</u>	<u>(23,214)</u>
	<u>227,646</u>	<u>137,073</u>

Nil

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
9.1	This includes balances due from following related parties:		
	Shakarganj Limited	-	33,711
	Crescent Textile Mills Limited	172	-
		<u>172</u>	<u>33,711</u>

10. LOANS AND ADVANCES

10.1 These include loan to:

Solution de Energy (Private) Limited	10.1.1	<u>96,473</u>	<u>94,208</u>
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10.1.1 The Company has provided short term interest free loan to the wholly owned subsidiary Company in order to meet its requirements for the purposes of feasibility, legal approvals and other related activities in respect of its project of 100 MW Solar Power Plant in Solar Power Park being established by the Government of Punjab in the Cholistan desert. The loan is repayable on demand.

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
11.	SHORT TERM INVESTMENTS		
	At fair value through profit or loss (FVTPL)	<u>190,924</u>	<u>221,885</u>

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

11.2 Investments having an aggregate market value of Rs. 1,452.542 million (30 June 2021: Rs. 1,637.668 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which amount of Rs. 1,275.229 million (30 June 2021: Rs. 1,488.435 million) relates to a long term investments.

All

12. OTHER RECEIVABLES

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
Dividend receivable	12.1	1,123,166	886
Provision there against		(886)	(886)
		<u>1,122,280</u>	<u>-</u>
Receivable against sale of investments		-	260
Claim receivable		-	843
Due from related parties	12.2	22,130	19,259
Sales tax refundable		115,109	80,767
Margin on letter of guarantee		15,359	15,359
Receivable from staff retirement benefits funds		239,843	239,843
Others		5,510	1,932
		<u>1,520,231</u>	<u>358,263</u>

12.1 This includes dividend from associated company (Altern Energy Limited) amounting to Rs. 1,122.28 million.

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
12.2 Due from related parties			
Shakarganj Limited		2,481	1,376
CS Capital (Private) Limited		3,694	2,156
Solution de Energy (Private) Limited		11,875	11,852
The Crescent Textile Mills Limited		-	244
Shakarganj Food Products Limited		3,780	2,631
Crescent Socks (Private) Limited		300	1,000
		<u>22,130</u>	<u>19,259</u>

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
13. LONG TERM LOANS			
Secured - Under non-shariah arrangement			
Allied Bank Limited	13.1	113,161	158,608
Habib Metropolitan Bank Limited	13.2	91,999	107,680
JS Bank Limited	13.3	39,486	20,426
		<u>244,646</u>	<u>286,714</u>
Less: Current portion shown under current liabilities		<u>153,606</u>	<u>159,038</u>
		<u>91,040</u>	<u>127,676</u>

13.1 During the year ended 30 June 2017, the Company entered into a loan arrangement with Allied Bank Limited of an amount of Rs. 100 million, out of which Rs. 74.176 million (30 June 2021: 74.176 million) have been disbursed till 31 December 2021. 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 2021: Rs. 18.544 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2018, the Company entered into new loan arrangement with Allied Bank Limited of an amount of Rs. 300 million, out of which Rs. 217.050 million have been disbursed till 31 December 2021. The term of the loan is 4 years from the date of disbursement with a grace period of one year; however, due to COVID-19 the bank has allowed one year more grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, the Company has made repayment of Rs. 36.175 million (30 June 2021: Rs. 18.088 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period ended 31 December 2021, the mark-up on such arrangements ranged from 8.88% to 9.86% (30 June 2021: 8.19% to 10.04%) per annum. These facilities are secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the Company.

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

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

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

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

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

14. TRADE AND OTHER PAYABLES

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
Trade creditors		193,121	109,468
Bills payable		167,914	-
Commission payable		2,078	2,250
Accrued liabilities		373,596	306,441
Advances from customers		6,257	24,787
Fee, sales tax and damages		259,898	253,264
Due to related parties	14.1	1,063	1,133
Payable to provident fund		2,551	2,199
Payable to staff retirement benefit funds		2,448	2,057
Retention money		110	111
Sales tax payable		-	9,039
Withholding tax payable		4,437	2,974
Workers' Profit Participation Fund		11,756	2,904
Workers' Welfare Fund		6,944	6,944
Others		27,172	31,617
		<u>1,059,345</u>	<u>755,188</u>

14.1 Due to related parties

Premier Insurance Company Limited	1,061	353
Staff Benevolent Fund	2	2
Shakarganj Food Products Limited	-	778
	<u>1,063</u>	<u>1,133</u>

	Note	Unaudited 2021 ----- (Rupees in '000) -----	Audited 30 June 2021
15. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	15.1	793,137	663,486
Short term loans	15.2 & 15.4	1,516,002	851,441
		<u>2,309,139</u>	<u>1,514,927</u>
15.1	Running finances facility / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,100 million (30 June 2021: Rs. 1,100 million) out of which Rs. 300 million (30 June 2021: Rs. 300 million), Rs. 100 million (30 June 2021: Rs. 150 million) and Rs. 300 million (30 June 2021: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 9.14% to 9.98% (30 June 2021: 8.12% to 10.54%) per annum.		
15.2	Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,950 million (30 June 2021: Rs. 3,850 million) out of which Rs. 3,150 million (30 June 2021: Rs. 3,150 million), Rs. 205 million (30 June 2021: Rs. 305 million) and Rs. 350 million (30 June 2021: Rs. 350 million) are interchangeable with letters of credit, letters of guarantee and running finance facilities, respectively. During the period, the mark-up on such arrangements ranged from 9.14% to 9.98% (30 June 2021: 8.12% to 10.54%) per annum.		
15.3	The facilities for opening letters of credit amounted to Rs. 4,750 million (30 June 2021: Rs. 4,750 million) out of which Rs. 300 million (30 June 2021: Rs. 300 million), Rs. 3,150 million (30 June 2021: Rs. 3,150 million) and Rs. 205 million (30 June 2021: Rs. 305 million) are interchangeable with short term running finance, short term loans and letters of guarantee respectively as mentioned in notes 15.1 and 15.2 above. The facility for letters of guarantee as at 31 December 2021 amounted to Rs. 2,180 million (30 June 2021: Rs. 1,827 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2021 were Rs. 3,799.8 million and Rs. 626.03 million (30 June 2021: Rs. 3,884.9 million and Rs. 329.44 million), respectively.		
15.4	This includes an amount of Rs. 951.70 million (30 June 2021: Rs. 424.18 million) outstanding against Islamic mode of financing. The Company is currently availing Islamic mode of financing from the Al Baraka Bank, Dubai Islamic Bank, and Bank Islami Pakistan Limited. Facilities availed include letters of credit, bank guarantees, Wakala, Morabaha, Istisna and Ijarah financing.		
15.5	The above facilities are expiring on various dates with maturity periods upto 30 November 2022. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 11.2), pledge of cotton and lien over import / export documents. Further, these facilities (refer notes 15.1 to 15.3) are also secured against pledge of shares owned by CS Capital (Private) Limited (subsidiary company).		

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16. CONTINGENCIES AND COMMITMENTS**16.1 Contingencies**

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

16.2 Commitments

16.2.1 During the year ended 30 June 2020, Bank Islami Pakistan Limited (BIPL) deferred the principal payments of rentals for one year as per the directives issued by State Bank of Pakistan vide its circular no. 12 dated 26 March 2020. As at 31 December 2021, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 45.794 million (30 June 2021: Rs. 87.98 million), which is payable in average quarterly installments of Rs. 22.897 million (30 June 2021: Rs. 22.867 million).

16.2.2 Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 1,553.8 million (30 June 2021: Rs. 1,497.56 million). These include guarantees issued by Islamic banks amounting to Rs. 219.58 million (30 June 2021: Rs. 219.58 million).

16.2.3 Commitments in respect of capital expenditure contracted for as at 31 December 2021 amounted to Rs. 12.672 million (30 June 2021: Rs. 8.455 million).

16.2.4 Commitments under letters of credit (L/C) as at 31 December 2021 amounted to Rs. 950.20 million (30 June 2021: Rs. 865 million).

All in

17. SALES

	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		----- (Rupees in '000) -----			
Local sales					
Bare pipes	17.1	238,683	497,257	1,108,381	2,537,884
Steel Billets		147,088	508,428	149,187	508,428
Pipe coating		50,920	5,753	50,920	5,753
Pre coated pipes		2,555	7,802	76,488	32,972
Cotton yarn / raw cotton		763,213	532,616	1,457,138	1,056,829
Electricity sales		36,321	54,405	36,321	54,405
Steam sales		58,342	123,728	58,342	123,728
Others		54,150	25,935	102,196	52,987
Scrap / waste		43,590	25,934	52,059	96,509
		<u>1,394,862</u>	<u>1,781,858</u>	<u>3,091,032</u>	<u>4,469,495</u>
Sales tax		<u>(203,131)</u>	<u>(258,932)</u>	<u>(450,335)</u>	<u>(650,358)</u>
		<u>1,191,731</u>	<u>1,522,926</u>	<u>2,640,697</u>	<u>3,819,137</u>

17.1 This is presented net of liquidated damages amounting to Rs. 4.558 million (31 December 2020: 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 2021	31 December 2020	31 December 2021	31 December 2020
		----- (Rupees in '000) -----			
Dividend income	18.1	1,133,007	8,258	1,137,795	9,309
(Loss) / gain on sale of FVTPL investments - net	18.2	(394)	1,411	866	2,522
Unrealized (loss) / gain on FVTPL investments - net	18.3	(9,489)	6,950	(32,092)	32,668
Rent from investment properties	18.5	340	1,345	1,381	3,426
		<u>1,123,464</u>	<u>17,964</u>	<u>1,107,950</u>	<u>47,925</u>

18.1 This includes Rs. 8.321 million earned on investments in Shariah Compliant investee companies.

18.2 This includes Rs. 0.851 million gain on sale of shares of Shariah Compliant investee companies.

18.3 This includes unrealized loss of Rs. 28.277 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. 0.822 million (31 December 2020: Rs. 5.488 million).

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19. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- (Rupees in '000) -----			
Exchange loss	12,405	-	30,831	-
Provision for:				
- Workers' Profit Participation Fund	3,742	4,633	8,852	16,127
- Workers' Welfare Fund	-	1,259	-	5,879
- Slow moving stores, spares and loose tools	652	4,905	652	4,905
	<u>16,799</u>	<u>10,797</u>	<u>40,335</u>	<u>26,911</u>

20. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- (Rupees in '000) -----			
Profit on short term loans - Shariah arrangement	15,886	5,728	27,553	17,990
Interest on - Non - Shariah arrangement				
- finance lease obligations	2,381	1,954	4,628	4,066
- long term loans	5,609	7,286	11,508	13,175
- running finances / short term loans	40,447	26,674	70,578	73,153
Discounting of lease deposit	126	-	375	-
Bank charges	3,321	(5,695)	4,353	2,723
	<u>67,770</u>	<u>35,947</u>	<u>118,995</u>	<u>111,107</u>

21. Basic and Diluted - Earnings per share

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	----- (Rupees in '000) -----			
Profit for the period	<u>932,063</u>	<u>172,406</u>	<u>882,521</u>	<u>312,578</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
	----- (Rupees) -----			
Basic and diluted - earnings per share	<u>12.01</u>	<u>2.22</u>	<u>11.37</u>	<u>4.03</u>

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22.	CASH (USED IN) / GENERATED FROM OPERATIONS	Note	Unaudited	
			Six months ended	
			31 December 2021	31 December 2020
			----- (Rupees in '000) -----	
	Profit before taxation		909,488	433,902
	Adjustments for non cash charges and other items			
	Depreciation on operating fixed assets, right-of-use assets and investment properties		102,042	109,474
	Amortisation of intangible assets		1,182	200
	Charge for the period on staff retirement benefit funds		12,682	11,548
	Dividend income		(1,137,795)	(9,309)
	Unrealized loss / (gain) on FVTPL investments - net		32,092	(32,668)
	(Gain) on sale of FVTPL investments - net		(866)	(2,522)
	Provision for stores, spares and loose tools - net		652	4,905
	Provision for Workers' Welfare Fund		-	5,879
	Provision for Workers' Profit Participation Fund		8,852	16,127
	Provision for liquidated damages		-	6,429
	Return on deposits		(37)	(284)
	Gain on disposal of operating fixed assets and investment property		(49)	(134,131)
	Deferred income		(4,795)	(4,333)
	Discounting of long term deposit		375	-
	Unwinding of discount on long term deposit		(12,336)	(11,301)
	Liabilities written back		(8,636)	-
	Finance costs		118,620	111,107
	Working capital changes	22.1	(545,581)	582,584
			<u>(524,110)</u>	<u>1,087,607</u>
22.1	Working capital changes			
	(Increase) / decrease in current assets			
	Stores, spares and loose tools		(11,147)	8,968
	Stock-in-trade		(576,626)	833,196
	Trade debts		(90,573)	(26,292)
	Loans and advances		(131,760)	(82,449)
	Trade deposits and short term prepayments		663	233
	Other receivables		(39,688)	33,716
			<u>(849,131)</u>	<u>767,372</u>
	Increase / (decrease) in current liabilities			
	Trade and other payables		303,550	(184,788)
			<u>(545,581)</u>	<u>582,584</u>
23.	CASH AND CASH EQUIVALENTS			
	Running finances under mark-up arrangements		(793,137)	(477,040)
	Cash and bank balances		20,996	8,022
			<u>(772,141)</u>	<u>(469,018)</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 2021	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	1,170,910	1,258,800	95,406	130,078	-	(14,497)	2,640,697
Cost of sales	1,244,804	1,055,104	118,004	157,147	-	(14,497)	2,560,562
Gross (loss) / profit	(73,894)	203,696	(22,598)	(27,069)	-	-	80,135
Income from investments - net	-	-	-	-	1,107,950	-	1,107,950
	(73,894)	203,696	(22,598)	(27,069)	1,107,950	-	1,188,085
Distribution and selling expenses	4,839	1,671	-	600	-	-	7,110
Administrative expenses	102,713	21,189	2,288	9,603	8,748	-	144,541
Other expenses	22,482	11,869	(257)	6,241	-	-	40,335
	130,034	34,729	2,031	16,444	8,748	-	191,986
	(203,928)	168,967	(24,629)	(43,513)	1,099,202	-	996,099
Other income	19,509	12,875	-	-	-	-	32,384
Operating (loss) / profit before finance costs	(184,419)	181,842	(24,629)	(43,513)	1,099,202	-	1,028,483
Finance costs	89,791	13,661	-	15,498	45	-	118,995
(Loss) / profit before taxation	(274,210)	168,181	(24,629)	(59,011)	1,099,157	-	909,488
Taxation							26,967
Profit for the period							882,521
	Unaudited						
For the six months ended 31 December 2020	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	Total
	(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	23,789	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

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. 14.497 million (31 December 2020: Rs. 36.795 million).

ALL

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

24.3 Revenue from major products and services

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

24.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,133.548 million (31 December 2020: Rs. 2,162.604 million) of total Steel segment revenue of Rs. 1,170.910 million (31 December 2020: Rs. 2,288.930 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 475.002 million (31 December 2020: Rs. 329.174 million) of total Cotton segment revenue of Rs. 1,258.800 million (31 December 2020: Rs. 915.258 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 80.909 million (31 December 2020: Rs. 152.248 million) of total Energy segment revenue of Rs. 95.406 million (31 December 2020: Rs. 183.075 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. 125.715 million (31 December 2020: Rs. 452.134 million) of total Hadeed (Billet) segment revenue of Rs. 130.078 million (31 December 2020: Rs. 468.669 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 2021 and 30 June 2021 were located and operating in Pakistan.

24.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
(Rupees in '000)						
As at 31 December 2021 - (Unaudited)						
Segment assets for reportable segments	1,774,304	624,208	549,899	1,811,387	3,897,933	8,657,731
Unallocated corporate assets						1,998,397
Total assets as per condensed interim unconsolidated statement of financial position						<u>10,656,128</u>
Segment liabilities for reportable segments	573,646	271,383	30,742	244,498	510	1,120,779
Unallocated corporate liabilities and deferred income						2,685,779
Total liabilities as per condensed interim unconsolidated statement of financial position						<u>3,806,558</u>
As at 30 June 2021 - (Audited)						
Segment assets for reportable segments	1,982,178	539,559	624,507	927,419	2,778,857	6,852,520
Unallocated corporate assets						1,853,044
Total assets as per unconsolidated statement of financial position						<u>8,705,564</u>
Segment liabilities for reportable segments	568,762	164,977	32,263	52,840	3,312	822,154
Unallocated corporate liabilities and deferred income						1,912,586
Total liabilities as per unconsolidated statement of financial position						<u>2,734,740</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 2021						
Capital expenditure	3,268	-	-	-	-	3,268
Depreciation and amortisation	34,998	11,512	30,205	25,433	1,076	103,224
Non-cash items other than depreciation and amortisation - net	84,081	6,327	(3,184)	(809)	(1,097,146)	(1,010,731)
For the six months ended 31 December 2020						
Capital expenditure	1,930	-	-	917	-	2,847
Depreciation and amortisation	36,806	14,711	30,249	28,860	1,048	109,674
Non-cash items other than depreciation and amortisation - net	121,319	1,558	57	6,698	(168,185)	(38,553)

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 2021	31 December 2020
----- (Rupees in '000) -----				
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	758	668
		Right shares subscribed	30,000	737
Solution de Energy (Private) Limited	Subsidiary company	Loan paid / given	2,265	3,000
		Reimbursable expenses	23	2
Altern Energy Limited	Associated company	Dividend income	1,122,280	-
Shakarganj Limited	Associated company	Sales of goods	45,347	18,311
		Sales of electricity and steam	80,909	152,349
		Services received	2,422	3,215
		Reimbursable expenses	1,224	1,098
		Purchase of raw material	80,909	181,121
		Advance given for raw material	-	46,000
Shakarganj Food Products Limited	Related party	Payment received	80,916	565
		Services rendered	2,121	2,028
		Rent	1,080	1,236
Crescent Socks (Private) Limited	Related party	Payments received from services given	-	2,000
		Rent	600	200
		Payment received	800	200
The Crescent Textile Mills Limited	Associated company	Payment received	3,070	290
		Rent	2,291	313
		Services received	708	152

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Continued ... Note 25: TRANSACTIONS WITH RELATED PARTIES

Name of entity	Nature of relationship	Nature of transaction	Six months ended	
			31 December 2021	31 December 2020
			----- (Rupees in '000) -----	
The Citizens' Foundation*	Related party	Donation given	<u>324</u>	<u>4,149</u>
Premier Insurance Limited*	Related party	Insurance premium	<u>3,815</u>	<u>5,382</u>
		Insurance premium paid	<u>3,993</u>	<u>5,328</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>1,224</u>	<u>605</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>3,582</u>	<u>3,252</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>9,100</u>	<u>8,773</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>4,862</u>	<u>4,673</u>
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>351</u>	<u>2,034</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>12</u>	<u>2,034</u>
Key management personnel	Related parties	Remuneration and benefits Dividend paid	<u>69,599</u>	<u>55,198</u>
Chairman of the Board	Related party	Honorarium	<u>900</u>	<u>750</u>
Directors	Related parties	Meeting fee	<u>1,175</u>	<u>1,650</u>

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

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

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

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

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

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

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

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

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31 December 2021 (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	190,924	11,479	-	-	202,403	202,403	-	-	202,403
- unlisted equity securities	644,531	-	-	-	644,531	-	-	644,531	644,531
	835,455	11,479	-	-	846,934	202,403	-	644,531	846,934
Financial assets not measured at fair value									
Deposits	-	-	96,447	-	96,447	-	-	-	-
Trade debts	-	-	227,646	-	227,646	-	-	-	-
Loan to subsidiary	-	-	96,473	-	96,473	-	-	-	-
Other receivables	-	-	1,165,279	-	1,165,279	-	-	-	-
Bank balances	-	-	18,753	-	18,753	-	-	-	-
	-	-	1,604,598	-	1,604,598	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	244,646	244,646	-	-	-	-
Lease liabilities	-	-	-	113,818	113,818	-	-	-	-
Trade and other payables	-	-	-	770,053	770,053	-	-	-	-
Mark-up accrued	-	-	-	44,312	44,312	-	-	-	-
Short term borrowings	-	-	-	2,309,139	2,309,139	-	-	-	-
Unclaimed dividend	-	-	-	25,622	25,622	-	-	-	-
	-	-	-	3,507,590	3,507,590	-	-	-	-

30 June 2021 (Audited)

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

All in

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

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

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

26.1 Valuation techniques and significant unobservable inputs

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

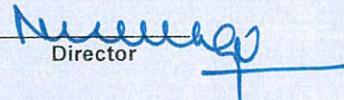
27. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on

8 February 2022
MIL



Chief Executive



Director



Chief Financial Officer



CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Crescent Steel and Allied Products Limited
 Condensed Interim Consolidated Statement of Financial Position
 As at 31 December 2021

Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----		
ASSETS		
Non-current assets		
Property, plant and equipment	5 1,852,665	1,928,051
Right-of-use-assets	131,797	131,603
Intangible assets	154,577	153,255
Investment properties	84,665	86,540
Investment in equity accounted investees	6 2,287,835	3,429,031
Other long term investments	7 955,243	976,589
Long term deposits	8 28,215	23,521
Deferred taxation - net	382,127	193,045
	<u>5,877,124</u>	<u>6,921,635</u>
Current assets		
Stores, spares and loose tools	173,947	163,452
Stock-in-trade	9 1,813,155	1,236,529
Trade debts	10 227,646	137,073
Advances	11 171,604	42,064
Trade deposits and short term prepayments	301,607	292,863
Short term investments	12 513,125	521,641
Other receivables	13 1,566,284	345,422
Taxation - net	1,044,852	1,113,985
Cash and bank balances	21,156	4,213
	<u>5,833,376</u>	<u>3,857,242</u>
Total assets	<u>11,710,500</u>	<u>10,778,877</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital and reserves		
Authorized capital		
100,000,000 ordinary shares of Rs. 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up capital	776,325	776,325
Capital reserves	1,050,979	1,050,164
Revenue reserves	5,961,694	6,141,931
	<u>7,788,998</u>	<u>7,968,420</u>
LIABILITIES		
Non-current liabilities		
Long term loans	14 91,040	127,676
Lease liabilities	81,125	74,570
Deferred income	1,812	4,450
	<u>173,977</u>	<u>206,696</u>
Current liabilities		
Trade and other payables	15 1,105,695	802,890
Unclaimed dividend	25,622	25,628
Mark-up accrued	46,036	28,723
Short term borrowings	16 2,376,009	1,542,306
Current portion of long term loans	14 153,606	159,038
Current portion of lease liabilities	32,693	36,353
Current portion of deferred income	7,864	8,823
	<u>3,747,525</u>	<u>2,603,761</u>
	<u>3,921,502</u>	<u>2,810,457</u>
Contingencies and commitments	17	
Total equity and liabilities	<u>11,710,500</u>	<u>10,778,877</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

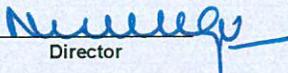
Crescent Steel and Allied Products Limited
Condensed Interim Consolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For the quarter and six months ended 31 December 2021

Note	Quarter ended		Six months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
----- (Rupees in '000) -----				
Sales	1,394,862	1,781,858	3,091,032	4,469,495
Less: Sales tax	203,131	258,932	450,335	650,358
18	1,191,731	1,522,926	2,640,697	3,819,137
Cost of sales	1,171,650	1,358,221	2,560,562	3,327,817
Gross profit	20,081	164,705	80,135	491,320
(Loss) / income from investments - net	19	(2,331)	40,014	(26,641)
	17,750	204,719	53,494	607,809
Distribution and selling expenses	3,443	3,249	7,110	5,719
Administrative expenses	84,584	61,781	147,519	129,760
Other operating expenses	16,799	10,797	40,335	26,911
20	104,826	75,827	194,964	162,390
	(87,076)	128,892	(141,470)	445,419
Other income	12,224	157,428	32,384	165,240
Operating (loss) / profit before finance costs	(74,852)	286,320	(109,086)	610,659
Finance costs	21	69,499	36,582	121,601
Share of profit in equity accounted investees - net of taxation	137,734	156,568	41,389	392,748
(Loss) / profit before taxation	(6,617)	406,306	(189,298)	891,009
Taxation				
- current for the period	(103,540)	(25,066)	(127,519)	(60,038)
- current for prior year	-	-	-	(1,678)
- deferred	126,393	(35,167)	183,650	(104,444)
	22,853	(60,233)	56,131	(166,160)
Profit / (loss) for the period	16,236	346,073	(133,167)	724,849
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)	(22,740)	95,093	(47,070)	85,839
<i>Items that will be reclassified subsequently to profit or loss</i>				
Proportionate share of other comprehensive (loss) / income of equity accounted investees	-	(42,241)	815	(41,995)
	(22,740)	52,852	(46,255)	43,844
Total comprehensive (loss) / income for the period	(6,504)	398,925	(179,422)	768,693
----- (Rupees) -----				
Earnings / (loss) per share - Basic and diluted	22	0.21	4.46	(1.72)
				9.34

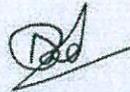
The annexed notes from 1 to 28 form an integral part of these Condensed interim consolidated financial statements.



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 2021

	Note	Six months ended	
		31 December 2021	31 December 2020
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash (used in) / generated from operations	23	(520,380)	1,092,192
Taxes (paid) / refund received		(63,818)	78,693
Finance costs paid		(99,183)	(143,012)
Contribution to gratuity and pension funds		(12,291)	(11,548)
Long term deposits - net		(2,140)	-
Net cash (used in) / generated from operating activities		(697,812)	1,016,325
Cash flows from investing activities			
Capital expenditure		(18,890)	(2,847)
Acquisition of intangible assets		(2,504)	(2,114)
Proceeds from disposal of operating fixed assets and investment property		11,239	153,429
Investments - net		(84,528)	(31,122)
Dividend income received		36,904	14,914
Interest income received		42	313
Net cash (used in) / generated from investing activities		(57,737)	132,573
Cash flows from financing activities			
(Repayments of) / proceeds from long term loans - net		(40,870)	92,489
Payments against finance lease obligations		(20,335)	(23,907)
Proceeds from / (repayments of) short term loans obtained - net		664,561	(1,126,373)
Dividends paid		(6)	(678)
Net cash generated from / (used in) financing activities		603,350	(1,058,469)
Net (decrease) / increase in cash and cash equivalents		(152,199)	90,429
Cash and cash equivalents at beginning of the period		(686,652)	(586,072)
Cash and cash equivalents at end of the period	24	(838,851)	(495,643)

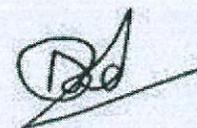
The annexed notes from 1 to 28 form an integral part of these Condensed interim consolidated financial statements.



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 2021

	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 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 (loss) / 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
Balance as at 1 July 2021	776,325	1,020,908	29,256	1,050,164	72,063	3,642,000	2,427,868	6,141,931	7,968,420
Total comprehensive income for the period									
Loss after taxation for the period	-	-	-	-	-	-	(133,167)	(133,167)	(133,167)
Other comprehensive income									
Other comprehensive income / (loss) for the period	-	-	815	815	(47,070)	-	-	(47,070)	(92,510)
Total comprehensive income / (loss) for the period	-	-	815	815	(47,070)	-	(133,167)	(180,237)	(225,677)
Balance as at 31 December 2021	776,325	1,020,908	30,071	1,050,979	24,993	3,642,000	2,294,701	5,961,694	7,742,743

* 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 2021

1. THE GROUP AND ITS OPERATIONS

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

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

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

2. BASIS OF PREPARATION

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

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

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

3. ACCOUNTING POLICIES

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

3.2 New standards, interpretations and amendments adopted by the group

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

3.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
Operating fixed assets	5.1	1,714,176	1,810,826
Capital work-in-progress		138,489	117,225
		<u>1,852,665</u>	<u>1,928,051</u>

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 2021		Unaudited Six months ended 31 December 2020	
	Additions / Transfers	Disposals / Transfers (Cost)	Additions / Transfers	Disposals (Cost)
----- (Rupees in '000) -----				
Land	-	-	-	56,757
Plant and machinery - owned	365	12,000	-	53,148
Plant and machinery - leased	15,934	-	-	-
Furniture and fittings	336	-	-	-
Electrical / office equipment and installation	745	3,960	-	72
Computers and accessories	1,762	372	507	495
Motor vehicles - owned	60	4,002	1,129	-
Motor vehicles - leased	5,670	-	-	-
	<u>24,872</u>	<u>20,334</u>	<u>1,636</u>	<u>110,472</u>

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

Unaudited 31 December 2021	Audited 30 June 2021		Note	Unaudited 31 December 2021	Audited 30 June 2021
(Number of shares)				----- (Rupees in '000) -----	
63,967,500	63,967,500	Quoted			
		Altern Energy Limited	6.1	2,287,835	3,429,031
		(Chief Executive Officer - Mr. Umer Shehzad Sheikh)			
35,011,347	35,011,347	Shakarganj Limited	6.1	-	-
		(Chief Executive Officer - Mr. Anjum M. Saleem)			
3,430,000	3,430,000	Unquoted			
		Crescent Socks (Private) Limited	6.1	-	-
		(Chief Executive Officer - Mr. Shehryar Mazhar)			
				<u>2,287,835</u>	<u>3,429,031</u>

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

Description	31 December 2021			
	Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
	Note	Rupees in '000		
Opening balance as at 1 July 2021		3,429,031	-	3,429,031
Share of profit	6.2	41,388	-	41,388
Share of equity	6.2	815	-	815
Dividend		(1,183,399)	-	(1,183,399)
Closing balance as at 31 December 2021		2,287,835	-	2,287,835

Description	30 June 2021			
	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)	553,376	(170,028)	-	383,348
Share of equity	246	(41,704)	-	(41,458)
Closing balance as at 30 June 2021	3,429,031	-	-	3,429,031

6.2 These figures are based on financial statements / information of these companies as at 30 September 2021.

6.3 Percentage of holding of equity in associates is as follows

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

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

6.4 The fair value of investments in associates as at 31 December 2021 is Rs. 2,875.437 million (30 June 2021: Rs. 3,294.910 million).

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		(Rupees in '000)	
Fair value through other comprehensive income (FVOCI)	7.1	161,937	183,283
Fair value through profit or loss (FVTPL)	7.2 & 7.3	793,306	793,306
		955,243	976,589

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 (30 June 2021: Rs. 10.470 million and Rs. 24.037 million), respectively, which had been fully charged to profit or loss in earlier periods.

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

8. LONG TERM DEPOSITS

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

9. STOCK-IN-TRADE

	Unaudited 31 December 2021	Audited 30 June 2021
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(Rupees in '000)

Raw materials		
Hot rolled steel coils (HR Coil)	286,831	303,715
Coating materials	48,369	96,903
Steel scrap	638,858	174,883
Others	111,406	85,261
Raw cotton	185,329	241,380
Stock-in-transit	180,032	168,850
	<u>1,450,825</u>	<u>1,070,992</u>

Work-in-process		17,813	25,797
Finished goods - net	9.1	341,531	135,235
Scrap / cotton waste		2,986	4,505
		<u>362,330</u>	<u>165,537</u>
		<u>1,813,155</u>	<u>1,236,529</u>

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

10. TRADE DEBTS

	Unaudited 31 December 2021	Audited 30 June 2021
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(Rupees in '000)

Secured			
Considered good		32,005	24,826
Unsecured			
Considered good	10.1	195,641	112,247
Considered doubtful		23,214	23,214
		<u>218,855</u>	<u>135,461</u>
Impairment loss on trade debts		(23,214)	(23,214)
		<u>227,646</u>	<u>137,073</u>

10.1 This includes balance due from following related party:

Crescent Textile Mills Limited		172	-
Shakarganj Food Products Limited		-	33,711

11. ADVANCES

This includes advances amounting to Rs. 170.73 million (30 June 2021: Rs. 40.182 million) given to suppliers for goods and services.

12. SHORT TERM INVESTMENTS

Note	Unaudited 31 December 2021	Audited 30 June 2021
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(Rupees in '000)

At fair value through profit or loss (FVTPL)	12.1	<u>513,125</u>	<u>521,641</u>
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12.1 Investments having an aggregate market value of Rs. 1,915.251 million (30 June 2021: Rs. 1,871.782 million) have been pledged with financial institutions as security against financing facilities (see note 16.5) out of which Rs. 1,460.068 million (30 June 2021: Rs. 1,468.823 million) relates to long term investments.

13. OTHER RECEIVABLES

Note	Unaudited 31 December 2021	Audited 30 June 2021
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----- (Rupees in '000) -----

Dividend receivable	13.1	1,184,285	892
Provision there against		(886)	(886)
		<u>1,183,399</u>	<u>6</u>
Receivable against sale of investments		-	520
Receivable against rent from investment property		243	643
Claim receivable		-	843
Due from related parties	13.2	6,561	5,251
Sales tax refundable		115,109	80,767
Margin on letter of credit and guarantee		15,359	15,359
Receivable from staff retirement benefits funds		239,843	239,843
Others		5,770	2,190
		<u>1,566,284</u>	<u>345,422</u>

13.1 This includes dividend receivable from associated company (Altern Energy Limited) amounting to Rs. 1,183.399 million.

13.2 Due from related parties

Shakarganj Limited	2,481	1,376
The Crescent Textile Mills Limited	-	244
Crescent Socks (Private) Limited	300	1,000
Shakarganj Food Products Limited	3,780	2,631
	<u>6,561</u>	<u>5,251</u>

	Note	Unaudited 31 December 2021	Audited 30 June 2021
14. LONG TERM LOANS		----- (Rupees in '000) -----	
Secured - Under non-shariah arrangement			
Allied Bank Limited	14.1	113,161	158,608
Habib Metropolitan Bank Limited	14.2	91,999	107,680
JS Bank Limited	14.3	39,486	20,426
		<u>244,646</u>	<u>286,714</u>
Less: Current portion shown under current liabilities		<u>153,606</u>	<u>159,038</u>
		<u>91,040</u>	<u>127,676</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 (30 June 2021: 74.176 million) have been disbursed till 31 December 2021. 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 2021: Rs. 18.544 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During year ended 30 June 2018, the 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 31 December 2021. The term of the loan is 4 years from the date of disbursement with a grace period of one year; however, due to COVID-19 the bank has allowed one year more grace period, repayable in 12 equal quarterly installments starting after twenty four months from date of disbursement. Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum. During the period, the Holding Company has made repayment of Rs. 36.175 million (30 June 2021: Rs. 18.088 million). Mark-up is payable at the rate of 3 months KIBOR plus 1.5% per annum.

During the period ended 31 December 2021, the mark-up on such arrangements ranged from 8.88% to 9.86% (30 June 2021: 8.19% to 10.04%) per annum. These facilities are secured against first joint pari passu hypothecation / equitable mortgage on plant, machinery and property of the 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 six tranches, one tranche in May 2020, one tranche in June 2020, one tranche in July 2020, two tranches in September 2020 and one tranche in October 2020. The term of the loan is 2.5 years from the date of disbursement with a grace period of 6 months, repayable in 8 equal quarterly installments starting from March 2021. Mark-up is payable at the concessional rate of 2.5% per annum.

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

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

During the period ended 31 December 2021, one tranche was received in July 2021 and one further received in December 2021. Two previous tranches were converted into the SBP Financing Scheme for Renewable Energy.

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

15. TRADE AND OTHER PAYABLES

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
Trade creditors		218,933	135,275
Bills payable		167,914	-
Commission payable		2,099	2,250
Accrued liabilities		390,593	323,729
Advances from customers		6,303	24,787
Fee, sales tax and damages		260,362	253,264
Due to related parties	15.1	1,063	1,133
Payable to provident fund		2,551	2,199
Payable to staff retirement benefit funds		2,448	2,057
Retention money		110	111
Sales tax payable		-	9,039
Withholding tax payable		4,437	2,974
Workers' Profit Participation Fund		11,756	2,904
Workers' Welfare Fund		6,944	6,944
Others		30,182	36,224
		<u>1,105,695</u>	<u>802,890</u>

15.1 Due to related parties

Premier Insurance Company Limited		1,061	353
Staff Benevolent Fund		2	2
Shakarganj Food Products Limited		-	778
		<u>1,063</u>	<u>1,133</u>

16. SHORT TERM BORROWINGS

	Note	Unaudited 31 December 2021	Audited 30 June 2021
----- (Rupees in '000) -----			
Secured from banking companies			
Running finances under mark-up arrangements	16.1	860,007	690,865
Short term loans	16.2	1,516,002	851,441
		<u>2,376,009</u>	<u>1,542,306</u>

16.1 Running finance facility / money market available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,300 million (30 June 2021: Rs. 1,300 million) out of which Rs. 300 million (30 June 2021: Rs. 300 million), Rs. 100 million (30 June 2021: Rs. 150 million) and Rs. 300 million (30 June 2021: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 9.14% to 9.98% (30 June 2020: 8.12% to 10.54%) per annum.

- 16.2** Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 3,950 million (30 June 2021: Rs. 3,850 million) out of which Rs. 3,150 million (30 June 2021: Rs. 3,150 million), Rs. 205 million (30 June 2021: Rs. 305 million) and Rs. 350 million (30 June 2021: Rs. 350 million) are interchangeable with letters of credit, letters of guarantee facility and short-term running finance facilities, respectively. During the period, the mark-up on such arrangements ranged from 9.14% to 9.98% (30 Jun 2021: 8.12% to 10.54%) per annum.
- 16.3** The facilities for opening letters of credit amounted to Rs. 4,750 million (30 June 2021: Rs. 4,750 million) out of which Rs. 300 million (30 June 2021: Rs. 300 million), Rs. 3,150 million (30 June 2021: Rs. 3,150 million) and Rs. 205 million (30 June 2021: Rs. 305 million) are interchangeable with short term running finance, short term loans and letters of guarantee facility respectively as mentioned in notes 16.1 and 16.2 above. The facility for letters of guarantee as at 31 December 2021 amounted to Rs. 2,211.8 million (30 June 2021: Rs. 1,859 million). Amounts unutilized for letters of credit and guarantees as at 31 December 2021 were Rs. 3,799.8 million and Rs. 627.58 million (30 June 2021: Rs. 3,884.903 million and Rs. 329.442 million), respectively.
- 16.4** This includes an amount of Rs. 951.7 million (30 June 2021: Rs. 424.181 million) outstanding against Islamic mode of financing. The Holding company is currently availing Islamic mode of financing from the Al Baraka Bank, Dubai Islamic Bank, and Bank Islami Pakistan Limited. Facilities availed during the period include letters of credit, bank guarantees, Wakala, Morabaha, Istisna and Ijarah financing.
- 16.5** The above facilities are expiring on various dates with maturity periods upto 31 November 2022. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 12.2), pledge of cotton and lien over import / export document.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

17.2 Commitments

17.2.1 During the year ended 30 June 2020, Bank Islami Pakistan Limited (BIPL) deferred the principal payments of rentals for one year as per the directives issued by State Bank of Pakistan vide its circular no. 12 dated 26 March 2020. As at 31 December 2021, amount of lease rentals outstanding under the Ijarah financing arrangement is Rs. 45.794 million (30 June 2021: Rs. 87.98 million), which is payable in average quarterly installments of Rs. 22.897 million (30 June 2021: Rs. 22.867 million).

17.2.2 Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 1,584.22 million (30 June 2021: Rs. 1,528 million). These include guarantees issued by Islamic banks amounting to Rs. 219.58 million (30 June 2021: Rs. 219.58 million).

17.2.3 Commitments in respect of capital expenditure contracted for by the Holding Company as at 31 December 2021 amounted to Rs. 12.672 million (30 June 2021: Rs. 8.455 million).

17.2.4 Commitments under letters of credit as at 31 December 2021 amounted to Rs. 950.2 million (30 June 2021: Rs. 865 million).

18. SALES	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
(Rupees in '000)					
Local sales					
Bare pipes	18.1	238,683	497,257	1,108,381	2,537,884
Steel billets		147,088	508,428	149,187	508,428
Pipe coating		50,920	5,753	50,920	5,753
Pre coated pipes		2,555	7,802	76,488	32,972
Cotton yarn / raw cotton		763,213	532,616	1,457,138	1,056,829
Electricity sales		36,321	54,405	36,321	54,405
Steam sales		58,342	123,728	58,342	123,728
Others		54,150	25,935	102,196	52,987
Scrap / waste		43,590	25,934	52,059	96,509
		<u>1,394,862</u>	<u>1,781,858</u>	<u>3,091,032</u>	<u>4,469,495</u>
Sales tax		<u>(203,131)</u>	<u>(258,932)</u>	<u>(450,335)</u>	<u>(650,358)</u>
		<u>1,191,731</u>	<u>1,522,926</u>	<u>2,640,697</u>	<u>3,819,137</u>

18.1 This is presented net of liquidated damages amounting to Rs. 4.558 million (31 December 2020: 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. (LOSS) / INCOME FROM INVESTMENTS - NET	Note	Unaudited Quarter ended		Unaudited Six months ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
(Rupees in '000)					
Dividend income	19.1	23,314	14,008	36,898	15,467
(Loss) / gain on sale of FVTPL investments - net	19.2	(1,327)	3,765	1,446	6,420
Unrealized (loss) / gain on FVTPL investments - net	19.3	(25,858)	20,096	(68,766)	89,376
Rent from investment properties	19.5	1,540	2,145	3,781	5,226
		<u>(2,331)</u>	<u>40,014</u>	<u>(26,641)</u>	<u>116,489</u>

19.1 This includes Rs. 22.433 million earned on investments in Shariah Compliant investee companies.

19.2 This includes gain of Rs. 1.742 million incurred on sale of investments in Shariah Compliant investee companies.

19.3 This includes loss of Rs. 61.232 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. 2.489 million (31 December 2020: Rs. 6.852 million).

20. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in '000)			
Exchange loss	12,405	-	30,831	-
Provision for:				
Workers' Profit Participation Fund	3,742	4,633	8,852	16,127
Workers' Welfare Fund	-	1,259	-	5,879
Slow moving stores, spares and loose tools	652	4,905	652	4,905
	<u>16,799</u>	<u>10,797</u>	<u>40,335</u>	<u>26,911</u>

21. FINANCE COSTS

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in '000)			
Mark-up on short term loans - Shariah arrangement	15,886	5,728	27,553	17,990
- finance lease obligations	2,381	1,954	4,628	4,066
- long term loan	5,609	7,286	11,508	13,175
- running finances / short term loans	42,174	27,308	73,180	74,440
Discounting of lease deposit	126	-	375	-
Bank charges	3,323	(5,694)	4,357	2,727
	<u>69,499</u>	<u>36,582</u>	<u>121,601</u>	<u>112,398</u>

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

	Unaudited Quarter ended		Unaudited Six months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in '000)			
Profit / (loss) for the period	<u>16,236</u>	<u>346,073</u>	<u>(133,167)</u>	<u>724,849</u>
	(Number of shares)			
Weighted average number of ordinary shares in issue during the period	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>	<u>77,632,491</u>
	(Rupees)			
Earnings / (loss) per share - Basic and diluted	<u>0.21</u>	<u>4.46</u>	<u>(1.72)</u>	<u>9.34</u>

23. CASH GENERATED FROM / (USED IN) OPERATIONS

	Note	Unaudited	
		Six months ended	
		31 December 2021	31 December 2020
		----- (Rupees in '000) -----	
(Loss) / profit before taxation		(189,298)	891,009
Adjustments for non cash charges and other items			
Depreciation on operating fixed assets and investment properties		103,267	110,699
Amortization of intangible assets		1,182	200
Charge for the period on staff retirement benefit funds		12,682	11,548
Dividend income		(36,898)	(15,467)
Unrealized loss / (gain) on FVTPL investments - net		68,766	(89,376)
(Gain) on sale of FVTPL investments - net		(1,446)	(6,420)
Provision for stores, spares and loose tools - net		652	4,905
Provision for Workers' Welfare Fund		-	5,879
Provision for Workers' Profit Participation Fund		8,852	16,127
Return on deposits		(42)	(284)
Gain on disposal of operating fixed assets and investment property		(49)	(134,131)
Deferred income		(4,795)	(4,333)
Discounting on long term deposit		375	-
Unwinding of discount on long term deposit		(12,336)	(11,301)
Liabilities written back		(8,636)	-
Finance costs		121,226	112,398
Share of profit from equity accounted investees - net of taxation		(41,388)	(392,748)
Working capital changes	23.1	(542,494)	587,058
		<u>(520,380)</u>	<u>1,092,192</u>
23.1 Working capital changes			
<i>(Increase) / decrease in current assets</i>			
Stores, spares and loose tools		(11,147)	8,968
Stock-in-trade		(576,626)	833,196
Trade debts		(90,573)	(26,292)
Advances		(129,540)	(79,450)
Trade deposits and short term prepayments		663	96
Other receivables		(37,469)	35,149
		<u>(844,692)</u>	<u>771,667</u>
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		302,198	(184,609)
		<u>(542,494)</u>	<u>587,058</u>

24. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(860,007)	(504,336)
Cash and bank balances	21,156	8,693
	<u>(838,851)</u>	<u>(495,643)</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 2021

	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
	(Rupees in '000)						
Sales - net	1,176,879	1,258,800	89,437	130,078	-	(14,497)	2,640,697
Cost of sales	1,250,773	1,055,104	118,004	151,178	-	(14,497)	2,560,562
Gross (loss) / profit	(73,894)	203,696	(28,567)	(21,100)	-	-	80,135
Loss from investments - net	-	-	-	-	(26,641)	-	(26,641)
	(73,894)	203,696	(28,567)	(21,100)	(26,641)	-	53,494
Distribution and selling expenses	4,839	1,671	-	600	-	-	7,110
Administrative expenses	102,713	21,189	2,329	9,603	11,685	-	147,519
Other operating expenses	22,482	11,869	(257)	6,241	-	-	40,335
	130,034	34,729	2,072	16,444	11,685	-	194,964
	(203,928)	168,967	(30,639)	(37,544)	(38,326)	-	(141,470)
Other income	19,509	12,875	-	-	-	-	32,384
Operating (loss) / profit before finance costs	(184,419)	181,842	(30,639)	(37,544)	(38,326)	-	(109,086)
Finance costs	89,791	13,661	1	15,498	2,650	-	121,601
Share of profit in equity accounted investees - net of taxation	-	-	-	-	41,389	-	41,389
(Loss) / profit before taxation	(274,210)	168,181	(30,640)	(53,042)	413	-	(189,298)
Taxation							56,131
Loss for the period							(133,167)

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 - net	-	-	-	-	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

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. 14.497 million (31 December 2020: Rs. 36.795 million).

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

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

25.3 Revenue from major products and services

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

25.4 Information about major customers

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 1,133.548 million (31 December 2020: Rs. 2,162.604 million) of total Steel segment revenue of Rs. 1,176.879 million (31 December 2020: Rs. 2,288.930 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 475.002 million (31 December 2020: Rs. 329.174 million) of total Cotton segment revenue of Rs. 1,258.800 million (31 December 2020: Rs. 915.258 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. 80.909 million (31 December 2020: Rs. 152.248 million) of total Energy segment revenue of Rs. 89.437 (31 December 2020: Rs. 183.075 million). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. 125.715 million (31 December 2020: Rs. 452.134 million) of total Hadeed (Billet) segment revenue of Rs. 130.078 million (31 December 2020: Rs. 468.669 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 2021 and 30 June 2021 were located and operating in Pakistan.

25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
(Rupees in '000)						
As at 31 December 2021 - Unaudited						
Segment assets for reportable segments	1,774,304	624,208	703,135	1,811,387	2,727,994	7,641,028
Investment in equity accounted investees	-	-	-	-	2,287,835	2,287,835
Unallocated corporate assets						1,781,637
Total assets as per condensed interim consolidated statement of financial position						<u>11,710,500</u>
Segment liabilities for reportable segments	573,643	271,383	76,174	244,498	70,025	1,235,723
Unallocated corporate liabilities and deferred income						2,685,779
Total liabilities as per condensed interim consolidated statement of financial position						<u>3,921,502</u>
As at 30 June 2021 - Audited						
Segment assets for reportable segments	1,982,178	539,559	775,478	927,419	1,613,018	5,837,652
Investment in equity accounted investees	-	-	-	-	3,429,031	3,429,031
Unallocated corporate assets						1,512,194
Total assets as per consolidated statement of financial position						<u>10,778,877</u>
Segment liabilities for reportable segments	568,762	164,977	77,680	52,840	33,614	897,873
Unallocated corporate liabilities and deferred income						1,912,584
Total liabilities as per consolidated statement of financial position						<u>2,810,457</u>

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

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

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

25.7 Other segment information

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
Unaudited						
(Rupees in '000)						
For the six months ended 31 December 2021						
Capital expenditure	3,268	-	2,504	-	-	5,772
Depreciation and amortization	34,998	11,512	30,205	25,433	2,301	104,449
Non-cash items other than depreciation and amortization	84,081	15,179	(184)	15,682	(7,800)	106,958
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)

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 2021	31 December 2020
			----- (Rupees in '000) -----	
Altern Energy Limited	Associated company	Dividend	1,183,399	-
Shakarganj Limited	Associated company	Sales of goods	45,347	18,311
		Sales of electricity and steam	80,909	152,349
		Services received	2,422	3,215
		Reimbursable expenses	1,224	1,098
		Advance given for raw material	-	46,000
		Payment received	80,916	565
		Purchase of raw material	80,909	181,121
Shakarganj Food Products Limited	Related party	Services rendered	2,121	2,028
		Rent	1,080	1,236
		Payments received from services given	-	2,000
Crescent Socks (Private) Limited	Related party	Rent	600	200
		Payment received	800	200
The Crescent Textile Mills Limited	Associated company	Payment received	3,070	290
		Rent	2,291	313
		Services received	708	152
The Citizens' Foundation*	Related party	Donation given	324	4,149
Premier Insurance Limited*	Related party	Insurance premium	3,815	5,382
		Insurance premium paid	3,993	5,328
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	12	2,034
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	1,224	605
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	3,582	3,252
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	9,100	8,773
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	4,862	4,673
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	351	321
Key management personnel	Related parties	Remuneration and benefits	69,599	55,198
Chairman of the Board	Related party	Honorarium	900	750
Directors	Related parties	Meeting fee	1,175	1,650

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

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

27. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

31 December 2021 (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	513,125	161,937	-	675,062	675,062	-	-	675,062
- Unlisted equity securities	793,306	-	-	793,306	-	-	793,306	793,306
	1,306,431	161,937	-	1,468,368	675,062	-	793,306	1,468,368
Financial assets not								
measured at fair value								
Deposits	-	-	318,856	318,856	-	-	-	-
Trade debts	-	-	227,646	227,646	-	-	-	-
Other receivables	-	-	1,211,332	1,211,332	-	-	-	-
Bank balances	-	-	18,913	18,913	-	-	-	-
	-	-	1,776,747	1,776,747	-	-	-	-
Financial liabilities not								
measured at fair value								
Long term loans	-	-	244,646	244,646	-	-	-	-
Lease liabilities	-	-	113,818	113,818	-	-	-	-
Trade and other payables	-	-	815,893	815,893	-	-	-	-
Mark-up accrued	-	-	46,036	46,036	-	-	-	-
Short term borrowings	-	-	2,378,009	2,378,009	-	-	-	-
	-	-	3,596,402	3,596,402	-	-	-	-

30 June 2021 (Audited)								
Carrying amount					Fair value			
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

**On-balance sheet
financial instruments**

**Financial assets
measured at fair value**

Investment

- Listed equity securities	521,641	183,283	-	-	704,924	704,924	-	-	704,924
- Unlisted equity securities	793,306	-	-	-	793,306	-	-	793,306	793,306
	<u>1,314,947</u>	<u>183,283</u>	<u>-</u>	<u>-</u>	<u>1,498,230</u>	<u>704,924</u>	<u>-</u>	<u>793,306</u>	<u>1,498,230</u>

**Financial assets not
measured at fair value**

Deposits	-	-	305,778	-	305,778	-	-	-	-
Trade debts	-	-	137,073	-	137,073	-	-	-	-
Other receivables	-	-	24,812	-	24,812	-	-	-	-
Bank balances	-	-	3,848	-	3,848	-	-	-	-
Cash	-	-	365	-	365	-	-	-	-
	<u>-</u>	<u>-</u>	<u>471,876</u>	<u>-</u>	<u>471,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Financial liabilities not
measured at fair value**

Long term loan	-	-	-	286,714	286,714	-	-	-	-
Lease liabilities	-	-	-	110,923	110,923	-	-	-	-
Trade and other payable	-	-	-	498,722	498,722	-	-	-	-
Unclaimed dividend	-	-	-	25,628	25,628	-	-	-	-
Mark-up accrued	-	-	-	28,723	28,723	-	-	-	-
Short term borrowings	-	-	-	1,542,306	1,542,306	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,493,016</u>	<u>2,493,016</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.

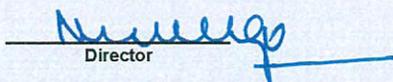
27.1 Valuation techniques and significant unobservable inputs

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

28. DATE OF AUTHORIZATION FOR ISSUE

These Condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 08 February 2022.


Chief Executive


Director


Chief Financial Officer



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