

3rd Quarterly  
**Report 2024**



Crescent Steel and  
Allied Products Limited

**CANVAS  
OF CHANGE**  
UNFOLDING ART MOVEMENTS



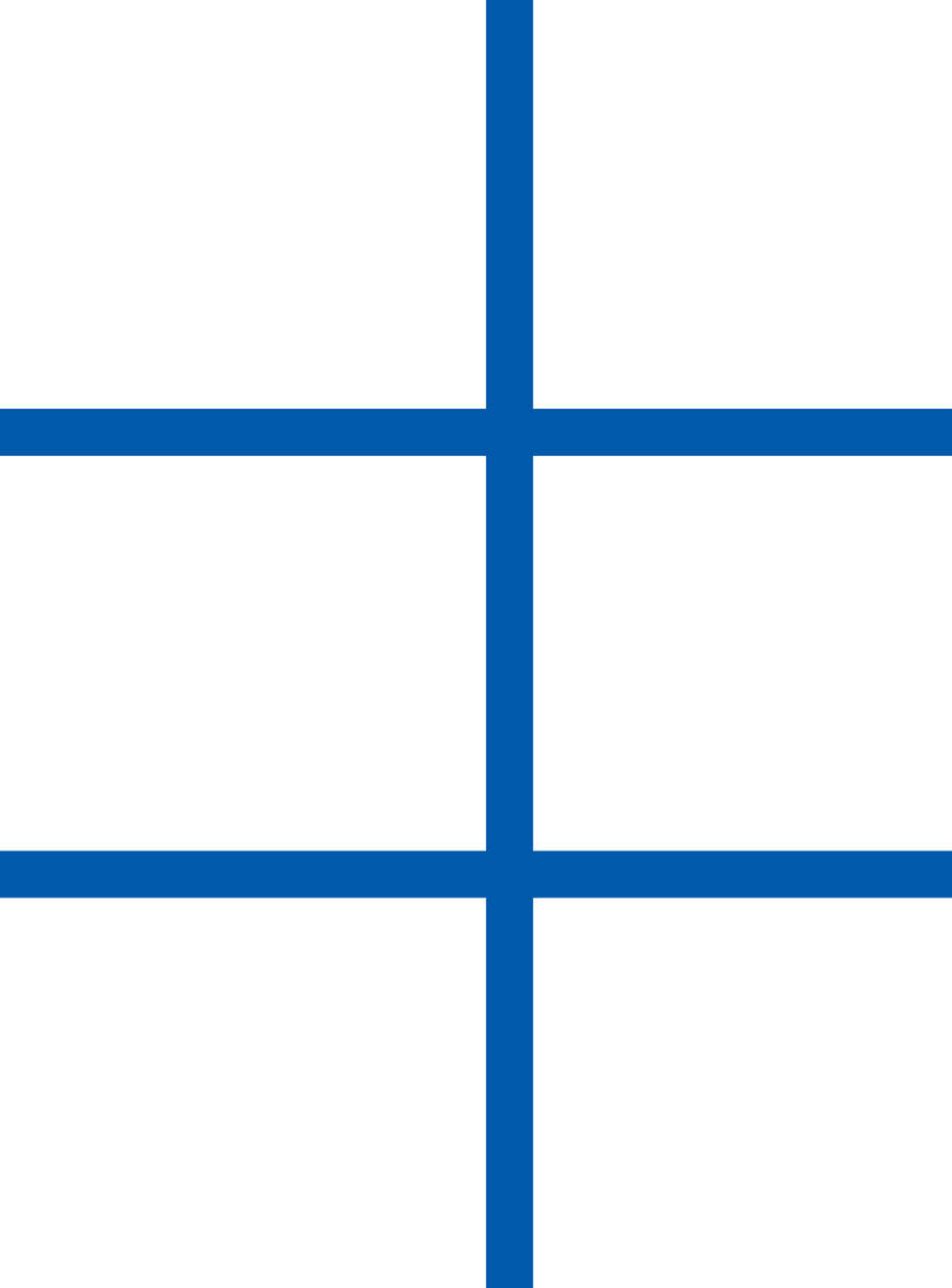
# CANVAS OF CHANGE

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

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

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

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



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# COMPANY PROFILE

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

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

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

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

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

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

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

## COTTON DIVISION – COTTON YARN SPINNING UNIT

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

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

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

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

## INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

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

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

## CS ENERGY DIVISION

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

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

## CRESCENT HADEED DIVISION – BILLET MANUFACTURING UNIT

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

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

## SUBSIDIARY COMPANIES

### **CS CAPITAL (PRIVATE) LIMITED**

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

### **SOLUTION DE ENERGY (PRIVATE) LIMITED**

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

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



# COMPANY INFORMATION

## BOARD OF DIRECTORS

Ahmad Waqar

Chairman, Non-Executive Director

Ahsan M. Saleem

Chief Executive Officer

Ahmad Shafi

Non-Executive Director

Muhammad Kamran Saleem

Non-Executive Director (Independent)

Nadeem Maqbool

Non-Executive Director (Independent)

Nausheen Ahmad

Non-Executive Director (Independent)

Nihal Cassim

Non-Executive Director (Independent)

S.M. Ehtishamullah

Non-Executive Director

## COMPANY SECRETARY

Azeem Sarwar

## AUDIT COMMITTEE

Nihal Cassim

Chairman, Non-Executive Director (Independent)

Ahmad Shafi

Member, Non-Executive Director

Nadeem Maqbool

Member, Non-Executive Director (Independent)

S.M. Ehtishamullah

Member, Non-Executive Director

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Nadeem Maqbool

Chairman, Non-Executive Director (Independent)

Ahmad Shafi

Member, Non-Executive Director

Ahmad Waqar

Member, Non-Executive Director

Nausheen Ahmad

Member, Non-Executive Director (Independent)

## GOVERNANCE AND NOMINATION COMMITTEE

Ahmad Waqar

Chairman, Non-Executive Director

Ahsan M. Saleem

Member, Chief Executive Officer

Muhammad Kamran Saleem

Member, Non-Executive Director (Independent)

Nausheen Ahmad

Member, Non-Executive Director (Independent)

## RISK MANAGEMENT COMMITTEE

S.M. Ehtishamullah

Chairman, Non-Executive Director

Muhammad Kamran Saleem

Non-Executive Director (Independent)

Nihal Cassim

Member, Non-Executive Director (Independent)

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



## MANAGEMENT TEAM

Ahsan M. Saleem – 1983\*

Chief Executive Officer

Muhammad Saad Thaniana – 2007\*

Chief Financial Officer and

CEO Solution De Energy (Private) Limited

Abdul Rouf – 2000\*

Business Unit Head – Cotton Division

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\*

Business Unit Head – Steel Division and

Head of Commercial Operations

Owais Ahmed – 2024\*

IT Advisor

Mushtaque Ahmed – 1985\*

Head of Manufacturing – Steel Division

## HEAD OF INTERNAL AUDIT

Muhammad Shakeeb Ullah Khan – 2021\*

## AUDITORS

### EXTERNAL AUDITORS

A.F. Ferguson & Co

Chartered Accountants

### INTERNAL AUDITORS

BDO Ebrahim & Co

Chartered Accountants

## LEGAL ADVISOR

Hassan and Hassan, Advocates, Lahore

A.K. Brohi & Co., Advocates, Karachi

## BANKERS

### CONVENTIONAL

Allied Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

JS Bank Limited

MCB Bank Limited

National Bank of Pakistan

Summit Bank Limited

\* Year of Joining

## SHARIAH COMPLIANT

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

## SUBSIDIARIES\*\*

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

## REGISTERED OFFICE

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

## LIAISON OFFICE LAHORE

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

## PRINCIPAL OFFICE

9th Floor, Sidco Avenue Centre, 264 R.A. Lines,  
Karachi-74200.  
Tel: +92 21 3567 4881-85  
Fax: +92 21 3568 0476  
Email: info@crescent.com.pk

## PRODUCTION SITES

### STEEL DIVISION PIPE AND COATING PLANTS

A/25, S.I.T.E., Nooriabad, District  
Jamshoro, Sindh-73090.  
Tel: +92 25 4670 020-22, +92 25 4670 055  
Email: arif.raza@crescent.com.pk

### ENGINEERING UNIT

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

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

## COTTON DIVISION CRESCENT COTTON PRODUCTS

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

## CRESCENT HADEED DIVISION BILLET MANUFACTURING UNIT

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

## CS ENERGY DIVISION POWER GENERATION UNIT

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

## PUBLIC INFORMATION

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

**Mr. Azeem Sarwar**  
Company Secretary  
9th Floor, Sidco Avenue Centre, 264  
R.A. Lines, Karachi-74200.  
Tel: +92 21 3567 4881-85  
Email: [company.secretary@crecident.com.pk](mailto:company.secretary@crecident.com.pk)

## SHARE REGISTRAR

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

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

## CORPORATE WEBSITE

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



## FINANCIAL STATEMENT

For 3rd Quarterly Report 2024 go to: <https://www.crescent.com.pk/uploads/media/quarterly-report-march-2024.pdf>





# POST- IMPRESSIONISM

1886 -  
1905

## VINCENT VAN GOGH

**Title:** The Starry Night

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

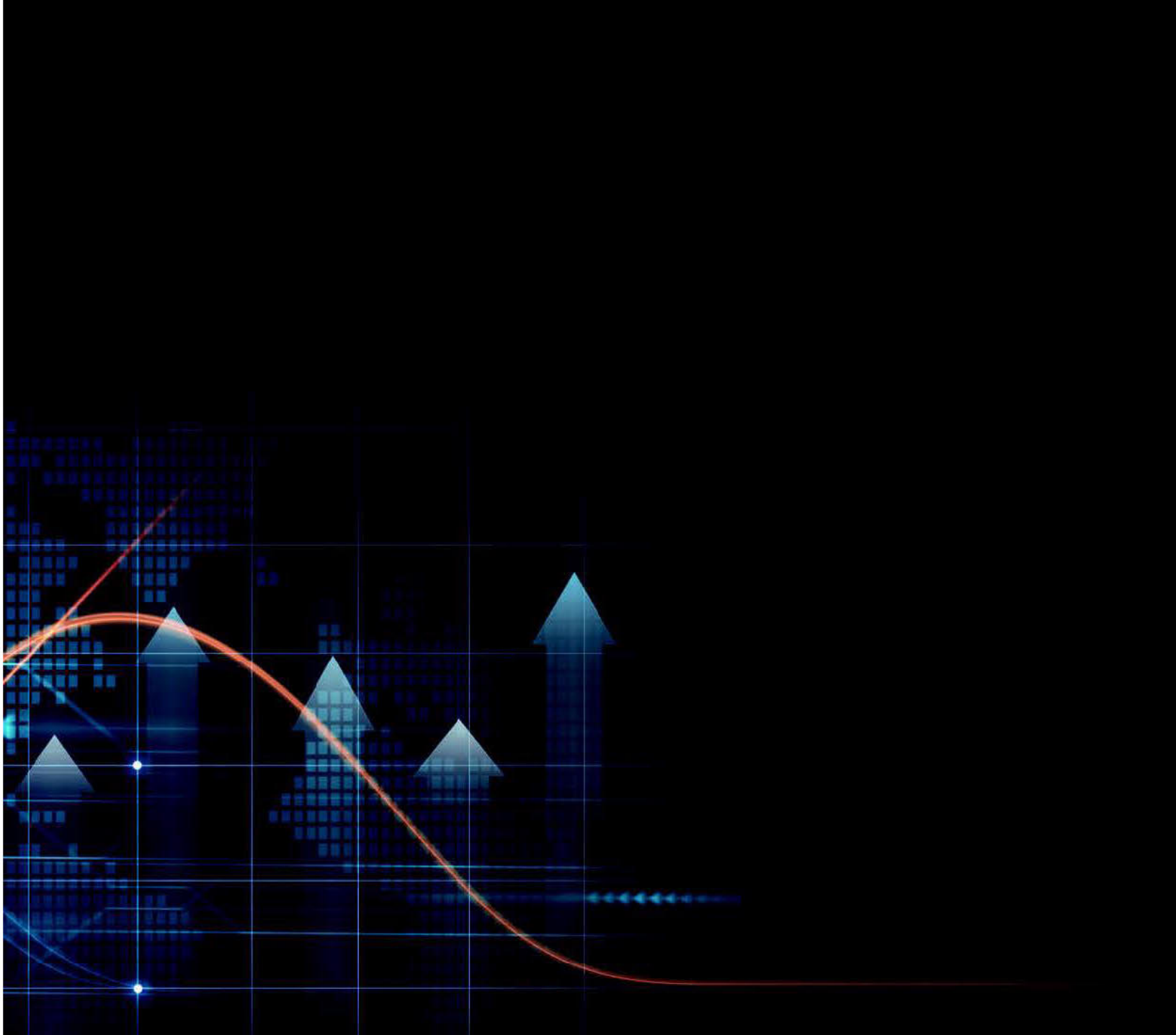
Source: <https://artsandculture.google.com/asset/the-starry-night-vincent-van-gogh/bgEuwDxel93-Pg>











**CRESCENT STEEL AND ALLIED PRODUCTS LIMITED**

# **DIRECTORS' REPORT**

**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

# DIRECTORS' REPORT

**The Directors of the Company are pleased to submit their report together with unaudited condensed interim unconsolidated and consolidated financial statements of the Company and the Group, respectively, for the nine months period ended March 31, 2024.**

## ECONOMIC OUTLOOK

We have come a long way since the beginning of this fiscal year – marred with political and economic uncertainty; The PKR had hit an all-time low of PKR 307.75/USD in September 2023 and Pakistan did not have enough FX reserves for business as usual, forcing a policy induced slow-down. There was a point where opening an LC required an upfront 100% cash margin. At the same time, policy rates have remained unchanged at 22% with inflation averaging 27% for the 9MFY24. It is evident that the containment measures worked and gauging the market response, the commitment towards structural reforms (taxation/revenue, energy, SOEs etc.) is a much awaited and welcome shift.

Pakistan's total external financing requirement for FY24 of USD 24.3 billion has largely either been paid or rolled over and the net payable stands at USD 3.5 billion – having said this, external flows remain critical to overall economic stability and Pakistan remains vulnerable to external shocks. Growth in remittances remains a key source of FX flows.

On the back of rising interest payments, the fiscal deficit is projected to increase to 8% of GDP in FY24, however, with continued fiscal consolidation measures in place, the primary deficit is projected to fall to 0.1% of GDP for FY24.

In this backdrop, budget 2025 will be difficult – it is expected that it will induce a demand slow-down to avoid the economy from overheating and will attempt to narrow the fiscal gap through tax reforms and reducing the size of the 'state economy'.

March 2024 saw a decline in inflation to 20.7%, marking a third consecutive monthly decrease. Real interest rates turned positive for the first time since January 2021. Despite reaching a peak in May 2023 at 38.0%, the nine-month average inflation stood at 27.06%. The State Bank of Pakistan (SBP) maintained the rate at 22% in mid-March, aiming for inflation targets of 23%-25% by FY24 and 5%-7% by September 2025.

The current account deficit narrowed to USD 1 billion, and PKR appreciated by 2.81%. Foreign reserves stood at USD 13.78 billion in March, with remittances slightly increasing to USD 21.0 billion. In February 2024, current account registered a surplus of USD 128 million against a deficit of USD 50 million in February 2023.

Total liquid foreign reserves stood at USD 13.78 billion, including SBP reserves of USD 8.04 billion. The trade deficit for the 9MFY24 shrank to USD 17.03 billion against USD 22.69 billion (down by 24.94%). Overall, exports rose to USD 22.91 billion (up 8%) while imports stood at USD 39.94 billion (down 8.65%) during the nine month period.

Revenue (July-January) rose 57% on the back of fiscal consolidation measures and tax reforms to PKR 4.40 trillion against PKR 2.80 trillion during the SPLY, while expenditures surged by 49% primarily on account of higher interest costs, to PKR 7.53 trillion as against PKR 5.06 trillion in SPLY, widening the fiscal deficit.

Primary balance exhibited surplus of PKR 1.93 trillion when compared to PKR 0.9 trillion in the SPLY. Consequently, the fiscal deficit for the first seven months of FY24 broadened to PKR 2,721



billion (2.6% of GDP) when compared with PKR 1,974 billion (2.3% of GDP) SPLY.

Despite challenges, large-scale manufacturing for the July-February period showed a marginal decline of 0.51% (SPLY: -5.56%), with LSM improving by 0.06% in February 2024 as against a fall of 2.6% SPLY with 12/22 sectors reporting growth.

For long-term growth and stability, continued efforts in addressing fiscal challenges and economic reforms remain imperative and inadequate macroeconomic management poses a risk to the downside.

## FINANCIAL AND OPERATIONAL PERFORMANCE

### Overall Unconsolidated Financial Performance

Company's after tax profit for nine months period ended March 31, 2024 (9MFY24) amounted to Rs. 1,043.5 million as compared to after tax loss of Rs. 102.3 million in 9MFY23 mainly contributed by the Steel Division and dividends from investments. Earnings per share (EPS) for HYFY24 was Rs. 13.44 per share as compared to Loss per Share of Rs. 1.01 in 9MFY23.

Company's sales revenue for 9MFY24 stood at Rs. 5,660.6 million (9MFY23: Rs. 4,098.5 million). Cost of Goods sold stood at Rs. 4,067.9 million (9MFY23: Rs. 3,124.3) generating a Gross Profit (GP) of Rs. 1,592.8 million (9MFY23 GP of Rs. 365.7 million) which was 28.1 percent of sales as compared to 10.5 percent in 9MFY23.

Cotton Division, Hadeed (Billet) Division and CS Energy Division were not operational during the nine months period ended March 31, 2024 as it was not viable to operate the Plants. Cotton Division reported LBT of Rs. 141.1 million whereas Hadeed (Billet) Division and CS Energy Division posted a combined LBT of Rs. 110.8 million primarily on account of fixed costs incurred during the period including non-cash (depreciation & amortization expense) of Rs. 83.4 million.

The Company's PBT for 9MFY24 amounted to Rs. 1,551.2 million as compared to LBT of Rs. 102.3 million in 9MFY23. Tax charge during 9MFY24 amounted to Rs. 507.7 million (current tax charge of Rs. 336.4 million including Super tax of Rs. 157.6 million while deferred tax charge amounted to Rs. 171.3 million).

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

- Sales revenue increased 62.2% to Rs. 5,660.6 million as compared to Rs. 3,490.0 million in 9MFY23.
- Income from Investments amounted to Rs. 805.1 million as compared to Rs. 16.2 million in 9MFY23. (Including dividends from Altern Energy amounting to Rs. 573.3 million).
- Gross profit of Rs. 1,592.8 million as compared to a gross profit of Rs. 365.7 million in 9MFY23.
- Profit before interest and tax (PBIT) for 9MFY24 was Rs. 1,917.9 million as compared to Rs. 136.3 million for 9MFY23.
- Profit before interest, tax, depreciation, and amortization (EBITDA) was Rs. 2,114.7 million as compared to Rs. 309.3 million in 9MFY23.
- Return on average capital employed (annualized) was 15.7 percent for 9MFY24 as compared to negative 1.3 percent in corresponding period last year.
- EPS for 9MFY24 was Rs. 13.44, as compared to LPS of Rs. 1.01 for 9MFY23.

## BUSINESS SEGMENTS

### Steel Segment

Steel Division revenue for the nine months period ended March 31, 2024 (9MFY24) amounted to Rs. 5,605.3 million (9MFY23: Rs. 2,420.9 million). GP for 9MFY24 was recorded at Rs. 1,777.5 million i.e., 31.7% (9MFY23: Rs. 511.9 million i.e., 21.1%). PBT for 9MFY24 stood at Rs. 1,024.7 million (9MFY23: PBT of Rs. 118.7 million)

as compared to budgeted profit of Rs. 1,368.2 million).

We supplied 35 Kms of Coated Steel Line Pipes in diameters of 16" and 20" and 46 km of Bare Steel Line Pipes in diameters of 16" and 24" to Gas Sector. In the same period, we supplied 47 Kms of 84" and 68" diameters coated steel line pipes for supplies to the K-IV Greater Karachi Bulk Water Supply Project. The K-IV project revenue of Rs. 2,007.2 excludes the cost of HRC supplied by the customer. The deemed revenue would be higher by Rs. 2,872.4 million. An external coating of 104 km of 8" diameter pipes was also executed during the period.

## **IID Segment**

### **Market Review**

On the back of increased investor confidence, optimism on the immediate state of the economy with lower inflation expectations/rate cut expectations/improved FX flows etc. and, still very attractive valuations, the KSE-100 continued to post gains during Q3FY24, gaining 7.3% (USD terms: 8.8%) to close at 67,005 points in March, up 3.8% MoM. During the nine-month period, the index was up 25,552 points or 61.64% from its fiscal year opening of 41,452 points, peaking at 67,246 points in March. On a CYTD basis, the market was up by 4,554.06 points or 6.91%.

The all-share market capitalization stood at PKR 9.47 trillion/USD 33.8 billion on March 29, 2024 - up PKR 3.08 trillion/USD 11.95 billion, (48.33%/54.20%) from its opening on July 03, 2023, and PKR 0.38 trillion/USD 1.84 billion (4.25%/5.71%) on a CYTD basis. When compared with its all-time high in May 2017, market cap stood at PKR 10.45 trillion/USD 99.7 billion - down 66% in dollar terms and 9.4% in PKR terms.

The outgoing quarter saw the new government taking charge and concluding a successful IMF review. The sentiment remained positive with an improved inflation and external outlook, stable growth expectations and continued reforms.

Despite high fixed income yields, market participation improved considerably YoY, largely on the back of optimism. Average traded volumes for the all-share index during the nine-month period stood at 453.25 million shares/day as against 203.67 million shares/day during the SPLY, up 122.54%. Similarly, the average daily value traded stood at PKR 14.40 bn as against PKR 6.60 bn during the SPLY, up by PKR 7.80 bn or 118.20%.

Net Foreign Inflows stood at USD 74.88 million (PKR 21.23 billion) as against consecutive inflows of USD 7.20 million (PKR 1.63 billion) in 9MFY23, and outflows of USD 271.13 million (PKR 46.59 billion) in 9MFY22 and USD 295.12 million (PKR 47.82 billion) in 9MFY21. On the domestic front, major net selling was observed by Banks with USD 112.59 million followed by Mutual Funds (USD 54.64 million), Brokers (USD 25.78 million), Other organizations (USD 17.05 million) and Individuals (USD 15.85 million). A major portion of this was absorbed by Insurance companies which took positions worth USD 120 million followed by Corporates with USD 30.53 million.

The KSE-100 is currently trading at a P/E of 4.2x (2024)/forward P/E of 3.5x, as compared to its 5 and 10-year averages of 5.6x and 8x, offering a dividend yield of ~10.3% as compared to its 5-year average of ~7.6%. KSE-100 continues to trade at a massive discount and offers attractive valuations.

### **Segment Performance**

The portfolio's PBT for the period ended March 31, 2024, stood at Rs. 778.5 million, as against the PBT of Rs. 1.0 million in the corresponding period last year.

The PBT includes unrealised gain Rs. 154.7 million, Dividend income for the period stood at Rs. 619.4 million, including Dividend income from strategic investments in Altern Energy Limited of Rs. 573.3 million.

During 9MFY24, the division's HFT investments recorded a positive ROI of 76.1% on weighted average investments of Rs. 216.3 million whereas the benchmark KSE-100 index increased by 61.6%. Dividend yield for the nine

months period from the HFT portfolio stands at 11.3% ceteris paribus.

## UNCONSOLIDATED BALANCE SHEET

Balance sheet footing stood at Rs. 11,619.8 million as of March 31, 2024, compared to Rs. 9,948.3 million on June 30, 2023. Break-up value per share increased to Rs. 90.3 from Rs. 78.8 as of June 30, 2023.

The current ratio increased to 1.53, as compared to 1.28 as at June 30, 2023. Gearing ratio (including short-term borrowings) decreased to 24.7% as compared to 24.9% as at June 30, 2023. Interest cover for H1FY24 was 5.2 times [9MFY23: negative 0.6 times].

## Overall Consolidated Financial Performance

On a consolidated basis, operating profit before finance costs and share of profit in equity accounted investees amounted to Rs. 1,559.2 million (9MFY23: Rs. 128.9 million). Consolidated profit after tax for the Group for 9MFY24 was Rs. 1,108.3 million as compared to Rs. 267.1 million in 9MFY23. Consolidated income from investments was Rs. 444.3 million (9MFY23: Rs. 13.0 million) and net share of profit from equity-accounted associates amounted to Rs. 440.6 million (9MFY23: Rs. 385.5 million).

Consolidated EPS of the Group for 9MFY24 was Rs. 14.28 per share as compared to Rs. 3.44 per share respectively in the corresponding period last year. Break-up value per share increased to Rs. 108.17 from Rs. 95.66 as at June 30, 2023.

## CONSOLIDATED BALANCE SHEET

On a Group basis, the consolidated balance sheet footing stood at Rs. 13,056.0 million, compared to Rs. 11,302.6 million as at June 30, 2023. Total shareholders' fund increased to Rs. 8,397.4 million from Rs. 7,426.1 million as at June 30, 2023.

## FUTURE OUTLOOK

The prevailing environment remains challenging due to political instability and economic challenges. While over the past quarter, after the elections, the environment is expected to improve, in terms of increased political stability and policy measures to improve macro-economic indicators, the foreign exchange reserves crisis persists (although the position has improved, relatively, vis-à-vis imports), and is the primary contributor to the slowdown in economic activity across the board. This coupled with regressive import contraction policies, record-breaking inflation and high interest rates has dampened industrial growth and customer demand across all industries. The engineering sector is especially vulnerable to these challenges as critical raw materials, consumables and spares are imported. Domestically, rising utilities costs, higher financing costs, higher employment costs, and additional taxation have increased input costs for manufacturing and have reduced customer demand. These measures have impacted cashflows and agility of businesses. These challenges are expected to persist through to the end of FY25 and will impede our ability to execute projects in hand, while influencing the velocity with which new projects are issued. While import curbs have significantly enhanced our ability to supply to segments that were generally wholly dependent on imported pipes, such as the oil sector, and have also reduced competition in our existing customer segments from foreign suppliers, these measures have exposed us to supply side shocks and are a major risk to processing orders in hand. Current situation in middle east as the potential of engulfing the region into the conflict has already impacted shipping corridors and has consequently impacted commodity markets; specifically crude and petrochemical product prices have already risen in response, and we expect that the conflict will have significant impact on business as usual, for some time.

On the other hand, the pent-up demand for natural gas transmission and distribution lines bodes well for the industry as significant gas infrastructure projects (for both replacement and new pipeline routes) are expected in the upcoming fiscal.

In Q4FY24, we shall continue manufacturing balance quantities against our in-process orders of K-IV Greater Karachi Bulk Water Supply Project and gas sector for different diameter pipes. In addition, we will execute in-hand orders for bare pipe for gas companies.


We have also seen some line pipe demand in the Oil & Gas and water segment, bidding and awards against these projects are expected in due course of time and if we are successful in our bids, these may be executed in FY25.

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

For and behalf of the Board of Directors.



**Ahsan M. Saleem**  
Chief Executive Officer



**Nadeem Maqbool**  
Director

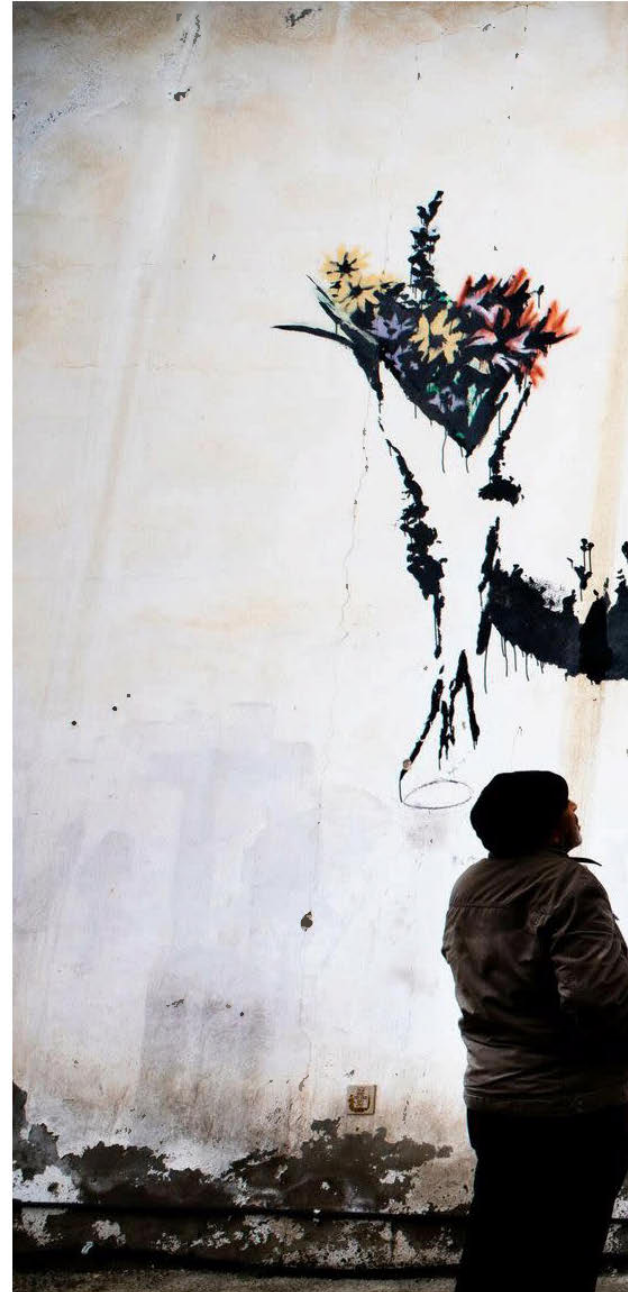
April 29, 2024

# STREET ART 1970.....

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

## **BANKSY**

Title: Love Is In The Air









**CRESCENT STEEL AND ALLIED PRODUCTS LIMITED**

**UNCONSOLIDATED**

**FINANCIAL STATEMENTS**


**FOR THE NINE MONTHS ENDED MARCH 31, 2024**



Crescent Steel and Allied Products Limited  
Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)  
As at March 31, 2024

	Note	Unaudited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,155,940	2,437,568
Right-of-use assets		240,857	82,852
Intangible assets		77	1,427
Investment properties		54,055	55,030
Long term investments	6	2,589,695	2,544,677
Long term deposits	7	71,451	27,143
Deferred taxation - net		704,955	876,358
		<b>5,817,030</b>	<b>6,025,055</b>
<b>Current assets</b>			
Stores, spares and loose tools		415,728	339,707
Stock-in-trade	8	2,200,996	1,268,967
Trade debts	9	1,902,846	464,043
Loans and advances	10	269,978	285,286
Trade deposits and short term prepayments		15,180	13,644
Short term investments	11	360,331	552,382
Other receivables	12	105,931	295,730
Taxation - net		317,558	673,200
Cash and bank balances		214,188	30,266
		<b>5,802,736</b>	<b>3,923,225</b>
<b>Total assets</b>		<b>11,619,766</b>	<b>9,948,280</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<b>1,000,000</b>	1,000,000
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,020,908	1,020,908
Revenue reserves		5,211,351	4,322,199
		<b>7,008,584</b>	<b>6,119,432</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans	13	290,783	424,748
Lease liabilities		227,914	62,424
Deferred income		3,433	3,837
Deferred liability - staff retirement benefits		300,199	279,790
		<b>822,329</b>	<b>770,799</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,660,441	1,389,065
Unclaimed dividend		27,069	16,081
Mark-up accrued		102,547	78,369
Short term borrowings	15	1,694,600	1,289,519
Current portion of long-term loans	13	270,205	270,228
Current portion of lease liabilities		33,453	14,249
Current portion of deferred income		538	538
		<b>3,788,853</b>	<b>3,058,049</b>
		<b>4,611,182</b>	<b>3,828,848</b>
Contingencies and commitments	16		
<b>Total equity and liabilities</b>		<b>11,619,766</b>	<b>9,948,280</b>

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

  
Chief Executive


  
Director

  
Chief Financial Officer

Crescent Steel and Allied Products Limited  
Condensed Interim Unconsolidated Statement of Profit or Loss and  
Other Comprehensive Income (Unaudited)  
For the quarter and nine months ended March 31, 2024

	Note	Quarter ended		Nine months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----					
Sales	17	1,632,251	1,523,448	6,680,098	4,098,472
Less: Sales tax		249,033	249,880	1,019,462	608,424
		<u>1,383,218</u>	<u>1,273,568</u>	<u>5,660,636</u>	<u>3,490,048</u>
Cost of sales		1,135,908	918,495	4,067,868	3,124,326
Gross profit		<u>247,310</u>	<u>355,073</u>	<u>1,592,768</u>	<u>365,722</u>
Income from investments - net	18	39,434	13,097	800,243	16,159
		<u>286,744</u>	<u>368,170</u>	<u>2,393,011</u>	<u>381,881</u>
Distribution and selling expenses		46,448	4,899	93,405	18,210
Administrative expenses		109,285	97,297	349,633	261,195
Other operating expenses	19	6,396	12,336	121,349	12,336
		<u>162,129</u>	<u>114,532</u>	<u>564,387</u>	<u>291,741</u>
		<u>124,615</u>	<u>253,638</u>	<u>1,828,624</u>	<u>90,140</u>
Other income		34,522	13,758	89,440	46,142
Operating profit before finance costs		<u>159,137</u>	<u>267,396</u>	<u>1,918,064</u>	<u>136,282</u>
Finance costs	20	100,740	93,038	366,671	238,626
Profit / (loss) before taxation		<u>58,397</u>	<u>174,358</u>	<u>1,551,393</u>	<u>(102,344)</u>
Taxation					
- current for the period		(16,059)	(18,707)	(336,393)	(49,218)
- current for prior year		-	-	-	782
- deferred		(2,805)	(34,176)	(171,301)	72,610
		<u>(18,864)</u>	<u>(52,883)</u>	<u>(507,694)</u>	<u>24,174</u>
Profit / (loss) for the period		<u>39,533</u>	<u>121,475</u>	<u>1,043,699</u>	<u>(78,170)</u>
<b>Other Comprehensive Income/ (loss)</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		436	(82)	718	(3,693)
<b>Total comprehensive income / (loss) for the period</b>		<u>39,969</u>	<u>121,393</u>	<u>1,044,417</u>	<u>(81,863)</u>
----- (Rupees) -----					
Earnings / (loss) per share - Basic and diluted	21	<u>0.51</u>	<u>1.56</u>	<u>13.44</u>	<u>(1.01)</u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

Crescent Steel and Allied Products Limited

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the nine months ended March 31, 2024

	Issued, subscribed and paid-up capital	Capital reserves  Share premium	Revenue reserves			Total revenue reserves	Total
			Fair value reserve	General reserve	Unappropriated profit / (loss)		
------(Rupees in '000)-----							
<b>Balance as at June 30, 2022</b>	<b>776,325</b>	<b>1,020,908</b>	<b>3,913</b>	<b>3,642,000</b>	<b>655,265</b>	<b>4,301,178</b>	<b>6,098,411</b>
<b>Total comprehensive loss for the period</b>							
Loss after taxation for the period	-	-	-	-	(78,170)	(78,170)	(78,170)
Other comprehensive loss for the period	-	-	(3,693)	-	-	(3,693)	(3,693)
<b>Total comprehensive loss for the period</b>	-	-	(3,693)	-	(78,170)	(81,863)	(81,863)
<b>Balance as at March 31, 2023</b>	<b>776,325</b>	<b>1,020,908</b>	<b>220</b>	<b>3,642,000</b>	<b>577,095</b>	<b>4,219,315</b>	<b>6,016,548</b>
<b>Balance as at June 30, 2023</b>	<b>776,325</b>	<b>1,020,908</b>	<b>1,609</b>	<b>3,642,000</b>	<b>678,590</b>	<b>4,322,199</b>	<b>6,119,432</b>
<b>Total comprehensive income for the period</b>							
Profit after taxation for the period	-	-	-	-	1,043,699	1,043,699	1,043,699
Other comprehensive income for the period	-	-	718	-	-	718	718
<b>Total comprehensive income for the period</b>	-	-	718	-	1,043,699	1,044,417	1,044,417
<b>Transaction with owners</b>							
Dividend:							
- Interim @ 20% (i.e. Re. 2.00 per share) for the year ended June 30, 2024	-	-	-	-	(155,265)	(155,265)	(155,265)
<b>Balance as at March 31, 2024</b>	<b>776,325</b>	<b>1,020,908</b>	<b>2,327</b>	<b>3,642,000</b>	<b>1,567,024</b>	<b>5,211,351</b>	<b>7,008,584</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer



## Crescent Steel and Allied Products Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

*For the nine months ended March 31, 2024*

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

- 1.1** Crescent Steel and Allied Products Limited ("the Company") was incorporated on August 01, 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on the Pakistan Stock Exchange. The registered office of the Company is located at E-floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore. Whereas its principal office is situated at 9th floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi.
- 1.2** The Company operates five segments namely Steel, Cotton, Investment and Infrastructure Development (IID), Energy and Hadeed (Billet) as disclosed in note 24 to these condensed interim unconsolidated financial statements.
- 1.3** These condensed interim unconsolidated financial statements of the Company are the separate financial statements of the Company in which investments in subsidiaries and associates have been accounted for at cost less accumulated impairment, if any.

### **2. BASIS OF PREPARATION**

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

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

- 2.2** These condensed interim unconsolidated financial statements of the Company do not include all of the information and disclosure required in the annual unconsolidated financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023. However, selected explanatory notes are included in these condensed interim unconsolidated financial statements to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited unconsolidated financial statements.
- 2.3** These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is also Company's functional currency and all financial information presented has been rounded off to the nearest thousand rupees, except other wise stated.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

### 3.2 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

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

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

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

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

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

### 5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited March 31, 2024 ----- (Rupees in '000) -----	Audited June 30, 2023
Operating fixed assets	5.1	1,998,293	1,934,813
Capital work-in-progress	5.2	157,647	502,755
		<u>2,155,940</u>	<u>2,437,568</u>

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

	Unaudited Nine months ended March 31, 2024		Unaudited Nine months ended March 31, 2023	
	Additions / Transfers	Disposals / Transfers	Additions / Transfers	Disposals
	----- (Rupees in '000) -----			
Leasehold Land	14,250	-	-	-
Buildings on freehold land	-	-	4,472	-
Buildings on leasehold land	92,766	-	-	-
Plant and machinery - owned	131,002	-	84,481	1,903
Electrical / office equipments and installation	723	86	8,855	1,193
Computers	4,554	2,782	2,472	-
Office premises	561	-	-	-
Motor vehicles - owned	13,422	17,074	45,033	23,098
	<u>257,278</u>	<u>19,942</u>	<u>145,313</u>	<u>26,194</u>

- 5.2 Net transfers from capital work-in-progress during the nine months period ended March 31, 2024 amounted to Rs. 345.108 million (Net additions during the nine months period ended March 31, 2023: Rs. 76.591 million).

## 6. LONG TERM INVESTMENTS

	Note	Unaudited March 31, 2024	Audited June 30, 2023
		----- (Rupees in '000) -----	
Subsidiary companies - at cost	6.1	705,001	705,001
Associated companies - at cost	6.2	1,286,401	1,286,401
Other long term investments	6.3	598,293	553,275
		<u>2,589,695</u>	<u>2,544,677</u>

### 6.1 Subsidiary companies - at cost

Unaudited March 31, 2024 (Number of shares)	Audited June 30, 2023	Unquoted	Note	Unaudited March 31, 2024	Audited June 30, 2023
				----- (Rupees in '000) -----	
70,500,000	70,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	6.1.1	705,000	705,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	6.1.2	-	-
100	100	Solution de Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	6.1.3	1	1
				<u>705,001</u>	<u>705,001</u>



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

**6.2 Associated companies - at cost**

<b>Unaudited March 31, 2024 (Number of shares)</b>	Audited June 30, 2023	Note	<b>Unaudited March 31, 2024 ----- (Rupees in '000) -----</b>	Audited June 30, 2023	
		<b>Quoted</b>			
<b>60,663,775</b>	60,663,775	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.2.1	<b>595,293</b>	595,293
<b>27,409,075</b>	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Saifullah)	6.2.2	<b>691,108</b>	691,108
				<b><u>1,286,401</u></b>	<u>1,286,401</u>

- 6.2.1** The Company holds 16.69% (June 30, 2023: 16.69%) shareholding in Altern Energy Limited and has representation on its Board of Directors. The Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates', therefore it has been treated as an associate as per IAS 28.
- 6.2.2** The Company holds 21.93% (June 30, 2023: 21.93%) shareholding in Shakarganj Limited and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates', therefore it has been treated as an associate as per International Accounting Standard 28.
- 6.2.3** The fair value of investments in associated companies as at March 31, 2024 is Rs. 1,767.497 million (June 30, 2023: Rs. 2,079.447 million).

**6.3 Other long term investments**

	Note	<b>Unaudited March 31, 2024 ----- (Rupees in '000) -----</b>	Audited June 30, 2023
Fair value through other comprehensive income (FVOCI)	6.3.1	<b>8,115</b>	7,295
Fair value through profit or loss (FVTPL)	6.3.2 & 6.3.3	<b>590,178</b>	545,980
		<b><u>598,293</u></b>	<u>553,275</u>

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

**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 (June 30, 2023: Rs. 10.470 million and Rs. 24.037 million), respectively, which had been fully charged to profit or loss in earlier periods.

**6.3.3** This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 376.362 million and Rs. 213.816 million (June 30, 2023: Rs. 341.779 million and Rs. 204.216 million) respectively.

## 7. LONG TERM DEPOSITS

These include security deposit amounting to Rs. 55.664 million (June 30, 2023: Rs. 11.357 million) to leasing companies.

## 8. STOCK-IN-TRADE

	<b>Unaudited March 31, 2024</b>	Audited June 30, 2023
	----- (Rupees in '000) -----	
<b>Raw materials</b>		
Hot rolled steel coils (HR Coils)	451,035	284,762
Coating materials	560,354	328,884
Steel scrap	11,999	11,999
Others	203,996	331,829
Stock-in-transit	814,755	129,198
	<u>2,042,139</u>	<u>1,086,672</u>
Work-in-process	11,040	70,993
Finished goods - net	129,127	111,099
Scrap / cotton waste	18,689	203
	<u>158,857</u>	<u>182,295</u>
	<u>2,200,996</u>	<u>1,268,967</u>

**8.1** Stock in trade as at March 31, 2024 includes certain items valued at net realisable value (NRV). Charge in respect of stock written down to NRV was amounting to Rs. 38.636 million (March 31, 2023: Reversal of Rs. 7.414 million) has been recognized in cost of sales.

## 9. TRADE DEBTS

		<b>Unaudited March 31, 2024</b>	Audited June 30, 2023
		----- (Rupees in '000) -----	
<b>Secured</b>			
Considered good		148,767	-
<b>Unsecured</b>			
Considered good	9.1	1,754,079	464,043
Considered doubtful		19,248	18,401
		<u>1,773,327</u>	<u>482,444</u>
Impairment loss on trade debts		<u>(19,248)</u>	<u>(18,401)</u>
		<u>1,902,846</u>	<u>464,043</u>

**9.1** This includes amount due from Pak Elektron Limited amounting to Rs. 65.160 million (June 30, 2023: Rs. 40.101 million)

## 10. LOANS AND ADVANCES

**10.1** These include loan due from:

Solution de Energy (Private) Limited	10.1.1	<u>115,681</u>	<u>111,914</u>
--------------------------------------	--------	----------------	----------------

**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.

<b>11. SHORT TERM INVESTMENT</b>	Note	<b>Unaudited March 31, 2024</b>	Audited June 30, 2023
----- (Rupees in '000) -----			
At amortised cost	11.1	<b>84,360</b>	84,360
At fair value through profit or loss (FVTPL)	11.2 & 11.3	<b>275,971</b>	468,022
		<b><u>360,331</u></b>	<u>552,382</u>

**11.1** This represent investment in term deposit receipt having markup rate of 15.75% per annum and maturing on March 26, 2024.

**11.2** This represent investments in ordinary shares of listed companies.

**11.3** Investments having an aggregate market value of Rs. 1,496.904 million (June 30, 2023: Rs. 961.586 million) have been pledged with financial institutions as security against financing facilities (refer note 15.5) out of which amount of Rs. 1,224.013 million (June 30, 2023: Rs. 798.544 million) relates to long term investments.

<b>12. OTHER RECEIVABLES</b>	Note	<b>Unaudited March 31, 2024</b>	Audited June 30, 2023
----- (Rupees in '000) -----			
Dividend receivable		<b>5,417</b>	886
Provision there against		<b>(886)</b>	(886)
		<b><u>4,531</u></b>	<u>-</u>
Receivable against sale of investments		<b>342</b>	-
Claim receivable		<b>461</b>	461
Due from related parties	12.1	<b>6,699</b>	5,999
Sales tax refundable		<b>3,797</b>	106,973
Margin on letter of credit		<b>10,243</b>	4,137
Margin on letter of guarantee		<b>77,785</b>	175,345
Others		<b>2,073</b>	2,815
		<b><u>105,931</u></b>	<u>295,730</u>

**12.1 Due from related parties**

CS Capital (Private) Limited	<b>1,675</b>	1,079
Solution de Energy (Private) Limited	<b>9</b>	-
The Crescent Textile Mills Limited	<b>90</b>	249
Shakarganj Food Products Limited	<b>3,925</b>	4,070
Crescent Socks (Private) Limited	<b>1,000</b>	600
Premier Insurance Company Limited	<b>-</b>	1
	<b><u>6,699</u></b>	<u>5,999</u>

	Note	Unaudited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----			
<b>13. LONG TERM LOANS</b>			
<b>Secured - shariah arrangement</b>			
Long Term Sukuk Certificates	13.1	533,333	666,667
Less: Transaction Cost	13.1.1	(2,846)	(4,241)
		<u>530,487</u>	<u>662,426</u>
<b>Secured - Under non-shariah arrangement</b>			
JS Bank Limited	13.2	30,572	32,550
		<u>560,988</u>	<u>694,976</u>
Less: Current portion shown under current liabilities		<u>270,205</u>	<u>270,228</u>
		<u><u>290,783</u></u>	<u><u>424,748</u></u>

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

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

**13.2** During the year ended June 30, 2021, the Company entered into a loan arrangement with JS Bank Limited in which 5 tranches were received. The tranches were converted into the State Bank of Pakistan's (SBP) "SBP Financing scheme for Renewable Energy". The term of the loan is 10 years from the date of disbursement with a grace period of 3 months, repayable in monthly installments starting from June 2021. Mark-up was payable quarterly at the rate of 1 month KIBOR plus 1% per annum till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.

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



14.	<b>TRADE AND OTHER PAYABLES</b>	Note	<b>Unaudited March 31, 2024</b>	Audited June 30, 2023
----- (Rupees in '000) -----				
	Trade creditors		130,864	44,058
	Bills payable		-	38
	Commission payable		522	522
	Accrued liabilities		772,377	594,735
	Advances from customers		216,613	350,464
	Infrastructure fee, sales tax and damages		323,733	287,643
	Due to related parties	14.1	23,791	19,534
	Payable to provident fund		2,902	127
	Payable to staff retirement benefit funds		3,223	2,823
	Retention money		110	2,980
	Withholding tax payable		3,851	6,892
	Workers' Profit Participation Fund		73,515	18,529
	Workers' Welfare Fund		25,523	7,640
	Others		83,418	53,080
			<u>1,660,441</u>	<u>1,389,065</u>
<b>14.1</b>	<b>Due to related parties</b>			
	Premier Insurance Company Limited		32	-
	Shakarganj Limited		23,759	19,534
			<u>23,791</u>	<u>19,534</u>
<b>15.</b>	<b>SHORT TERM BORROWINGS</b>			
	<b>Secured from banking companies</b>			
	Running finances under mark-up arrangements	15.1	597,894	463,654
	Short term loans	15.2 & 15.4	1,096,706	825,865
			<u>1,694,600</u>	<u>1,289,519</u>
<b>15.1</b>	Running finances facility / money market facilities available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 850 million (June 30, 2023: Rs. 1,100 million) out of which Rs. 300 million (June 30, 2023: Rs. 300 million), Rs. 100 million (June 30, 2023: Rs. 100 million) and Rs. 300 million (June 30, 2023: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 22.23% to 25.23% (March 31, 2023: 17.03% to 24.01%) per annum.			
<b>15.2</b>	Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 2,050 million (June 30, 2023: Rs. 3,950 million) out of which Rs. 1,950 million (June 30, 2023: Rs. 3,150 million), Rs. 100 million (June 30, 2023: Rs. 205 million) and Rs. 300 million (June 30, 2023: Rs. 350 million) are interchangeable with letters of credit, letters of guarantee and short term running finance facilities, respectively. During the period, the mark-up on such arrangements ranged from 22.65% to 24.93% (March 31, 2023: 17.08% to 24.01%) per annum.			

- 15.3** The facilities for opening letters of credit amounted to Rs. 3,800 million (June 30, 2023: Rs. 4,750 million) out of which Rs. 300 million (June 30, 2023: Rs. 300 million), Rs. 3,050 million (June 30, 2023: Rs. 3,150 million) and Rs. 205 million (June 30, 2023: Rs. 205 million) are interchangeable with short term running finance facilities, 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 March 31, 2024 amounted to Rs. 2,039 million (June 30, 2023: Rs. 2,336.6 million). Amounts unutilized for letters of credit and guarantees as at March 31, 2024 were Rs. 1,569 million and Rs. 61.359 million (June 30, 2023: Rs. 4,251 million and Rs. 378.6 million), respectively.
- 15.4** These includes an amount of Rs. 883.009 million (June 30, 2023: Rs. 438 million outstanding against Islamic mode of financing. The Company is currently availing Islamic mode of financing from the Al Baraka Bank, Dubai Islamic Bank and Bank Islami Pakistan Limited. 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 February 28, 2025. 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) and lien over import / export document. Further, these facilities (refer notes 15.1 to 15.3) are also secured against pledged of shares owned by the Subsidiary Company i.e. CS Capital (Private) Limited.

## **16. CONTINGENCIES AND COMMITMENTS**

### **16.1 Contingencies**

There is no significant change in the status of the matters as set out in note 12.3,15, 28.2 and 29.1 to the Company's annual unconsolidated financial statements for the year ended June 30, 2023.

### **16.2 Commitments**

- 16.2.1** Aggregate amount of guarantees issued by banks on behalf of the Company against various contracts aggregated to Rs. 2,107 million (June 30, 2023: Rs. 1,654 million). These include guarantees issued by Islamic banks amounting to Rs. 235.34 million (June 30, 2023: Rs. 153.591 million).
- 16.2.2** Commitments in respect of capital expenditure contracted for as at March 31, 2024 amounted to Rs. 41.659 million (June 30, 2023: Rs. 34.659 million).
- 16.2.3** Commitments under letters of credit (L/C) as at March 31, 2024 amounted to Rs. 1,033.27 million (June 30, 2023: Rs. 498.92 million).

## 17. SALES

	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----			
<b>Local sales</b>					
Bare pipes		1,106,612	500,063	4,260,328	1,914,630
Pipe coating		962	-	411,675	16,331
Coated pipes	17.1	425,752	704,529	1,633,638	745,748
Cotton yarn / raw cotton		65,289	214,454	65,289	1,111,815
Others		33,636	14,076	130,296	132,904
Scrap / waste		-	90,326	178,872	177,044
		<u>1,632,251</u>	<u>1,523,448</u>	<u>6,680,098</u>	<u>4,098,472</u>
Sales tax		<u>(249,033)</u>	<u>(249,880)</u>	<u>(1,019,462)</u>	<u>(608,424)</u>
		<u>1,383,218</u>	<u>1,273,568</u>	<u>5,660,636</u>	<u>3,490,048</u>

17.1 This includes revenue amounting to Rs. 2,007.231 Million (March 31, 2023: Rs Nil) where HRC (Hot Rolled Coil) was supplied by the customer.

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

## 18. INCOME FROM INVESTMENTS - NET

	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----			
Dividend income	18.1	19,911	16,147	619,419	37,972
Gain / (loss) on sale of FVTPL investments - net	18.2	19,854	(646)	22,791	4,359
Unrealized (loss) / gain on FVTPL investments - net	18.3	(1,462)	(3,438)	154,657	(29,272)
Rent from investment properties	18.5	1,131	1,034	3,376	3,100
		<u>39,434</u>	<u>13,097</u>	<u>800,243</u>	<u>16,159</u>

18.1 This includes Rs. 22.002 million (March 31, 2023: 13.35 million) earned on investments in Shariah Compliant Investee Companies.

18.2 This includes Rs. 20.242 million (March 31, 2023: 0.75 million) gain on sale of Shariah Compliant Investee Companies.

18.3 This includes loss of Rs.103.821 million (March 31, 2023: 25.58 million) on investments in Shariah Compliant Investee Companies.

18.5 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 1.098 million (March 31, 2023: Rs. 1.117 million).

## 19. OTHER OPERATING EXPENSES

	Unaudited Quarter ended		Unaudited Nine months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----			
Exchange loss	-	4,151	-	4,151
Impairment loss relating to capital work in process	-	-	33,223	-
Impairment loss on trade debts	-	-	848	-
Provision for:				
- Workers' Profit Participation Fund	5,184	7,024	54,987	7,024
- Workers' Welfare Fund	523	-	17,883	-
- Slow moving stores, spares and loose tools	-	1,161	9,032	1,161
Fixed assets written off	689		5,346	
Others	-	-	30	-
	<b>6,396</b>	<b>12,336</b>	<b>121,349</b>	<b>12,336</b>

## 20. FINANCE COSTS

Profit on short term loans - Shariah arrangement	14,086	10,629	45,015	30,627
Interest on - Non - Shariah arrangement				
- finance lease obligations	13,636	2,522	32,483	6,682
- long term loans	34,306	37,892	111,694	77,998
- running finances / short term loans	37,752	41,704	173,359	121,067
Bank charges	960	291	4,120	2,252
	<b>100,740</b>	<b>93,038</b>	<b>366,671</b>	<b>238,626</b>

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

Profit / (loss) for the period	<b>39,533</b>	121,475	<b>1,043,699</b>	(78,170)
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<b>77,632,491</b>	77,632,491	<b>77,632,491</b>	77,632,491
	----- (Rupees) -----			
Earnings / (loss) per share - Basic and diluted	<b>0.51</b>	1.56	<b>13.44</b>	(1.01)

## 22. CASH USED IN OPERATIONS

	Note	Unaudited	
		Nine months ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
Profit / (loss) before taxation		1,551,393	(102,341)
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets, right-of-use assets and investment properties		195,432	171,385
Amortisation of intangible assets		1,349	1,627
Charge for the period on staff retirement benefit funds		48,013	22,723
Dividend income		(619,419)	(37,972)
Unrealized (gain) / loss on FVTPL investments - net		(154,657)	29,272
Gain on sale of FVTPL investments - net		(22,791)	(4,359)
Provision for stores, spares and loose tools - net		9,032	(3,856)
Impairment loss on trade debts - net		848	(800)
Provision for Workers' Welfare Fund		17,883	-
Provision for Workers' Profit Participation Fund		54,987	7,024
Return on deposits		(51,557)	(24,534)
Gain on disposal of operating fixed assets and investment property		(1,702)	(7,356)
Deferred income		(404)	(4,075)
Unwinding of discount on long term deposit		(2,489)	(1,982)
Fixed assets written off		5,346	-
Impairment charge relating to capital work in process		33,223	-
Finance costs		366,671	238,626
Working capital changes	22.1	<u>(2,050,459)</u>	<u>(401,123)</u>
		<u><b>(619,301)</b></u>	<u><b>(116,941)</b></u>
<b>22.1 Working capital changes</b>			
Increase in current assets			
Stores, spares and loose tools		(85,053)	(107,954)
Stock-in-trade		(932,029)	181,993
Trade debts		(1,439,651)	(447,536)
Loans and advances		15,308	(97,436)
Trade deposits and short term prepayments		(1,536)	(562)
Other receivables		194,330	(250,717)
		<u>(2,248,631)</u>	<u>(722,212)</u>
Increase in current liabilities			
Trade and other payables		198,172	321,089
		<u>(2,050,459)</u>	<u>(401,123)</u>
<b>23. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(597,894)	(432,661)
Cash and bank balances		214,188	230,172
		<u><b>(383,706)</b></u>	<u><b>(202,489)</b></u>
<b>24. SEGMENT REPORTING</b>			
<b>24.1 Reportable segments</b>			
The Company's reportable segments are as follows:			
<ul style="list-style-type: none"> <li>- Steel segment - It comprises of manufacturing and coating of steel pipes.</li> <li>- Cotton segment - It comprises of manufacturing of yarn.</li> <li>- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).</li> <li>- Hadeed segment - It comprises of manufacturing billets.</li> <li>- Energy segment - It comprises of generating and supplying electricity / power.</li> </ul>			
Information regarding the Company's reportable segments is presented below:			



## 24.2 Segment revenues and results

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

For the nine months ended March 31, 2024	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments	
	(Rupees in '000)						
Sales - net	5,605,305	55,331	-	-	-	-	5,660,636
Cost of sales	3,827,805	147,660	45,993	46,410	-	-	4,067,868
<b>Gross profit / (loss)</b>	<b>1,777,500</b>	<b>(92,329)</b>	<b>(45,993)</b>	<b>(46,410)</b>	<b>-</b>	<b>-</b>	<b>1,592,768</b>
Income from investments - net	-	-	-	-	800,243	-	800,243
	1,777,500	(92,329)	(45,993)	(46,410)	800,243	-	2,393,011
Distribution and selling expenses	89,056	3,029	-	1,320	-	-	93,405
Administrative expenses	278,240	36,725	993	11,846	21,829	-	349,633
Other expenses	111,870	4,983	(204)	4,700	-	-	121,349
	479,166	44,737	789	17,866	21,829	-	564,387
	1,298,334	(137,066)	(46,782)	(64,276)	778,414	-	1,828,624
Other income	83,737	5,303	-	400	-	-	89,440
<b>Operating profit / (loss) before finance costs</b>	<b>1,382,071</b>	<b>(131,763)</b>	<b>(46,782)</b>	<b>(63,876)</b>	<b>778,414</b>	<b>-</b>	<b>1,918,064</b>
Finance costs	357,215	9,302	-	154	-	-	366,671
<b>Profit / (loss) before taxation</b>	<b>1,024,856</b>	<b>(141,065)</b>	<b>(46,782)</b>	<b>(64,030)</b>	<b>778,414</b>	<b>-</b>	<b>1,551,393</b>
Taxation							507,694
<b>Profit for the period</b>							<b>1,043,699</b>
For the nine months ended March 31, 2023	Unaudited						Total
Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments eliminations / adjustments		
	(Rupees in '000)						
Sales - net	2,420,962	975,061	-	94,025	-	-	3,490,048
Cost of sales	1,908,971	1,027,118	46,984	141,253	-	-	3,124,326
<b>Gross profit / (loss)</b>	<b>511,991</b>	<b>(52,057)</b>	<b>(46,984)</b>	<b>(47,228)</b>	<b>-</b>	<b>-</b>	<b>365,722</b>
Income from investments - net	-	-	-	-	16,159	-	16,159
	511,991	(52,057)	(46,984)	(47,228)	16,159	-	381,881
Distribution and selling expenses	13,744	3,169	-	1,297	-	-	18,210
Administrative expenses	197,979	35,859	769	12,615	13,973	-	261,195
Other expenses	7,701	644	-	2,830	1,161	-	12,336
	219,424	39,672	769	16,742	15,134	-	291,741
	292,567	(91,729)	(47,753)	(63,970)	1,025	-	90,140
Other income	40,560	5,585	-	-	-	-	46,145
<b>Operating profit / (loss) before finance costs</b>	<b>333,127</b>	<b>(86,144)</b>	<b>(47,753)</b>	<b>(63,970)</b>	<b>1,025</b>	<b>-</b>	<b>136,285</b>
Finance costs	214,422	18,127	-	6,077	-	-	238,626
<b>Profit / (loss) before taxation</b>	<b>118,705</b>	<b>(104,271)</b>	<b>(47,753)</b>	<b>(70,047)</b>	<b>1,025</b>	<b>-</b>	<b>(102,341)</b>
Taxation							(24,174)
<b>Loss for the period</b>							<b>(78,167)</b>

**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 June 30, 2023. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

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

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

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

Revenue from major customers (Government related concern) of Steel segment represents an aggregate amount of Rs. 5,205.244 million (March 31, 2023: Rs. 2,288.353 million) of total Steel segment revenue of Rs. 5,605.305 million (March 31, 2023: Rs. 2,420.962 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 55.331 million (March 31, 2023: Rs. Nil) of total Cotton segment revenue of Rs. 55.331 million (March 31, 2023: Rs. 975.061 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (March 31, 2023: Rs. Nil) of total Energy segment revenue of Rs. Nil million (March 31, 2023: Rs. Nil). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil million (March 31, 2023: Rs. Nil) of total Hadeed (Billet) segment revenue of Rs. Nil million (March 31, 2023: Rs. 94.025 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 March 31, 2024 and June 30, 2023 were located and operating in Pakistan.

#### **24.6 Segment assets and liabilities**

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
(Rupees in '000)						
<b>As at March 31, 2024 - (Unaudited)</b>						
Segment assets for reportable segments	5,811,428	223,985	429,378	635,442	2,924,700	<b>10,024,932</b>
Unallocated corporate assets						<b>1,594,834</b>
Total assets as per condensed interim unconsolidated statement of financial position						<b><u>11,619,766</u></b>
Segment liabilities for reportable segments	1,817,239	130,570	35,788	84,190	12,448	<b>2,080,234</b>
Unallocated corporate liabilities and deferred income						<b>2,530,948</b>
Total liabilities as per condensed interim unconsolidated statement of financial position						<b><u>4,611,182</u></b>
<b>As at June 30, 2023 - (Audited)</b>						
Segment assets for reportable segments	3,685,849	230,380	474,161	677,091	2,836,318	7,903,799
Unallocated corporate assets						2,044,481
Total assets as per unconsolidated statement of financial position						<b><u>9,948,280</u></b>
Segment liabilities for reportable segments	1,417,450	130,373	35,812	78,752	11,333	1,673,720
Unallocated corporate liabilities and deferred income						2,155,128
Total liabilities as per unconsolidated statement of financial position						<b><u>3,828,848</u></b>

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

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

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

**24.7 Other segment information**

	Unaudited					Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	
----- (Rupees in '000) -----						
<b>For the nine months ended March 31, 2024</b>						
Capital expenditure	<u>114,731</u>	-	-	<u>522</u>	-	<u>115,253</u>
Depreciation and amortisation	<u>98,829</u>	<u>12,549</u>	<u>44,790</u>	<u>38,647</u>	<u>1,966</u>	<u>196,781</u>
Non-cash items other than depreciation and amortisation - net	<u>452,449</u>	<u>20,587</u>	<u>(204)</u>	<u>4,979</u>	<u>(794,827)</u>	<u>(317,016)</u>
<b>For the nine months ended March 31, 2023</b>						
Capital expenditure	<u>204,271</u>	<u>2,250</u>	-	<u>16,099</u>	-	<u>222,620</u>
Depreciation and amortisation	<u>69,735</u>	<u>17,753</u>	<u>45,026</u>	<u>38,675</u>	<u>1,823</u>	<u>173,012</u>
Non-cash items other than depreciation and amortisation - net	<u>199,445</u>	<u>20,498</u>	<u>(4,432)</u>	<u>(28,984)</u>	<u>(12,102)</u>	<u>174,425</u>

**25. TRANSACTIONS WITH RELATED PARTIES**

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

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

Name of entity	Nature of relationship	Nature of transaction	Unaudited	
			March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
CS Capital (Private) Limited	Subsidiary company	Reimbursable expenses	<u>1,912</u>	<u>1,576</u>
		Repayment of reimbursable expenses	<u>1,315</u>	<u>4,964</u>
Solution de Energy (Private) Limited	Subsidiary company	Loan given	<u>3,550</u>	<u>15,014</u>
		Reimbursable expenses	<u>-</u>	<u>48</u>
Altern Energy Limited	Associated company	Dividend income	<u>573,273</u>	-
		Dividend received	<u>573,273</u>	-
Shakarganj Limited	Associated company	Reimbursable expenses	<u>5,041</u>	<u>7,541</u>
		Sales return	<u>24</u>	-
		Services rendered	<u>791</u>	-
		Dividend paid	<u>360</u>	-
Shakarganj Food Products Limited	Related party	Reimbursable expenses	<u>3,181</u>	-
		Rent	<u>2,080</u>	<u>1,881</u>
		Services rendered	<u>-</u>	<u>2,313</u>
		Receiving of services	<u>2,362</u>	<u>2,045</u>
		Payments received	<u>2,500</u>	<u>2,500</u>
Crescent Socks (Private) Limited	Related party	Rent	<u>900</u>	<u>900</u>
		Payments received	<u>500</u>	<u>1,500</u>
The Crescent Textile Mills Limited*	Associated company	Reimbursable expense	<u>2,567</u>	<u>933</u>
		Payment received	<u>5,306</u>	<u>2,485</u>
		Rent	<u>2,758</u>	<u>1,379</u>
		Dividend income	<u>565</u>	-
		Dividend received	<u>565</u>	-
Dividend paid	<u>17,077</u>	-		

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

Name of entity	Nature of relationship	Nature of transaction	Nine months ended	
			March 31, 2024	March 31, 2023
			----- (Rupees in '000) -----	
The Citizens' Foundation*	Related party	Donation given	<u>22,324</u>	<u>13,723</u>
Pakistan Centre For Philanthropy*	Related party	Annual Member ship Fee	<u>360</u>	<u>-</u>
		Payment annual membership fee	<u>360</u>	<u>-</u>
Premier Insurance Limited*	Related party	Receiving of services	<u>6,633</u>	<u>6,855</u>
		Payments made	<u>6,730</u>	<u>7,259</u>
		Dividend paid	<u>283</u>	<u>-</u>
Pak-Qatar Asset Management Company Limited*	Related party	Units in cash plan	<u>100,000</u>	<u>-</u>
		Loan repayment	<u>20,000</u>	<u>-</u>
		Profit repayment	<u>12,073</u>	<u>-</u>
		Dividend paid	<u>15,450</u>	<u>-</u>
Pak Electron Limited*	Related party	Sales made	<u>122,653</u>	<u>123,952</u>
		Payment received	<u>97,018</u>	<u>145,224</u>
Meezan Bank Limited*	Related party	Dividend Income	<u>1,314</u>	<u>-</u>
		Dividend Received	<u>1,314</u>	<u>-</u>
		Sale of Investment	<u>10,196</u>	<u>-</u>
International Steels Limited*	Related party	Dividend Income	<u>158</u>	<u>-</u>
		Dividend Received	<u>158</u>	<u>-</u>
		Sale of Investment	<u>4,223</u>	<u>-</u>
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>1,342</u>	<u>-</u>
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>7,849</u>	<u>6,424</u>
		Dividend paid	<u>3,877</u>	<u>-</u>
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>19,891</u>	<u>16,238</u>
		Dividend paid	<u>8,077</u>	<u>-</u>
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>10,104</u>	<u>10,387</u>
		Dividend paid	<u>248</u>	<u>-</u>
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>379</u>	<u>-</u>
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	<u>-</u>	<u>3</u>
		Dividend paid	<u>72</u>	<u>-</u>
Key management personnel	Related parties	Remuneration and benefits	<u>171,216</u>	<u>137,055</u>
		Dividend paid	<u>9,662</u>	<u>-</u>
Chairman of the Board	Related party	Honorarium	<u>1,450</u>	<u>1,350</u>
Directors	Related parties	Meeting fee	<u>2,650</u>	<u>1,585</u>
		Dividend paid	<u>4,488</u>	<u>-</u>

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

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

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

## 26. FINANCIAL RISK MANAGEMENT

26.1 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 June 30, 2023.

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

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

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

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

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

	March 31, 2024 (Un-audited)				Fair value				
	Carrying amount		Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
Fair value through profit or loss	Fair value through other comprehensive income								
----- (Rupees in '000) -----									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- listed equity securities	275,971	8,115	-	-	284,086	284,086	-	-	284,086
- unlisted equity securities	590,178	-	-	-	590,178	-	-	590,178	590,178
	<b>866,149</b>	<b>8,115</b>	<b>-</b>	<b>-</b>	<b>874,264</b>	<b>284,086</b>	<b>-</b>	<b>590,178</b>	<b>874,264</b>
<b>Financial assets not measured at fair value</b>									
Deposits	-	-	71,451	-	71,451	-	-	-	-
Term deposit receipt	-	-	84,360	-	84,360	-	-	-	-
Trade debts	-	-	1,902,846	-	1,902,846	-	-	-	-
Loan to subsidiary	-	-	115,681	-	115,681	-	-	-	-
Other receivables	-	-	102,134	-	102,134	-	-	-	-
Bank balances	-	-	214,188	-	214,188	-	-	-	-
	<b>-</b>	<b>-</b>	<b>2,490,661</b>	<b>-</b>	<b>2,490,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>									
Long term loans	-	-	-	560,988	560,988	-	-	-	-
Lease liabilities	-	-	-	261,367	261,367	-	-	-	-
Trade and other payables	-	-	-	1,017,206	1,017,206	-	-	-	-
Mark-up accrued	-	-	-	102,547	102,547	-	-	-	-
Short term borrowings	-	-	-	1,694,600	1,694,600	-	-	-	-
Unclaimed dividend	-	-	-	27,069	27,069	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,663,777</b>	<b>3,663,777</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



June 30, 2023 (Audited)

	Carrying amount				Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
Investments									
- listed equity securities	468,022	7,295	-	-	475,317	475,317	-	-	475,317
- unlisted equity securities	545,980	-	-	-	545,980	-	-	545,980	545,980
	1,014,002	7,295	-	-	1,021,297	475,317	-	545,980	1,021,297
<b>Financial assets not measured at fair value</b>									
Deposits	-	-	30,135	-	30,135	-	-	-	-
Term deposit receipt	-	-	84,360	-	84,360	-	-	-	-
Trade debts	-	-	464,043	-	464,043	-	-	-	-
Loan to subsidiary	-	-	111,914	-	111,914	-	-	-	-
Other receivables	-	-	118,757	-	118,757	-	-	-	-
Bank balances	-	-	30,266	-	30,266	-	-	-	-
	-	-	839,475	-	755,115	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Long term loans	-	-	-	694,976	694,976	-	-	-	-
Lease liabilities	-	-	-	76,673	76,673	-	-	-	-
Trade and other payables	-	-	-	717,897	717,897	-	-	-	-
Mark-up accrued	-	-	-	78,369	78,369	-	-	-	-
Short term borrowings	-	-	-	1,289,519	1,289,519	-	-	-	-
Unclaimed dividend	-	-	-	16,081	16,081	-	-	-	-
	-	-	-	2,873,515	2,873,515	-	-	-	-

The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or 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.

## 26.2 Valuation techniques and significant unobservable inputs

The Company's long-term investments as disclosed in note 6 include Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited which are unquoted investments. During the period, the respective fair valuation models were updated to reflect the most recent market data changes. However, the Company has determined that due to these updates no material changes are required in the carrying amount of these investments hence these have been carried at the same value determined as of December 31, 2023.

## 27. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on April 29, 2024.

  
Chief Executive

  
Director

  
Chief Financial Officer

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# ART NOUVEAU

## 1890 - 1914

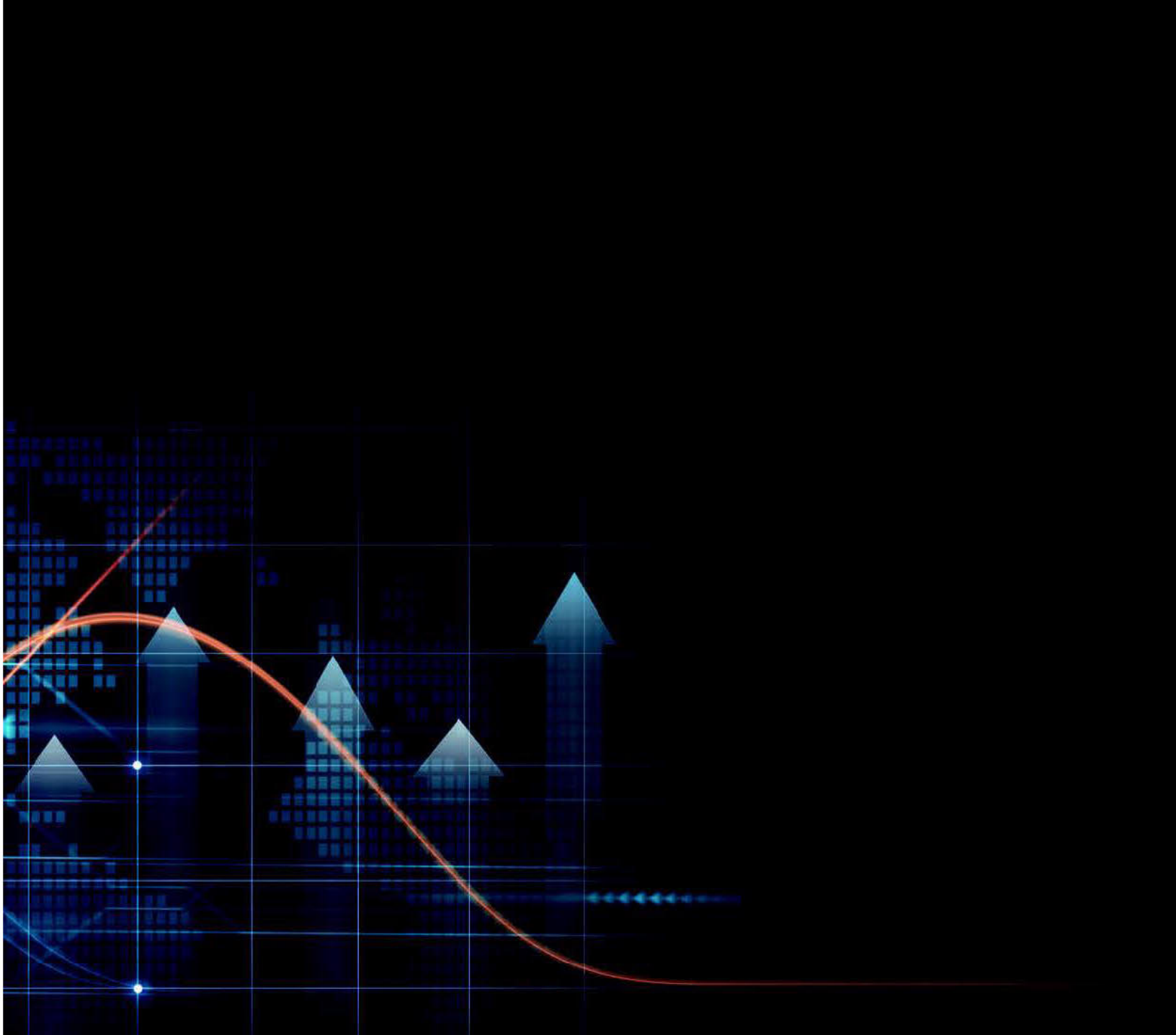
Decorative style of the late 19th century and the early 20th that flourished principally in Europe and the USA. Although it influenced painting and sculpture, its chief manifestations were in architecture and the decorative and graphic arts, the aspects on which this survey concentrates. It is characterized by sinuous, asymmetrical lines based on organic forms; in a broader sense it encompasses the geometrical and more abstract patterns and rhythms that were evolved as part of the general reaction to 19th-century historicism. There are wide variations in the style according to where it appeared and the materials that were employed.

### **GUSTAV KLIMT**

**Title:** Avenue to Schloss Kammer







**CRESCENT STEEL AND ALLIED PRODUCTS LIMITED**

**CONSOLIDATED**

**FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED MARCH 31, 2024**



Crescent Steel and Allied Products Limited  
Condensed Interim Consolidated Statement of Financial Position  
As at March 31, 2024

	Note	Unaudited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,155,940	2,437,713
Right-of-use-assets		240,858	82,852
Intangible assets		157,751	155,322
Investment properties		76,226	79,038
Investment in equity accounted investees	6	2,784,271	2,948,286
Other long term investments	7	830,105	762,807
Long term deposits	8	71,451	27,143
Deferred taxation - net		537,895	708,451
		<u>6,854,497</u>	<u>7,201,612</u>
<b>Current assets</b>			
Stores, spares and loose tools		415,728	339,707
Stock-in-trade	9	2,200,996	1,268,967
Trade debts	10	1,902,846	464,043
Advances	11	154,293	173,372
Trade deposits and short term prepayments		18,225	16,689
Short term investments	12	838,439	834,227
Other receivables	13	107,020	294,952
Taxation - net		316,030	672,824
Cash and bank balances		247,913	36,248
		<u>6,201,490</u>	<u>4,101,029</u>
<b>Total assets</b>		<u><b>13,055,987</b></u>	<u><b>11,302,641</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		776,325	776,325
Capital reserves		1,050,669	1,050,821
Revenue reserves		6,570,419	5,598,995
		<u>8,397,413</u>	<u>7,426,141</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans	14	290,783	424,748
Lease liabilities		227,914	62,424
Deferred income		3,433	3,837
Deferred liability - staff retirement benefits		300,199	279,790
		<u>822,329</u>	<u>770,799</u>
<b>Current liabilities</b>			
Trade and other payables	15	1,707,737	1,436,025
Unclaimed dividend		27,069	16,081
Mark-up accrued		102,643	79,061
Short term borrowings	16	1,694,600	1,289,519
Current portion of long term loans	14	270,205	270,228
Current portion of lease liabilities		33,453	14,249
Current portion of deferred income		538	538
		<u>3,836,245</u>	<u>3,105,701</u>
		<u>4,658,574</u>	<u>3,876,500</u>
Contingencies and commitments	17		
<b>Total equity and liabilities</b>		<u><b>13,055,987</b></u>	<u><b>11,302,641</b></u>

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

  
Chief Executive


  
Director

  
Chief Financial Office

Crescent Steel and Allied Products Limited  
Condensed Interim Consolidated Statement of Profit or Loss and  
Other Comprehensive Income (Unaudited)  
For the quarter and nine months ended March 31, 2024

	Note	Quarter ended		Nine months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----					
Sales	18	1,632,251	1,523,447	6,680,098	4,098,472
Less: Sales tax		249,033	249,880	1,019,462	608,424
		<u>1,383,218</u>	<u>1,273,567</u>	<u>5,660,636</u>	<u>3,490,048</u>
Cost of sales		<u>1,135,908</u>	<u>918,495</u>	<u>4,067,868</u>	<u>3,124,326</u>
Gross profit		<u>247,310</u>	<u>355,072</u>	<u>1,592,768</u>	<u>365,722</u>
Income from investments - net	19	<u>72,558</u>	<u>17,972</u>	<u>444,324</u>	<u>13,007</u>
		<u>319,868</u>	<u>373,044</u>	<u>2,037,092</u>	<u>378,729</u>
Distribution and selling expenses		<u>46,448</u>	<u>4,899</u>	<u>93,405</u>	<u>18,210</u>
Administrative expenses		<u>110,930</u>	<u>98,950</u>	<u>354,688</u>	<u>265,423</u>
Other operating expenses	20	<u>5,670</u>	<u>12,336</u>	<u>121,349</u>	<u>12,336</u>
		<u>163,048</u>	<u>116,185</u>	<u>569,442</u>	<u>295,969</u>
		<u>156,820</u>	<u>256,859</u>	<u>1,467,650</u>	<u>82,760</u>
Other income		<u>34,736</u>	<u>16,295</u>	<u>91,551</u>	<u>46,145</u>
Operating profit before finance costs		<u>191,556</u>	<u>273,154</u>	<u>1,559,201</u>	<u>128,905</u>
Finance costs	21	<u>100,852</u>	<u>94,031</u>	<u>367,099</u>	<u>242,751</u>
Share of profit in equity accounted investees - net of taxation		<u>184,270</u>	<u>163,987</u>	<u>440,630</u>	<u>385,530</u>
Profit before taxation		<u>274,974</u>	<u>343,110</u>	<u>1,632,732</u>	<u>271,684</u>
Taxation					
- current for the period		<u>(18,847)</u>	<u>(19,187)</u>	<u>(346,985)</u>	<u>(54,257)</u>
- current for prior year		<u>-</u>	<u>-</u>	<u>-</u>	<u>782</u>
- deferred		<u>(10,997)</u>	<u>(46,475)</u>	<u>(177,467)</u>	<u>48,845</u>
		<u>(29,844)</u>	<u>(65,662)</u>	<u>(524,452)</u>	<u>(4,630)</u>
Profit for the period		<u>245,130</u>	<u>277,448</u>	<u>1,108,280</u>	<u>267,054</u>
<b>Other comprehensive income / (loss) for the period</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		<u>13,817</u>	<u>(18,900)</u>	<u>18,409</u>	<u>(54,742)</u>
<b>Items that will be reclassified subsequently to profit or loss</b>					
Proportionate share of other comprehensive income / (loss) of equity accounted investees		<u>-</u>	<u>-</u>	<u>(152)</u>	<u>(159)</u>
		<u>13,817</u>	<u>(18,900)</u>	<u>18,257</u>	<u>(54,901)</u>
<b>Total comprehensive income for the period</b>		<u>258,947</u>	<u>258,548</u>	<u>1,126,537</u>	<u>212,153</u>
----- (Rupees) -----					
Earnings per share - Basic and diluted	22	<u>3.16</u>	<u>3.57</u>	<u>14.28</u>	<u>3.44</u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# Crescent Steel and Allied Products Limited

## Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For the nine months ended March 31, 2024

	Note	Nine months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
<b>Cash flows from operating activities</b>			
Cash used in operations	23	(615,790)	(119,431)
Taxes refunded / (paid)		10,433	(20,422)
Finance costs paid		(311,431)	(165,540)
Contribution to gratuity and pension funds		(27,204)	(22,220)
Contribution to Workers' Profit Participation Fund		-	(1)
Long term deposits - net		(41,819)	(14,984)
Net cash used in operating activities		<u>(985,811)</u>	<u>(342,598)</u>
<b>Cash flows from investing activities</b>			
Capital expenditure		(115,254)	(236,464)
Acquisition of intangible assets		(3,633)	(3,656)
Proceeds from disposal of operating fixed assets		7,488	18,654
Investments - net		284,653	(504,064)
Dividend income received		691,136	64,060
Interest income received		53,668	24,534
Net cash generated from / (used in) investing activities		<u>918,058</u>	<u>(636,936)</u>
<b>Cash flows from financing activities</b>			
(Repayments of) / proceeds from long term loans - net		(133,988)	683,281
Proceeds from / (payments against) finance lease obligations		152,602	(34,052)
Proceeds from short term loans obtained - net		270,841	498,662
Dividends paid		(144,277)	(9,533)
Net cash generated from financing activities		<u>145,178</u>	<u>1,138,358</u>
Net increase in cash and cash equivalents		<u>77,425</u>	<u>158,824</u>
Cash and cash equivalents at beginning of the period		(427,406)	(383,039)
Cash and cash equivalents at end of the period	24	<u><u>(349,981)</u></u>	<u><u>(224,215)</u></u>

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



Chief Executive



Director



Chief Financial Officer

Crescent Steel and Allied Products Limited  
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)  
For the nine months ended March 31, 2024

	Issued, subscribed and paid-up capital	Capital reserves		Total capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Others *		Fair value reserve	General reserve	Unappropriated profit		
(Rupees in '000)									
<b>Balance as at June 30, 2022</b>	<b>776,325</b>	<b>1,020,908</b>	<b>30,072</b>	<b>1,050,980</b>	<b>8,733</b>	<b>3,642,000</b>	<b>1,546,531</b>	<b>5,197,264</b>	<b>7,024,569</b>
<b>Total comprehensive income for the period</b>									
Profit after taxation for the period	-	-	-	-	-	-	267,054	267,054	267,054
<b>Other comprehensive income</b>									
Other comprehensive loss for the period	-	-	(159)	(159)	(54,742)	-	-	(54,742)	(54,901)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(159)</b>	<b>(159)</b>	<b>(54,742)</b>	<b>-</b>	<b>267,054</b>	<b>212,312</b>	<b>212,153</b>
<b>Balance as at March 31, 2023</b>	<b>776,325</b>	<b>1,020,908</b>	<b>29,913</b>	<b>1,050,821</b>	<b>(46,009)</b>	<b>3,642,000</b>	<b>1,813,585</b>	<b>5,409,576</b>	<b>7,236,722</b>
<b>Balance as at June 30, 2023</b>	<b>776,325</b>	<b>1,020,908</b>	<b>29,913</b>	<b>1,050,821</b>	<b>(26,581)</b>	<b>3,642,000</b>	<b>1,983,576</b>	<b>5,598,995</b>	<b>7,426,141</b>
<b>Total comprehensive income for the period</b>									
Profit after taxation for the period	-	-	-	-	-	-	1,108,280	1,108,280	1,108,280
<b>Other comprehensive income</b>									
Other comprehensive (loss) / income for the period	-	-	(152)	(152)	18,409	-	-	18,409	18,257
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(152)</b>	<b>(152)</b>	<b>18,409</b>	<b>-</b>	<b>1,108,280</b>	<b>1,126,689</b>	<b>1,126,537</b>
<b>Transactions with owners of the Holding Company</b>									
Dividend									
- Interim @ 20% (i.e. Rs 2 per share) for the year ending June 30, 2024	-	-	-	-	-	-	(155,265)	(155,265)	(155,265)
<b>Balance as at March 31, 2024</b>	<b>776,325</b>	<b>1,020,908</b>	<b>29,761</b>	<b>1,050,669</b>	<b>(8,172)</b>	<b>3,642,000</b>	<b>2,936,591</b>	<b>6,570,419</b>	<b>8,397,413</b>

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

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# Crescent Steel and Allied Products Limited

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

*For the nine months ended March 31, 2024*

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

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

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

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

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



## **2. BASIS OF PREPARATION**

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

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

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

**2.2** These condensed interim 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 annual audited consolidated financial statements of the Group for the year ended June 30, 2023. However, selected explanatory notes are included in these condensed interim consolidated financial statements to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited 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. SIGNIFICANT 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 annual audited annual consolidated financial statements for the year ended June 30, 2023.

### **3.2 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS**

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

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

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

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

## 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 The preparation of these condensed interim consolidated financial statements, requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these judgement, estimates and assumptions. 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 June 30, 2023.

## 5. PROPERTY, PLANT AND EQUIPMENT

	<b>Unaudited March 31, 2024</b>	Audited June 30, 2023
	----- (Rupees in '000) -----	
Operating fixed assets	<b>1,998,293</b>	1,934,958
Capital work-in-progress	<b>157,647</b>	502,755
	<b><u>2,155,940</u></b>	<u>2,437,713</u>

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

	<b>Unaudited Nine months ended March 31, 2024</b>		Unaudited Nine months ended March 31, 2023	
	<b>Additions / Transfers</b>	<b>Disposals / Transfers (Cost)</b>	Additions / Transfers	Disposals / Transfers (Cost)
	----- (Rupees in '000) -----			
Leasehold land	<b>14,250</b>	-	-	-
Buildings on leasehold land	<b>92,766</b>	-	-	-
Buildings on freehold land	-	-	4,472	-
Plant and machinery - owned	<b>131,002</b>	-	84,481	1,903
Electrical / office equipment and installation	<b>723</b>	<b>86</b>	8,855	1,193
Computers	<b>4,554</b>	<b>2,782</b>	2,472	-
Office premises	<b>561</b>	-	-	-
Motor vehicles - owned	<b>13,422</b>	<b>17,074</b>	45,033	23,098
	<b><u>257,278</u></b>	<b><u>19,942</u></b>	<u>145,313</u>	<u>26,194</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 March 31, 2024	Audited June 30, 2023		Note	Unaudited March 31, 2024	Audited June 30, 2023
(Number of shares)				----- (Rupees in '000) -----	
		<b>Quoted</b>			
<b>63,967,500</b>	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	6.1	<b>2,784,271</b>	2,918,012
<b>35,011,347</b>	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Saif Ullah)	6.1	-	30,274
		<b>Unquoted</b>			
<b>3,430,000</b>	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shehryar Mazhar)	6.1	-	-
				<b>2,784,271</b>	<b>2,948,286</b>

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

Description	Note	March 31, 2024			
		Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
		----- Rupees in '000 -----			
Opening balance as at July 01, 2023		2,918,012	30,274	-	2,948,286
Share of profit / (loss)	6.2	470,563	(29,933)	-	440,630
Share of equity	6.2	189	(341)	-	(152)
Dividend received		(604,493)	-	-	(604,493)
Closing balance as at March 31, 2024		<b>2,784,271</b>	-	-	<b>2,784,271</b>
		June 30, 2023			
Description		Altern Energy Limited	Shakarganj Limited	Crescent Socks (Private) Limited	Total
		----- Rupees in '000 -----			
Opening balance as at July 01, 2022		2,332,187	-	-	2,332,187
Share of profit		585,984	67,073	-	653,057
Share of equity		(159)	(36,799)	-	(36,958)
Closing balance as at June 30, 2023		2,918,012	30,274	-	2,948,286

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

6.3 Percentage of holding of equity in associates is as follows

	Note	Unaudited March 31, 2024	Audited June 30, 2023
Altern Energy Limited	6.3.1	17.60	17.60
Shakarganj Limited	6.3.2	28.01	28.01
Crescent Socks (Private) Limited		48.99	48.99

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

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

## 7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited March 31, 2024	Audited June 30, 2023
		<b>(Rupees in '000)</b>	
Fair value through other comprehensive income (FVOCI)	7.1	114,473	102,906
Fair value through profit or loss (FVTPL)	7.2 & 7.3	715,632	659,901
		<b>830,105</b>	<b>762,807</b>

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

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

7.3 This also includes investment in Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs. 501.816 million and Rs. 213.816 million (June 30, 2023: Rs 455.685 million and Rs. 204.216 million) respectively.

## 8. LONG TERM DEPOSITS

These include security deposit amounting to Rs. 55.664 million (June 30, 2023: Rs. 11.357 million) to leasing companies.

<b>9. STOCK-IN-TRADE</b>		<b>Unaudited March 31, 2024</b>	<b>Audited June 30, 2023</b>
		<b>(Rupees in '000)</b>	
Raw materials			
Hot rolled steel coils (HR Coil)		451,035	284,762
Coating materials		560,354	328,884
Remelting steel scrap		11,999	11,999
Others		203,996	331,829
Stock-in-transit		<u>814,755</u>	<u>129,198</u>
		<b>2,042,139</b>	<b>1,086,672</b>
Work-in-process		<u>11,040</u>	<u>70,993</u>
Finished goods	9.1	<u>129,127</u>	<u>111,099</u>
Scrap / cotton waste		<u>18,689</u>	<u>203</u>
		<u>158,857</u>	<u>182,295</u>
		<u><b>2,200,996</b></u>	<u><b>1,268,967</b></u>

**9.1** Stock in trade as at March 31, 2024 includes certain items valued at net realisable value (NRV). Charge in respect of stock written down to NRV was amounting to Rs. 38.636 million (March 31, 2023: Reversal of Rs. 7.414 million) has been recognized in cost of sales.

<b>10. TRADE DEBTS</b>	Note	<b>Unaudited March 31, 2024</b>	<b>Audited June 30, 2023</b>
		<b>(Rupees in '000)</b>	
<b>Secured</b>			
Considered good		148,767	-
<b>Unsecured</b>			
Considered good	10.1	<u>1,754,079</u>	<u>464,043</u>
Considered doubtful		<u>19,248</u>	<u>18,401</u>
		<b>1,773,327</b>	<b>482,444</b>
Impairment loss on trade debts		<u>(19,248)</u>	<u>(18,401)</u>
		<u><b>1,902,846</b></u>	<u><b>464,043</b></u>

**10.1** This includes amount due from Pak Elektron Limited (related party) amounting to Rs. 65.160 million (June 30, 2023: Rs. 40.101 million)

## **11. ADVANCES**

This includes advances amounting to Rs. 148.057 million (June 30, 2023 Rs. 40.182 million) given to suppliers for goods and services.

## **12. SHORT TERM INVESTMENTS**

	Note	<b>Unaudited March 31, 2024</b>	<b>Audited June 30, 2023</b>
		<b>(Rupees in '000)</b>	
At amortised cost	12.1	84,360	84,360
At fair value through profit or loss (FVTPL)	12.2	<u>754,101</u>	<u>749,867</u>
		<u><b>838,461</b></u>	<u><b>834,227</b></u>



- 12.1** This represent investment in term deposit receipt having markup rate of 15.75% per annum and maturing on March 26, 2024.
- 12.2** Investments having an aggregate market value of Rs. 1,965.741 million (June 30, 2023: Rs. 1,172.758 million) have been pledged with financial institutions as security against financing facilities (see note 16.5) out of which Rs. 1,368.888 million (June 30, 2023: Rs. 918.094 million) relates to long term investments.

**13. OTHER RECEIVABLES**

	Note	Unaudited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----			
Dividend receivable		7,271	886
Provision there against		(886)	(886)
		<u>6,385</u>	<u>-</u>
Receivable against sale of investments		1,099	17,723
Provision there against		-	(17,723)
Receivable against sale of investments		1,099	-
Rent Receivable		45	45
Claim receivable		461	461
Due from related parties	13.1	5,015	4,920
Sales tax refundable		3,797	106,973
Margin on letter of credit and guarantee		88,028	179,482
Others		2,190	3,071
		<u>107,020</u>	<u>294,952</u>
<b>13.1 Due from related parties</b>			
The Crescent Textile Mills Limited		90	249
Crescent Socks (Private) Limited		1,000	600
Shakargang Food Products Limited		3,925	4,070
Premier Insurance Limited		-	1
		<u>5,015</u>	<u>4,920</u>
<b>14. LONG TERM LOANS</b>			
<b>Secured - Under shariah arrangement</b>			
Long Term Sukuk Certificates	14.1	533,333	666,667
Less: Transaction Cost	14.1.1	(2,846)	(4,241)
		<u>530,487</u>	<u>662,426</u>
<b>Secured - Under non-shariah arrangement</b>			
JS Bank Limited	14.2	30,501	32,550
		<u>560,988</u>	<u>694,976</u>
Less: Current portion shown under current liabilities		270,205	270,228
		<u>290,783</u>	<u>424,748</u>

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

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

**14.2** During the year ended June 30, 2021, the Holding Company entered into a loan arrangement with JS Bank Limited in which 5 tranches were received. The tranches were converted into the State Bank of Pakistan's (SBP) "SBP Financing scheme for Renewable Energy". The term of the loan is 10 years from the date of disbursement with a grace period of 3 months, repayable in monthly installments starting from June 2021. Mark-up was payable quarterly at the rate of 1 month KIBOR plus 1% per annum till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.

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

**15. TRADE AND OTHER PAYABLES**

	Note	Unaudited March 31, 2024	Audited June 30, 2023
----- (Rupees in '000) -----			
Trade creditors		156,676	72,355
Bills payable		-	38
Commission payable		522	522
Customer's security deposits		972	-
Accrued liabilities		789,733	611,814
Advances from customers		216,629	348,951
Provisions		323,733	287,643
Due to related parties	15.1	23,791	19,534
Payable to provident fund		2,902	127
Payable to staff retirement benefit funds		3,223	2,823
Retention money		110	2,980
Withholding tax payable		3,873	6,897
Workers' Profit Participation Fund		73,515	18,529
Workers' Welfare Fund		25,523	7,640
Others		86,536	56,172
		<u>1,707,737</u>	<u>1,436,025</u>
<b>15.1 Due to related parties</b>			
Premier Insurance Company Limited		32	-
Shakarganj Limited		23,759	19,534
		<u>23,791</u>	<u>19,534</u>
<b>16. SHORT TERM BORROWINGS</b>			
<b>Secured from banking companies</b>			
Running finances under mark-up arrangements	16.1	597,894	463,654
Short term loans	16.2	1,096,706	825,865
		<u>1,694,600</u>	<u>1,289,519</u>

- 16.1** Running finances facility / money market facilities available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,000 million (June 30, 2023: Rs. 1,150 million) out of which Rs. 300 million (June 30, 2023: Rs. 300 million), Rs. 100 million (June 30, 2023: Rs. 100 million) and Rs. 300 million (June 30, 2023: Rs. 300 million) are interchangeable with letters of credit, letters of guarantee facility and short term loans, respectively. During the period, the mark-up on such arrangements ranged from 22.23% to 25.23% (March 31, 2023: 17.03% to 24.01%) per annum.
- 16.2** Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 2,050 million (June 30, 2023: Rs. 3,950 million) out of which Rs. 1,950 million (June 30, 2023: Rs. 3,150 million), Rs. 100 million (June 30, 2023: Rs. 205 million) and Rs. 300 million (June 30, 2023: Rs. 350 million) are interchangeable with letters of credit, letters of guarantee and short term running finance facilities, respectively. During the period, the mark-up on such arrangements ranged from 22.65% to 24.93% (March 31, 2023: 17.08% to 24.01%) per annum.
- 16.3** The facilities for opening letters of credit amounted to Rs. 3,800 million (June 30, 2023: Rs. 4,750 million) out of which Rs. 300 million (June 30, 2023: Rs. 300 million), Rs. 3,050 million (June 30, 2023: Rs. 3,150 million) and Rs. 205 million (June 30, 2023: Rs. 205 million) are interchangeable with short term running finance facilities, 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 March 31, 2024 amounted to Rs. 2,071 million (June 30, 2023: Rs. 2,368.6 million). Amounts unutilized for letters of credit and guarantees as at March 31, 2024 were Rs. 1,569 million and Rs. 62.909 million (June 30, 2023: Rs. 4,251 million and Rs. 380.15 million), respectively.
- 16.4** These includes an amount of Rs. 883.009 million (June 30, 2023: Rs. 438 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 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 February 28, 2025. 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) and lien over import / export document. Further, these facilities (refer notes 16.1 to 16.3) are also secured against pledged of shares owned by the Subsidiary Company i.e. CS Capital (Private) Limited.

## **17. CONTINGENCIES AND COMMITMENTS**

### **17.1 Contingencies**

There is no significant change in the status of the matters as set out in note 12.3, 15, 29.3 and 30.1 to the Group's annual consolidated financial statements for the year ended June 30, 2023.

### **17.2 Commitments**

- 17.2.1** Aggregate amount of guarantees issued by banks on behalf of the Group against various contracts aggregated to Rs. 2,108.55 million (June 30, 2023: Rs. 1,988.450 million). These include guarantees issued by Islamic banks amounting to Rs. 214.586 million (June 30, 2023: Rs. 153.591 million).
- 17.2.2** Commitments in respect of capital expenditure contracted for by the Holding Company as at March 31, 2024 amounted to Rs. 41.659 million (June 30, 2023: Rs. 34.659 million).
- 17.2.3** Commitments under letters of credit as at March 31, 2024 amounted to Rs. 1,033 million (June 30, 2023: Rs. 498.92 million).

18. SALES	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----					
<b>Local sales</b>					
Bare pipes	18.1	1,106,612	500,063	4,260,328	1,914,630
Pipe coating		962	-	411,675	16,331
Pre coated pipes		425,752	704,529	1,633,638	745,748
Cotton yarn / raw cotton		65,289	214,454	65,289	1,111,815
Others		33,636	14,076	130,296	132,904
Scrap / waste		-	90,325	178,872	177,044
		<u>1,632,251</u>	<u>1,523,447</u>	<u>6,680,098</u>	<u>4,098,472</u>
Sales tax		<u>(249,033)</u>	<u>(249,880)</u>	<u>(1,019,462)</u>	<u>(608,424)</u>
		<u><b>1,383,218</b></u>	<u>1,273,567</u>	<u><b>5,660,636</b></u>	<u>3,490,048</u>

18.1 This includes revenue amounting to Rs. 2,007.231 Million (March 31, 2023: Rs Nil) where HRC (Hot Rolled Coil) was supplied by the customer.

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

19. INCOME FROM INVESTMENTS - NET	Note	Unaudited Quarter ended		Unaudited Nine months ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----					
Dividend income	19.1	33,066	25,890	93,028	74,898
Gain on mutual fund		271	-	271	-
Gain / (loss) on sale of FVTPL investments - net	19.2	26,969	(848)	37,634	11,355
Gain on commodity future contracts		-	-	317	-
Unrealized gain / (loss) on FVTPL investments - net	19.3	9,890	(9,004)	305,153	(79,046)
Gain in money market		332	-	1,846	-
Rent from investment properties	19.5	2,030	1,934	6,075	5,800
		<u>72,558</u>	<u>17,972</u>	<u>444,324</u>	<u>13,007</u>

19.1 This includes Rs. 45.69 million (March 31, 2023: Rs. 34.15 million) earned on investments in Shariah Compliant Investee Companies.

19.2 This includes loss of Rs. 7.143 million (March 31, 2023: Rs. 1.23 million) incurred on sale of investments in Shariah Compliant Investee Companies.

19.3 This includes loss of Rs. 53.239 million (March 31, 2023: Rs. 62.68 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. 2.954 million (March 31, 2023: Rs. 3.20 million).

**20. OTHER OPERATING EXPENSES**

	Unaudited Quarter ended		Unaudited Nine months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----			
Exchange loss	-	4,151	-	4,151
Provision for:				
Workers' Profit Participation Fund	5,184	7,024	54,987	7,024
Workers' Welfare Fund	523	-	17,883	-
Slow moving stores, spares and loose tools	-	-	9,032	-
Fixed assets written off	689	-	5,346	-
Impairment loss on trade debts	-	-	848	-
Others	-	1,161	30	1,161
Impairment charge relating to capital work in process	-	-	33,223	-
	<b>40,467</b>	<b>12,336</b>	<b>155,420</b>	<b>12,336</b>

**21. FINANCE COSTS**

Mark-up on short term loans - Shariah arrangement	14,086	10,629	45,015	30,627
Interest on - Non - Shariah arrangement				
- finance lease obligations	13,636	2,522	32,483	6,682
- long term loan	34,306	37,892	111,694	77,998
- running finances / short term loans	37,850	43,223	173,765	125,188
Bank charges	955	290	4,122	2,252
	<b>100,833</b>	<b>94,556</b>	<b>367,079</b>	<b>242,747</b>

**22. EARNINGS PER SHARE - BASIC AND DILUTED**

Profit for the period	<b>245,130</b>	277,448	<b>1,108,280</b>	267,054
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	<b>77,632,491</b>	77,632,491	<b>77,632,491</b>	77,632,491
	----- (Rupees) -----			
Earnings per share - Basic and diluted	<b>3.16</b>	3.57	<b>14.28</b>	3.44

**23. CASH USED IN OPERATIONS**

	Note	Unaudited Nine months ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
Profit before taxation		1,632,732	271,684
<b>Adjustments for non cash charges and other items</b>			
Depreciation on operating fixed assets and investment properties		197,270	173,223
Amortization of intangible assets		1,349	1,627
Charge for the period on staff retirement benefit funds		48,013	22,723
Dividend income		(93,028)	(74,898)
Unrealized (gain) / loss on FVTPL investments - net		(305,153)	79,046
Realized gain on mutual fund		(271)	-
Realized gain on commodities		(317)	-
Realized gain on money market		(1,846)	-
Realized gain on sale of FVTPL investments - net		(37,634)	(11,355)
Provision for stores, spares and loose tools - net		9,032	(3,856)
Impairment loss on trade debts - net		848	-
Provision for Workers' Welfare Fund		17,883	-
Provision for Workers' Profit Participation Fund		54,987	7,024
Property, plant and equipment written off		5,346	-
Return on deposits		(53,668)	(24,534)
Gain on disposal of operating fixed assets		(1,702)	(7,356)
Deferred income		(404)	(4,075)
Unwinding of discount on long term deposit		(2,489)	(1,982)
Impairment charge relating to capital work in process		33,223	-
Finance costs		367,099	242,751
Share of profit from equity accounted investees - net of taxation		(440,630)	(385,530)
Working capital changes	23.1	<u>(2,046,430)</u>	<u>(403,923)</u>
		<b><u>(615,790)</u></b>	<b><u>(119,431)</u></b>
<b>23.1 Working capital changes</b>			
<i>Increase in current assets</i>			
Stores, spares and loose tools		(85,053)	(107,954)
Stock-in-trade		(932,029)	181,995
Trade debts		(1,439,651)	(447,536)
Advances		19,079	(82,423)
Trade deposits and short term prepayments		(1,536)	(639)
Other receivables		194,317	(268,106)
		<u>(2,244,873)</u>	<u>(724,663)</u>
<i>Increase in current liabilities</i>			
Trade and other payables		198,443	320,740
		<u>(2,046,430)</u>	<u>(403,923)</u>
<b>24. CASH AND CASH EQUIVALENTS</b>			
Running finances under mark-up arrangements		(597,894)	(454,525)
Cash and bank balances		247,913	230,310
		<u>(349,981)</u>	<u>(224,215)</u>
<b>25. SEGMENT REPORTING</b>			
<b>25.1 Reportable segments</b>			
The Group's reportable segments are as follows:			
<ul style="list-style-type: none"> <li>- Steel segment - It comprises of manufacturing and coating of steel pipes.</li> <li>- Cotton segment - It comprises of manufacturing of yarn.</li> <li>- Investment and Infrastructure Development (IID) segment - To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation).</li> <li>- Energy segment - It comprises of generating and supplying electricity/power.</li> <li>- Hadeed (Billet) segment - It comprises of manufacturing billets.</li> </ul>			
Information regarding the Group's reportable segments is presented below:			



## 25.2 Segment revenues and results

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

For the nine months ended March 31, 2024	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
(Rupees in '000)							
Sales - net	5,605,305	55,331	-	-	-	-	5,660,636
Cost of sales	3,827,805	147,660	45,993	46,410	-	-	4,067,868
<b>Gross profit / (loss)</b>	<b>1,777,500</b>	<b>(92,329)</b>	<b>(45,993)</b>	<b>(46,410)</b>	-	-	<b>1,592,768</b>
Income from investments	-	-	-	-	444,324	-	444,324
	1,777,500	(92,329)	(45,993)	(46,410)	444,324	-	2,037,092
Distribution and selling expenses	89,056	3,029	-	1,320	-	-	93,405
Administrative expenses	278,240	36,725	997	11,846	26,880	-	354,688
Other operating expenses	111,870	4,983	(204)	4,700	-	-	121,349
	479,166	44,737	793	17,866	26,880	-	569,442
	1,298,334	(137,066)	(46,786)	(64,276)	417,444	-	1,467,650
Other income	83,641	5,303	-	400	2,111	-	91,455
<b>Operating profit / (loss) before finance costs</b>	<b>1,381,975</b>	<b>(131,763)</b>	<b>(46,786)</b>	<b>(63,876)</b>	<b>419,555</b>	-	<b>1,559,105</b>
Finance costs	357,216	9,302	1	154	426	-	367,099
Share of profit in equity accounted investees - net of taxation	-	-	-	-	440,630	-	440,630
<b>Profit / (loss) before taxation</b>	<b>1,024,759</b>	<b>(141,065)</b>	<b>(46,787)</b>	<b>(64,030)</b>	<b>859,759</b>	-	<b>1,632,636</b>
Taxation							(524,452)
<b>Profit for the period</b>							<b>1,108,184</b>

For the nine months ended March 31, 2023	Unaudited						Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Inter-segments elimination / adjustments	
(Rupees in '000)							
Sales - net	2,420,962	975,061	-	94,025	-	-	3,490,048
Cost of sales	1,908,971	1,027,118	46,984	141,253	-	-	3,124,326
<b>Gross profit / (loss)</b>	<b>511,991</b>	<b>(52,057)</b>	<b>(46,984)</b>	<b>(47,228)</b>	-	-	<b>365,722</b>
Income from investments - net	-	-	-	-	13,007	-	13,007
	511,991	(52,057)	(46,984)	(47,228)	13,007	-	378,729
Distribution and selling expenses	13,744	3,169	-	1,297	-	-	18,210
Administrative expenses	197,979	35,859	844	12,615	18,126	-	265,423
Other operating expenses	7,701	644	-	2,830	1,161	-	12,336
	219,424	39,672	844	16,742	19,287	-	295,969
	292,567	(91,729)	(47,828)	(63,970)	(6,280)	-	82,760
Other income	40,560	5,585	-	-	-	-	46,145
<b>Operating profit / (loss) before finance costs</b>	<b>333,127</b>	<b>(86,144)</b>	<b>(47,828)</b>	<b>(63,970)</b>	<b>(6,280)</b>	-	<b>128,905</b>
Finance costs	214,423	18,127	-	6,077	4,124	-	242,751
Share of profit in equity accounted investees - net of taxation	-	-	-	-	385,530	-	385,530
<b>Profit / (loss) before taxation</b>	<b>118,704</b>	<b>(104,271)</b>	<b>(47,828)</b>	<b>(70,047)</b>	<b>375,126</b>	-	<b>271,684</b>
Taxation							(4,630)
<b>Profit for the period</b>							<b>267,054</b>

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

25.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies as described in the annual consolidated financial statements of the Group for the year ended June 30, 2023. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) and IID segments. In addition, finance costs between Steel and Cotton segments are allocated at average mark-up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

### 25.3 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 18 to these 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. 5,205.244 million (March 31, 2023: Rs. 2,591.828 million) of total Steel segment revenue of Rs. 5,605.305 million (March 31, 2023: Rs. 2,420.962 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 55.331 million (March 31, 2023: Rs. 490.056 million) of total Cotton segment revenue of Rs. 55.331 million (March 31, 2023: Rs. 975.061 million). Revenue from major customers of Energy segment represents an aggregate amount of Rs. Nil (March 31, 2023: Rs. 458.316 million) of total Energy segment revenue of Rs. Nil (March 31, 2023: Rs. Nil). Revenue from major customers of Hadeed (Billet) segment represents an aggregate amount of Rs. Nil (March 31, 2023: Rs. 1,190.646 million) of total Hadeed (Billet) segment revenue of Rs. Nil million (March 31, 2023: Rs. 94.025 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 March 31, 2024 and June 30, 2023 were located and operating in Pakistan.

### 25.6 Segment assets and liabilities

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

	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	Total
------(Rupees in '000)-----						
<b>As at March 31, 2024 - Unaudited</b>						
Segment assets for reportable segments	5,811,428	223,985	589,705	635,442	1,700,151	<b>8,960,710</b>
Investment in equity accounted investees	-	-	-	-	2,784,271	<b>2,784,271</b>
Unallocated corporate assets						<b>1,311,006</b>
Total assets as per consolidated statement of financial position						<b><u>13,055,987</u></b>
Segment liabilities for reportable segments	1,817,239	130,570	81,295	84,190	14,333	<b>2,127,626</b>
Unallocated corporate liabilities and deferred income						<b>2,530,948</b>
Total liabilities as per consolidated statement of financial position						<b><u>4,658,574</u></b>
<b>As at June 30, 2023 - Audited</b>						
Segment assets for reportable segments	3,685,849	230,380	630,821	677,091	1,617,029	6,841,170
Investment in equity accounted investees	-	-	-	-	2,948,286	2,948,286
Unallocated corporate assets						<b>1,763,582</b>
Total assets as per consolidated statement of financial position						<b><u>11,553,038</u></b>
Segment liabilities for reportable segments	1,417,450	130,373	81,238	78,752	13,559	1,721,372
Unallocated corporate liabilities and deferred income						<b>2,155,128</b>
Total liabilities as per consolidated statement of financial position						<b><u>3,876,500</u></b>

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

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

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

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

25.7 Other segment information

	Unaudited					Total
	Steel segment	Cotton segment	Energy segment	Hadeed (Billet) segment	IID segment	
(Rupees in '000)						
<b>For the nine months ended</b>						
<b>March 31, 2024</b>						
Capital expenditure	114,731	-	3,633	522	-	118,886
Depreciation and amortization	98,829	12,549	44,790	38,647	3,804	198,619
Non-cash items other than depreciation and amortization	453,297	20,587	(202)	4,979	(880,635)	(401,974)
<b>For the nine months ended</b>						
<b>March 31, 2023</b>						
Capital expenditure	204,271	2,250	3,657	16,099	-	226,277
Depreciation and amortization	69,735	17,753	45,026	38,675	3,661	174,850
Non-cash items other than depreciation and amortization	199,445	19,989	1	6,179	(387,656)	(162,042)

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	
			March 31, 2024	March 31, 2023
(Rupees in '000)				
Altern Energy Limited	Associated company	Dividend income	604,493	-
		Dividend received	604,493	-
Shakarganj Limited	Associated company	Reimbursable expenses	5,041	7,541
		Sales return	24	-
		Services rendered	791	-
		Dividend paid	360	-
Shakarganj Food Products Limited	Related party	Reimbursable expense	3,181	-
		Rent	2,080	1,881
		Services rendered	-	2,313
		Receiving of services	2,362	2,045
		Payments received	2,500	2,500
The Crescent Textile Mills Limited	Associated company	Rent	2,758	1,379
		Payment received	5,306	2,485
		Reimbursable expense	2,567	933
		Dividend income	7,977	-
		Dividend received	7,977	-
Crescent Socks (Private) Limited	Related party	Dividend paid	17,077	-
		Rent	900	900
		Payment Received	500	1,500
The Citizens' Foundation*	Related party	Donation given	22,324	13,723
Indus Valley School of Arts and Architecture	Related party	Donation given	2,500	-
CSAP Foundation *	Related party	Donation given	48	-
Pakistan Centre for Philanthropy *	Related party	Annual membership fee	360	-
		Payment of annual membership fee	360	-
Premier Insurance Limited*	Related party	Receiving of services	6,633	6,855
		Payments made	6,730	7,259
		Dividend paid	283	-

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

Name of entity	Nature of relationship	Nature of transaction	Nine months ended	
			March 31, 2024	March 31, 2023
			----- (Rupees in '000) -----	
Pak-Qatar Asset Management Company Limited*	Related party	Units in cash plan	<u>100,000</u>	-
		Loan repayment	<u>20,000</u>	-
		Profit repayment	<u>12,073</u>	-
		Dividend paid	<u>15,450</u>	-
Pak Electron Limited*	Related party	Sales made	<u>122,653</u>	123,952
		Payment received	<u>97,018</u>	145,224
Meezan Bank Limited*	Related party	Dividend Income	<u>2,514</u>	-
		Dividend Received	<u>2,514</u>	-
		Sale of investment	<u>10,196</u>	-
International Steels Limited*	Related party	Dividend Income	<u>658</u>	-
		Dividend Received	<u>658</u>	-
		Sale of investment	<u>4,918</u>	-
		Purchase of investment	<u>671</u>	-
CSAP - Staff Benevolent Fund	Staff Welfare Fund	Contribution made	-	3
		Dividend paid	<u>72</u>	-
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>1,342</u>	-
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>379</u>	-
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Contribution made	<u>7,849</u>	6,424
		Dividend paid	<u>3,877</u>	-
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Contribution made	<u>19,891</u>	16,238
		Dividend paid	<u>8,077</u>	-
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	Contribution made	<u>10,104</u>	10,387
		Dividend paid	<u>248</u>	-
Key management personnel	Related parties	Remuneration and benefits	<u>171,216</u>	137,055
		Dividend paid	<u>9,662</u>	-
Chairman of the Board	Related party	Honorarium	<u>1,450</u>	1,350
Directors	Related parties	Meeting fee	<u>2,650</u>	1,585
		Dividend paid	<u>4,488</u>	-

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

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

## 27. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

		March 31, 2024 (Unaudited)							
		Carrying amount			Total	Fair value			Total
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities-Amortised cost		Level 1	Level 2	Level 3		
------(Rupees in '000)-----									
<b>On-balance sheet</b>									
<b>financial instruments</b>									
<b>Financial assets</b>									
<b>measured at fair value</b>									
Investment									
- Listed equity securities	754,101	114,473	-	868,574	868,574	-	-	868,574	
- Unlisted equity securities	715,632	-	-	715,632	-	-	715,632	715,632	
	<b>1,469,733</b>	<b>114,473</b>	<b>-</b>	<b>1,584,206</b>	<b>868,574</b>	<b>-</b>	<b>715,632</b>	<b>1,584,206</b>	
<b>Financial assets not</b>									
<b>measured at fair value</b>									
Term deposit receipt	-	-	84,360	84,360	-	-	-	-	
Deposits	-	-	77,334	77,334	-	-	-	-	
Trade debts	-	-	1,902,846	1,902,846	-	-	-	-	
Other receivables	-	-	103,223	103,223	-	-	-	-	
Bank balances	-	-	247,913	247,913	-	-	-	-	
	<b>-</b>	<b>-</b>	<b>2,500,036</b>	<b>2,500,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Financial liabilities not</b>									
<b>measured at fair value</b>									
Long term loans	-	-	560,988	560,988	-	-	-	-	
Lease liabilities	-	-	261,367	261,367	-	-	-	-	
Trade and other payables	-	-	1,064,464	1,064,464	-	-	-	-	
Mark-up accrued	-	-	102,643	102,643	-	-	-	-	
Short term borrowings	-	-	1,694,600	1,694,600	-	-	-	-	
	<b>-</b>	<b>-</b>	<b>3,684,062</b>	<b>3,684,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

June 30, 2023 (Audited)

	Carrying amount				Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Financial liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----									
<b>On-balance sheet</b>									
<b>financial instruments</b>									
<b>Financial assets</b>									
<b>measured at fair value</b>									
Investment									
- Listed equity securities	834,227	102,906	-	-	937,133	937,133	-	-	937,133
- Unlisted equity securities	659,901	-	-	-	659,901	-	-	659,901	659,901
	<u>1,494,128</u>	<u>102,906</u>	<u>-</u>	<u>-</u>	<u>1,597,034</u>	<u>937,133</u>	<u>-</u>	<u>659,901</u>	<u>1,597,034</u>
<b>Financial assets not measured at fair value</b>									
Term deposit receipt	-	-	84,360	-	84,360	-	-	-	-
Deposits	-	-	33,180	-	33,180	-	-	-	-
Trade debts	-	-	464,043	-	464,043	-	-	-	-
Other receivables	-	-	187,979	-	187,979	-	-	-	-
Bank balances	-	-	36,248	-	36,248	-	-	-	-
	<u>-</u>	<u>-</u>	<u>805,810</u>	<u>-</u>	<u>805,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>									
Long term loan	-	-	-	694,976	694,976	-	-	-	-
Lease liabilities	-	-	-	76,673	76,673	-	-	-	-
Trade and other payable	-	-	-	1,095,781	1,095,781	-	-	-	-
Unclaimed dividend	-	-	-	16,081	16,081	-	-	-	-
Mark-up accrued	-	-	-	79,061	79,061	-	-	-	-
Short term borrowings	-	-	-	1,289,519	1,289,519	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,252,091</u>	<u>3,252,091</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 reprice 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 Group's long-term investments as disclosed in note 7 include Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited which are unquoted investments. During the period, the respective fair valuation models were updated to reflect the most recent market data changes. However, the Group has determined that due to these updates no material changes are required in the carrying amount of these investments hence these have been carried at the same value determined as of December 31, 2023.

#### 28. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on April 29, 2024.



Chief Executive



Director



Chief Financial Officer



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