

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026





INDEPENDENT AUDITOR'S REPORT

To the members of Crescent Steel and Allied Products Limited

Opinion

We have audited the annexed consolidated financial statements of Crescent Steel and Allied Products Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and, we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Valuation of the Group's Long-Term Investments (Refer notes 4, 6.5, 20.2 and 48.1 to the consolidated financial statements) The 'other long-term investments' include Group's investments in shares of Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs 747.011 million and Rs 433.336 million respectively as at June 30, 2026.	Our audit procedures, amongst others, included the following: • Obtained understanding of the management's process of valuation;

S. No.	Key audit matter	How the matter was addressed in our audit
	Fair values of these investments are not measured in an active market and are determined through the application of valuation techniques under accounting and reporting standards and use of unobservable inputs that involve the exercise of judgments over assumptions and estimates used by the management of the Group for this purpose. Due to the level of judgements involved in determining fair values of these unquoted investments, we considered this to be a key audit matter.	• Read report of management's expert which included the methods of valuation and details about the inputs to the valuation models; • Involved internal valuation specialist to review the valuation methodologies and assumptions used by the management's expert; • Discussed the rationale of the inputs to the valuation models and assessed their reasonableness; • Checked mathematical accuracy of the calculations; and • Assessed whether the related disclosures made in the consolidated financial statements are in accordance with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

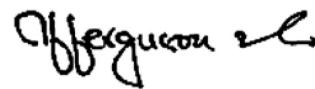
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



A. F. Ferguson & Co.

Chartered Accountants

Karachi

Date: October 05, 2026

UDIN: AR202610056wj3tFKCMY

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

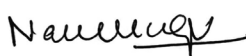
As at June 30, 2026

	Note	2026	2025
----- Rupees in '000 -----			
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital			
	7	776,325	776,325
Capital reserves	8	1,020,908	1,020,908
Revenue reserves	8	8,060,207	6,610,099
		9,857,440	8,407,332
LIABILITIES			
Non-current liabilities			
Long term loans	9	121,201	132,289
Lease liabilities	10	102,760	157,781
Liability against Infrastructure cess	11	115,971	-
Deferred income		2,226	2,763
Deferred taxation - net	22	435,176	18,814
		777,334	311,647
Current liabilities			
Trade and other payables	12	1,329,334	4,599,295
Unclaimed dividend		116,124	111,697
Mark-up accrued	13	8,408	27,284
Short term borrowings	14	518,664	1,974,038
Current portion of long term loans	9	3,802	174,469
Current portion of lease liabilities	10	39,549	44,727
Current portion of deferred income		537	537
		2,016,418	6,932,047
Total liabilities			
		2,793,752	7,243,694
Contingencies and commitments	15		
Total equity and liabilities			
		12,651,192	15,651,026

	Note	2026	2025
----- Rupees in '000 -----			
ASSETS			
Non-current assets			
Property, plant and equipment	16	2,731,760	2,162,526
Right-of-use-assets	16	121,132	178,578
Intangible assets	17	1,870	-
Investment properties	18	252,720	133,444
Investment in equity accounted investees	19	-	-
Other long term investments	20	1,791,451	938,572
Long term deposits	21	59,372	70,798
		4,958,305	3,483,918
Current assets			
Stores, spares and loose tools	23	494,159	384,837
Stock-in-trade	24	1,466,371	2,983,801
Trade debts	25	1,065,691	1,641,032
Advances	26	48,019	308,226
Trade deposits and short term prepayments	27	24,929	22,211
Short term investments	28	3,453,776	2,485,852
Other receivables	29	537,956	3,457,466
Taxation - net	30	284,560	390,980
Cash and bank balances	31	274,415	78,319
		7,649,876	11,752,724
Non-current assets held for sale	32	43,011	414,384
Total current assets			
		7,692,887	12,167,108
Total assets			
		12,651,192	15,651,026

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.


Chief Executive


Director


Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

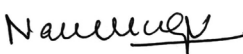
For the year ended June 30, 2026

	Note	2026	2025
		----- Rupees in '000 -----	
Sales	33	9,354,977	7,459,284
Less: sales tax		1,418,792	1,113,006
		7,936,185	6,346,278
Cost of sales	34	5,922,161	4,748,836
Gross profit		2,014,024	1,597,442
Income from investments - net	35	1,005,488	532,884
		3,019,512	2,130,326
Distribution and selling expenses	36	26,451	30,815
Administrative expenses	37	682,506	651,437
Other operating expenses	38	199,522	295,101
		908,479	977,353
		2,111,033	1,152,973
Other income	39	146,649	62,901
Operating profit before finance costs		2,257,682	1,215,874
Finance costs	40	161,220	288,863
Share of loss in equity accounted investees			
- net of taxation	41	-	(474,924)
Profit before taxation from continuing operations		2,096,462	452,087
Taxation charge	42	(700,204)	(318,783)
Net profit for the year from continuing operations		1,396,258	133,304
Net profit / (loss) from discontinued operations	46.2	136,455	(176,710)
Net profit / (loss) for the year		1,532,713	(43,406)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Proportionate share of other comprehensive income of equity accounted investees		-	360
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) - net of tax		318,116	72,214
(Loss) / gain on remeasurement of staff retirement benefit plans - net of tax		(51,375)	346,945
Other comprehensive income for the year		266,741	419,519
Total comprehensive income for the year		1,799,454	376,113

		(Rupees)	
Basic and diluted - earnings / (loss) per share	43	19.74	(0.56)
Basic and diluted - earnings per share from continuing operations		17.99	1.72

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.


Chief Executive


Director


Chief Financial Officer

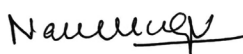
CONSOLIDATED STATEMENT OF
CASH FLOWS

For the year ended June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
Cash flows from operating activities			
Cash generated from / (used in) operations	44	3,823,190	(701,926)
Tax paid		(329,878)	(520,971)
Finance costs paid		(159,114)	(287,910)
Contribution to gratuity and pension funds	47.1.3	(53,485)	(45,628)
Contribution to Workers' Profit Participation Fund	12.4	(38,113)	(91,875)
Contribution to Workers' Welfare Fund		(12,025)	(19,015)
Long term deposits - net		13,044	35,752
Net cash generated from / (used in) operating activities		3,243,619	(1,631,573)
Cash flows from investing activities			
Capital expenditure		(1,020,856)	(587,120)
Acquisition of intangible assets		(2,244)	-
Proceeds from disposal of operating fixed assets	16.5	16,898	13,696
Amount received against non-current assets held for sale		418,367	250,000
Investments - net		(590,861)	236,175
Dividend income received		173,007	869,401
Interest income received		21,482	28,388
Net cash (used in) / generated from investing activities		(984,207)	810,540
Cash flows from financing activities			
Repayment of long term loans - net		(181,755)	(120,191)
Payments against finance lease obligations - net		(81,268)	(88,329)
(Repayment of) / proceeds from short term loans obtained - net		(1,342,234)	785,571
Dividends paid		(344,919)	(574,368)
Net cash (used in) / generated from financing activities	44.1	(1,950,176)	2,683
Net increase / (decrease) in cash and cash equivalents		309,236	(818,350)
Cash and cash equivalents at beginning of the year		(530,877)	287,473
Cash and cash equivalents at end of the year	45	(221,641)	(530,877)

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.


Chief Executive


Director


Chief Financial Officer

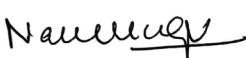
CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the year ended June 30, 2026

	Issued, subscribed and paid-up capital	Capital reserves (Note 8.1)		Total capital reserves	Revenue reserves (Note 8.2)			Total revenue reserves	Total
		Share premium	Others *		Fair value reserve	General reserve	Unappro- priated profit		
----- (Rupees in '000) -----									
Balance as at July 1, 2024	776,325	1,020,908	29,761	1,050,669	(23,018)	3,642,000	3,245,120	6,864,102	8,691,096
Total comprehensive loss for the year year ended June 30, 2025									
Loss for the year	-	-	-	-	-	-	(43,406)	(43,406)	(43,406)
Other comprehensive income for the year	-	-	360	360	72,214	-	346,945	419,159	419,519
Total comprehensive income for the year	-	-	360	360	72,214	-	303,539	375,753	376,113
Transfer of capital reserve to									
Unappropriated profit	-	-	(30,121)	(30,121)	-	-	30,121	30,121	-
Transactions with owners of the Holding Company									
- distributions									
- Final dividend @ 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024	-	-	-	-	-	-	(271,714)	(271,714)	(271,714)
- Interim dividend @ 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2025	-	-	-	-	-	-	(155,265)	(155,265)	(155,265)
- Interim dividend @ 30% (i.e. Rs. 3.00 per share) for the year ended June 30, 2025	-	-	-	-	-	-	(232,898)	(232,898)	(232,898)
Balance as at June 30, 2025	776,325	1,020,908	-	1,020,908	49,196	3,642,000	2,918,903	6,610,099	8,407,332
Total comprehensive income for the year ended 30 June 2026									
Profit for the year	-	-	-	-	-	-	1,532,713	1,532,713	1,532,713
Other comprehensive income / (loss) for the year	-	-	-	-	318,116	-	(51,375)	266,741	266,741
Total comprehensive income for the year	-	-	-	-	318,116	-	1,481,338	1,799,454	1,799,454
Transactions with owners of the Holding Company									
- distributions									
- Final dividend @ 25% (i.e. Rs. 2.50 per share) for the year ended June 30, 2025	-	-	-	-	-	-	(194,081)	(194,081)	(194,081)
- Interim dividend @ 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2026	-	-	-	-	-	-	(155,265)	(155,265)	(155,265)
	-	-	-	-	-	-	(349,346)	(349,346)	(349,346)
Transfer to general reserve	-	-	-	-	-	3,000,000	(3,000,000)	-	-
Balance as at June 30, 2026	776,325	1,020,908	-	1,020,908	367,312	6,642,000	1,050,895	8,060,207	9,857,440

* This represents the Group's share of various reserves held by equity accounted investees.
The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.


Chief Executive


Director


Chief Financial Officer

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

- 1. THE GROUP AND ITS OPERATIONS**

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.
- 1.1 Crescent Steel and Allied Products Limited ('the Holding Company')**

1.1.1 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 (PSX). The registered offices of the Holding Company and its subsidiary companies are located at E-floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore, whereas their principal offices are situated at 9th floor Sidco Avenue Centre 264 R.A. Lines, Karachi.

1.1.2 The Holding Company's steel segment is manufacturing large diameter spiral arc welded steel line pipes at Nooriabad, District Jamshoro, Sindh. The Holding Company has a coating facility capable of applying three layers high density polyethylene coating on steel line pipes. The coating plant commenced commercial production from November 16, 1992. The Holding Company's fabrication unit is engaged in fabrication and erection of machinery is located at Bhone, District Jhang, Punjab.

1.1.3 The Holding Company was operating cotton spinning unit at Jaranwala, District Faisalabad. This activity was carried out by the Company under the name and title of "Crescent Cotton Products" a division of the Company. As stated in note 32 to these consolidated financial statements, the Company's Cotton segment has been classified as 'Discontinued Operation'. The comparative figures of the consolidated statement of profit or loss and other comprehensive income for the year ended June 30, 2025 have been represented accordingly.

1.1.4 The Holding Company is also managing a portfolio of equity investments and real estate through its Investment and Infrastructure Division from the principal office of the Holding Company.

1.1.5 The Holding Company's energy segment's activity is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to Pakistan Electric Power Company (PEPCO) / Distribution Companies (DISCOs) under an agreement with the Government of Pakistan or to any other consumer as permitted. The generation plant use bagasse in the combustion process to produce power and processed steam. The plant of the Company is located at Bhone, District Jhang, Punjab.

1.1.6 The Holding Company's Hadeed (Billet) Segment manufactures the billets that are used by re-rolling mills to manufacture bars and other steel long products for use in the construction and engineering sectors. The plant of the Holding Company is located at Bhone, district Jhang, Punjab. As stated in note 32 to these consolidated financial statements, the Company's Hadeed (Billet) segment had been classified as 'Discontinued Operation'.
- 1.2 CS Capital (Private) Limited**

CS Capital (Private) Limited was incorporated on November 5, 2010 as a private limited company in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) 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 purchased the entire shareholding from its previous principal shareholder. Consequently, the Company becomes the wholly owned subsidiary of the Holding Company.
- 1.3 Solution de Energy (Private) Limited**

Solution de Energy (Private) Limited was incorporated as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a result of a Joint Venture (JV) agreement ('the Agreement') executed on October 8, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

The head office of the Subsidiary Company is located at the principal office of the Holding Company. The principal activity of the Subsidiary Company is to build, own, operate, and maintain a 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 a Letter of Interest (LOI) by the Punjab Power Development Board (PPDB) on February 10, 2014. The Subsidiary Company has been allocated land from PPDB and the interconnectivity study report was vetted and approved by National Transmission & Dispatch Company (NTDC). Further, 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. The Subsidiary Company has submitted the tariff petition to NEPRA on September 25, 2020 which is still awaited.

1.4 Crescent Continental Gas Pipelines Limited

Crescent Continental Gas Pipelines Limited having share capital of Rs. 90 is not carrying on any business operations.

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

The Holding Company’s net sales aggregated to Rs. 8,042.54 million (2025: Rs. 6,411.95 million), out of which 98.68% was generated from Steel division and 1.32% percent from Cotton division.

During the year, KSE-100 index benchmark increased by 43.52 percent closing at 180,301.7 points. The Group generated income from investment amounting to Rs. 1,005.49 million which includes dividend income amounting to Rs. 172.60 million and unrealized gain amounting to Rs. 693.22 million.

In accordance with the Finance Act, 2026, super tax has been reduced from 10% to 8% for taxpayers having income exceeding Rs. 500 million from tax year 2027 and onwards. Accordingly, the Group has recorded deferred tax at 37%.

The Holding Company has entered into agreements for the settlement of the outstanding obligation in relation to Sindh Infrastructure Development Cess as disclosed in note 11 to these consolidated financial statements.

3. BASIS OF PREPARATION

3.1 Consolidated financial statements

These consolidated financial statements have been prepared from the information available in the unconsolidated financial statements of the Holding Company, CS Capital (Private) Limited, and Solution de Energy (Private) Limited for the year ended June 30, 2026. Crescent Continental Gas Pipelines Limited is not carrying on any business operations and accordingly no financial statements are being prepared. Details regarding the financial information of associates used in the preparation of these consolidated financial statements are given in note 19 to these consolidated financial statements.

The accounting policies used by the subsidiary companies in preparation of their financial statements are consistent with that of the Holding Company. The accounting policies used by the Group’s associates in preparation of their respective financial statements are also consistent with that of the Holding Company. Where policies are different, necessary adjustments are made to the financial statements of that associate or subsidiary to bring their accounting policies in line with those used by the Group.

3.2 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise specifically stated.

3.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is also the Group’s functional currency. The amounts have been rounded to the nearest thousand of Pakistan Rupees.

4. USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

In preparing these consolidated financial statements, management has made judgment, estimates, and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods.

Significant accounting estimates and areas where judgements were made by the management in the application of the accounting policies are as follows:

- Property, plant and equipment and right-of-use assets (refer note 6.2)
- Investments (refer note 6.5.2)
- Stores, spares and loose tools and stock-in-trade (refer notes 6.6 and 6.7)
- Deferred liability - staff retirement benefits (refer note 6.1)
- Lease liabilities (refer note 6.12)
- Taxation (refer note 6.15)
- Provisions (refer note 6.19)
- Impairment (refer notes 6.2, 6.3, 6.4, and 6.5.2)
- Contingencies (refer note 6.24)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

5. NEW STANDARDS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS

5.1 Amendments to published accounting and reporting standards which became effective during the year:

There were certain amendments that became applicable for the Group during the year but are not considered to be relevant or did not have any significant effect on the Group's operations and financial reporting and have, therefore, not been disclosed in these consolidated financial statements.

5.2 New standards, amendments, or interpretations to published accounting and reporting standards that are not yet effective and have not been early adopted by the Group:

There are certain new standards and amendments to published accounting and reporting standards that will be applicable to the Group for its annual periods beginning on or after July 1, 2026. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of July 1, 2027 for the Group. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective July 1, 2026 for the Group. The management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

6 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are the same as those applied in earlier periods presented.

6.1 Basis of consolidation Subsidiaries

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies.

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50 percent of its voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences. The financial statements of the subsidiaries are consolidated on a line-by-line basis and the carrying value of investment held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiaries. The Group applies uniform accounting policies for like transactions and events in similar circumstances except where specified otherwise.

All material inter-group balances, transactions and resulting unrealized profits / losses are eliminated.

Investments in associates

Entities in which the Group has significant influence directly or indirectly (through subsidiaries) but not control and which are neither subsidiaries nor joint ventures of the members of the Group are associates and are accounted for under the equity method of accounting (equity accounted investees).

These investments are initially recognized at cost. The consolidated financial statements include the associates' share of profit or loss and movements in other comprehensive income, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date it ceases. Share of post acquisition profit/loss of associates is recognized in the profit or loss. Distributions received from associates reduce the carrying amount of investment. When the

Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long-term interests that, in substance, form part of the Group's net investment in the associate) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized in previous years.

The carrying amount of investments in associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognized. A reversal of impairment loss is recognized in the profit or loss.

6.2 Property, plant and equipment

Owned assets

Property, plant and equipment, except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment loss, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other cost directly attributable to bring the assets to a working condition for their intended use, the cost of dismantling, removing the items and restoring the site on which they are located and capitalized borrowing costs, if any.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the part so replaced is derecognized. The costs relating to day-to-day servicing of property, plant and equipment are recognized in the profit or loss as incurred.

Depreciation

Depreciation is charged to to the profit or loss on a straight line basis at the rates specified in note 16.1 to these consolidated financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off or retained.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted, if material. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in these consolidated financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Disposal

Disposal of an item of property, plant and equipment is recognized when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the profit or loss.

Right-of-use assets

The Right-of-use assets is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Depreciation is charged on the same basis as used for owned assets.

Capital work in progress

Capital work in progress is stated at cost less accumulated impairment, if any and consists of expenditure incurred and advances made in respect of tangible and intangible assets during the course of their construction and installation. Transfers are made to relevant assets category as and when assets are available for intended use.

Impairment

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the higher of its value in use and fair value less cost to sell. An impairment is recognized in the profit or loss if the carrying amount exceeds its estimated recoverable amount.

6.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed as incurred.

Amortization

Amortization is charged to profit or loss on a straight line basis at the rates specified in note 17 to these consolidated financial statements, over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off. The assets' residual values, useful lives and amortization methods are reviewed at each reporting date, and adjusted if material.

Impairment

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of asset exceeds its estimated recoverable amount, it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist than the assets recoverable amount is estimated. The recoverable amount is the higher of its value in use and fair value less cost to sell. An impairment is recognized in the profit or loss if the carrying amount exceeds its estimated recoverable amount.

6.4 Investment properties

Investment property, principally comprising of land and buildings, is held for long term rental yields / capital appreciation. The investment property of the Group comprises of land and buildings and is valued using the cost method i.e. at cost less any accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs, if any.

Depreciation

Depreciation is charged to profit or loss on the straight line method at the rates specified in the note 18 to these consolidated financial statements so as to allocate the depreciable amount over its estimated useful life. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off.

The residual values and useful lives of investment property are reviewed at each reporting date and adjusted if appropriate.

Impairment

The Group assess at each reporting date whether there is any indication that an investment property may be impaired. If such indication exists then the assets' recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. An impairment loss is recognized in the profit or loss if the carrying amount exceeds its estimated recoverable amount.

Disposal

Disposal of an investment property is recognized when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in the profit or loss.

6.5 Financial instruments

6.5.1 Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

6.5.2 Financial assets

Classification

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) - Debt investment;
- Fair value through other comprehensive income (FVOCI) - Equity investment; or
- Fair value through profit and loss (FVTPL).

The classification depends on the Group’s business model for managing financial assets and the contractual terms of the financial assets cash flows.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI - Debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI - Equity investment

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in investment’s fair value in Other Comprehensive Income. This election is made on an investment-by-investment basis.

FVTPL

All financial assets not classified as 'measured at amortized cost' or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL.

Subsequent measurement and derecognition

Financial assets are not reclassified subsequently to the initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets classified at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in the profit or loss.

Debt investments classified as FVOCI are subsequently measured at fair value. Interest income calculated using effective method, foreign exchange gain and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments classified as FVOCI are subsequently measured at fair value. Dividends are recognized as income in the profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, when the Group’s right to receive payments is established. This category only includes equity instruments, which the Group intends to hold for the foreseeable future. On de-recognition, there is no reclassification of fair value gains and losses to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.

The financial assets classified at FVTPL are subsequently measured at fair value and net gains and losses, including any interest or dividend income, are recognized in the profit or loss. Net gains and losses (unrealised and realised), including any interest or dividend income, are recognized in the profit or loss.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets

The Group recognizes a loss for 'expected credit loss' (ECL) for financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset’s original effective interest rate. The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, loans and other receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance. For other debt financial assets (i.e., loans etc.), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due and a financial asset in default when contractual payment are 90 days past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

6.5.3 Financial liabilities

Classification and subsequent measurement

The Group classifies its financial liabilities as those to be measured subsequently at amortized cost using the effective interest method, if they are not:

- contingent consideration of an acquirer in a business combination;
- held-for-trading; and
- designated as at FVTPL.

The Group does not classify any of its financial liabilities under FVTPL.

Derecognition

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the profit or loss.

"Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

6.6 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon less impairment, if any.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimate regarding their future usability and is charged to profit or loss.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to be incurred to make the sale.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are classified as fixed assets under the 'plant and machinery' category and are depreciated over a time period not exceeding the useful life of the related assets.

6.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is arrived at on a weighted average basis. Cost of work-in-process and finished goods include cost of materials and appropriate portion of production overheads. The cost of finished goods of Steel segment is assigned by using specific identification of their individual costs. Scrap stocks are valued at their estimated net realizable value.

Net realizable value is the estimated selling prices of products in the ordinary course of business less estimated cost of completion and cost necessary to be incurred in order to make the sale.

6.8 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortized cost. Trade debts and other receivables are recognized and carried at original invoice amount (unless there is a significant financing component) less an estimated allowance made for doubtful debts and receivables based on 'ECL' model. Balances considered bad and irrecoverable are written off when identified. Subsequent recoveries of amounts previously written off are credited in the profit or loss.

6.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost and comprise of cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

6.10 Employee benefits

6.10.1 Compensated absences

The Holding Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences. No actuarial valuation of compensated absences is carried out as management considers its financial impact would be immaterial.

6.10.2 Post retirement benefits

6.10.2.1 Defined contribution plan - Provident fund

The Holding Company operates a provident fund scheme for its permanent employees. Equal monthly contributions are made by the Holding Company and its employees. Obligation for contributions to the fund are recognized as an expense in the profit or loss when they are due.

Cotton segment

Provision and collection from employees are made at the rate of 6.25% of basic pay of Cotton segment employees. A trust has been established and its approval has been obtained from the Commissioner of Income Tax.

All employees except Cotton segment

Contributions to the fund are made at the rate of 8.33% of basic pay for those employees who have served the Holding Company for a period of less than five years and after completion of five years, contributions are made at the rate of 10%.

6.10.2.2 Defined benefit plans

Pension and gratuity fund schemes

The Holding Company provides gratuity benefits to all its permanent eligible employees who have completed their minimum qualifying period as per the terms of employment. The pension scheme provides life time pension to retired employees or to their spouses. The liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

The Holding Company's obligation is determined through actuarial valuations carried out under the "Projected Unit Credit Method". Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income. The Holding Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense, current service costs and any past service costs are recognized in the profit or loss. Any assets resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. The latest actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

6.10.2.3 Staff benevolent fund

The Holding Company has established staff benevolent fund as a separate legal entity under the Trust Act, 1882 and registered under Income Tax Ordinance, 2001. The objective of this fund is to provide at the discretion of the trustees, post retirement medical cover / facilities for retired employees and other hardship cases of extraordinary nature of existing employees of the Holding Company. Contributions to the fund are recognized as an expense in the profit or loss when they are incurred.

6.11 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the profit or loss over the period of the borrowings on an effective interest basis.

6.12 Lease liabilities

Lease are recognized as Right-of-use (RoU) asset and a lease liability at the lease commencement date except for short term or low value leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method i.e. it is increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For sale and lease back if the Group has obtained control of the underlying asset and the transfer is classified as a sale in accordance with IFRS 15 and measures a right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The gain (or loss) recognized is limited to the proportion of the total gain (or loss) that relates to the rights transferred.

If the consideration for the sale is not equal to the fair value of the asset, any resulting difference represents either a prepayment of lease payments (if the purchase price is below market terms) or an additional financing (if the purchase price is above market terms).

If the transfer is not a sale (that is, the Group does not obtain control of the asset in accordance with IFRS 15), it does not derecognize the transferred asset and accounts for the cash received as a financial liability.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

6.13 Government grants

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. Loans at below-market rates to be initially measured at their fair value – i.e. at the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the Government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

6.14 Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

6.15 Taxation

The tax expense comprises current and deferred tax. Tax is recognized in the profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Group taxation

The Holding Company has opted for Group taxation under section 59AA of the Income Tax Ordinance, 2001 along with its subsidiary CS Capital (Private) Limited. These companies are taxed as one fiscal unit under this scheme. The current and deferred income taxes have been estimated on income of each of the companies according to the applicable law and are recognized by each company separately within the Group, regardless of who has the legal liability for settlement or the legal right for recovery of the tax. Any adjustments arising solely due to Group taxation in respect of result of subsidiary is recognized in the Holding Company and the amounts paid to or receivable from the Holding company are adjusted accordingly.

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and contains impacts of group taxation as explained above.

Current tax assets and tax liabilities are offset where the Group has the legally enforceable right to offset and intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits or taxable temporary difference will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

6.16 Revenue recognition

Revenue comprises of sales to third parties and is measured based on the consideration specified in contracts with customers and excludes rebates and amounts, if any, collected on behalf of third parties. Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies the performance obligations as specified in the contract with the customer, and when it transfers control over the promised good or service to the customer. The Group has generally concluded that is the principal in its revenue arrangements.

The Group manufactures and contracts with customers for the sale of bare pipes, coated pipes, billets, cotton and electricity products which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognized at that point in time. Delivery occurs when the products have been shipped or delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product. The customer has accepted the product as per the sales contract or lapse of acceptance provision specified in the contract or the Group has objective evidence that all criteria for acceptance have been satisfied. Contract for the sale of bare and coated pipes contains penalty clause on account of delay in supply (liquidity damage). Under IFRS 15, these amounts are referred to as 'variable consideration'. The consideration which the Group receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. Revenue is measured based on the consideration specified in a contract with a customer, net of liquidity damages (penalties) and excludes amounts collected on behalf of third parties. A receivable is recognized when the goods are delivered.

6.17 Investment and other income

Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive the same is established i.e. the book closure date of the investee company declaring the dividend.

Sale of investments are accounted for when the commitment (trade date) for sale of security is made.

Rental income (net of any incentives given to lessees) from investment property is recognized on a straight line basis over the lease term.

6.18 Non-current assets held for sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less cost to sell. Property, plant and equipment once classified as held for sale is not depreciated. A discontinued operation is a component of the Group's business that has been discontinued or disposed off or is held for sale. Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative period.

6.19 Provisions

A provision is recognized in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.20 Foreign currency translation

Foreign currency transactions are translated into Pakistan Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the reporting date. Exchange differences, if any, are recognized in the profit or loss.

6.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets. Transactions between reportable segments are reported at cost.

Segment results that are reported for review and performance evaluation include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, income tax assets / liabilities and related income and expenditure.

6.22 Proposed dividend and transfer between reserves

Dividend distributions to the Holding Company's shareholders are recognized as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the reporting date is considered as a non-adjusting event and is recognized in the period in which such transfers are made.

6.23 Earnings per share

The Group presents earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

6.24 Contingencies

Contingencies are disclosed when Group has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2026 (Number of shares)	2025		2026 (Rupees in '000)	2025
37,756,686	37,756,686	Ordinary shares of Rs. 10 each fully paid in cash	377,567	377,567
39,875,805	39,875,805	Ordinary shares of Rs. 10 each issued as bonus shares	398,758	398,758
77,632,491	77,632,491		776,325	776,325

7.1 Ordinary shares of the Holding Company held by related parties as at year end are as follows:

	2026		2025	
	(Percentage of holding)	(Number of shares)	(Percentage of holding)	(Number of shares)
Crescent Steel and Allied Products Limited – Gratuity Fund	3.62%	2,812,000	3.49%	2,712,000
Crescent Steel and Allied Products Limited – Pension Fund	7.70%	5,981,196	7.24%	5,614,435
Crescent Steel and Allied Products Limited – Staff Provident Fund	0.16%	124,200	0.16%	124,200
Crescent Cotton Products – Staff Provident Fund	0.10%	74,800	0.10%	74,800
CSAPL – Staff Benevolent Fund	0.74%	578,000	0.75%	578,000
The Crescent Textile Mills Limited	11.00%	8,538,303	11.00%	8,538,303
Suraj Cotton Mills Limited	1.07%	827,394	0.64%	500,129
Shakarganj Limited	0.23%	180,000	0.23%	180,000
Trustees Shakarganj Mills Limited – Provident Fund	0.22%	168,500	0.22%	168,500
Trustees Shakarganj Mills Limited – Gratuity Fund	0.09%	67,000	0.09%	67,000
Trustees Shakarganj Mills Limited – Pension Fund	0.14%	112,000	0.14%	112,000
M/s. Muhammad Amin Muhammad Bashir Limited	0.001%	848	0.001%	848

7.2 There is no shareholder agreement for voting rights, board selection, rights of first refusal, and block voting.

8. RESERVES

8.1 CAPITAL RESERVE

This includes share premium reserve amounting to Rs. 1,020.9 million and as per section 81 of the Companies Act, 2017, this can be used for the following purposes:

- to write off preliminary expenses of the Holding Company;
- to write off expenses of, or the commission paid or discount allowed on, any issue of shares of the Holding Company;
- in providing for the premium payable on the redemption of any redeemable preference shares of the Holding Company; and
- to issue bonus shares to its members.

8.2 REVENUE RESERVES

Fair value reserve

This reserve has been maintained by the Group for the purposes of cumulative changes in fair value in investments classified as FVOCI.

General reserve

The balance in general reserve has been accumulated by way of transfer from unappropriated profit on a yearly basis.

	Note	2026	2025
		----	----
		Rupees in '000	
9. LONG TERM LOANS			
Secured – Under shariah arrangement			
Long Term Sukuk Certificates	9.1	-	133,333
Less: transaction cost	9.1.1	-	(517)
		-	132,816
Secured – Under non-shariah arrangement			
Allied Bank Limited	9.2 & 9.3	104,805	150,000
JS Bank Limited	9.4	20,198	23,942
		125,003	306,758
Less: current portion shown under current liabilities		(3,802)	(174,469)
		121,201	132,289

9.1 The Holding Company issued 8,000 unlisted, privately placed and secured Sukuk certificates (SUKUK-AI-Istisna) having face value of Rs. 100,000 each, amounting to Rs. 800 million. The Sukuk certificates carried profit at the rate of 6-months KIBOR + 2% per annum with semi-annual rental payments. During the year, the Company has paid remaining principal amount of Rs. 133.33 million (2025: Rs. 266.67 million) and profit on such arrangement was 14.09% (2025: 14.09% to 24.76%) per annum.

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

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

- 9.2 During the year ended June 30, 2025, the Holding Company entered into a loan arrangement for an aggregate amount of Rs. 150 million with Allied Bank Limited for a term of 3 years with a grace period of 1 year. The principal amount of loan was repayable quarterly starting from March 31, 2026. Mark-up was payable quarterly at the rate of 3 months KIBOR plus 1.5% per annum. During the year, the Holding Company has paid off entire amount of loan i.e. Rs. 150 million and interest rate charged on such arrangement was 12.63% to 13.68% (2025: 12.63% to 13.68%) per annum.
- 9.3 During the year, the Holding Company entered into another loan arrangement with Allied Bank Limited amounting to Rs. 450 million out of which Rs. 104.81 million has been received, for a term of 5 years with a grace period of 2 years. The principal amount of loan is repayable quarterly starting from June 30, 2028. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 1.5% per annum. During the year, the interest rate charged on the arrangement was 13.34% per annum. This facility is secured against charge on land and building located at Jaranwala, district Faisalabad amounting to Rs. 600 million.
- 9.4 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 up till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.
- 9.5 The benefit of subsidized loans under 9.4 has been recognized as deferred income.
- 9.6 The Holding Company is required to comply with the following financial covenants:

Financial covenants	Requirement / threshold
Current ratio	Atleast 1:1
Leverage	Below 2x
Debt service and interest coverage ratio	Above 1.5

The management evaluates compliances based on amounts reported in audited financial statements of the Holding Company. In case of non-compliance with the above-mentioned financial covenants, and if those are not rectified, the outstanding amount becomes immediately repayable on demand.

10. LEASE LIABILITIES

	Minimum lease payments		Future finance costs		Present value of minimum lease payments	
	2026	2025	2026	2025	2026	2025
	----- (Rupees in '000) -----					
Not later than one year	53,824	67,746	14,275	23,019	39,549	44,727
Later than one year						
but not later than five years	109,864	180,441	7,104	22,660	102,760	157,781
	163,688	248,187	21,379	45,679	142,309	202,508
Less: current portion shown under current liabilities					(39,549)	(44,727)
					102,760	157,781

- 10.1 The Holding Company has entered into lease arrangements with leasing companies for lease of plant and machinery and motor vehicles. The lease term of these arrangements is from three to five years (2025: three to five years) and the liability is payable by the month ranging from six to sixty months (2025: six to sixty months). The periodic lease payments include built-in rates of mark-up ranging from 16.66% to 20.83% (2025: 18.22% to 31.53%) per annum. Included in the gross present value of minimum lease payments, is a sum aggregating Rs. 163.69 million (2025: Rs. 189.60 million) which pertains to obligations arising from sale and leaseback of assets.

The Holding Company intends to exercise its options to purchase the leased assets upon completion of the lease term. The Holding Company's obligations under these arrangements are secured by the lessor's title to the leased assets.

	Note	2026	2025
		---- Rupees in '000 ----	
11. LIABILITY AGAINST INFRASTRUCTURE CESS			
Settlement amount	12.2	333,304	-
Payments during the year		(71,671)	-
Impact of discounting	39	(102,921)	-
		158,712	-
Less: current portion	12	(42,741)	-
		115,971	-

Sindh Infrastructure Development Cess (SIDC) was levied in the province of Sindh vide section 9 of the Sindh Finance Act, 1994 and its subsequent versions including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Act) on the goods entering or leaving the province from or for outside the country, ostensibly for services rendered in respect of development and maintenance of infrastructure. Levy is applicable on imported goods, and it is charged at the time of custom clearance. The imposition of infrastructure cess by the Government of Sindh was challenged by the Holding Company in the Sindh High Court (SHC) and thereafter Honorable Supreme Court of Pakistan (SCP); the SCP granted a stay and instructed that the amount equal to the levy shall be deposited with the Sindh Excise and Taxation Office (ETO) in the form of a Bank Guarantee, until such time that a detailed order is issued by the Court.

In February 2026, the Sindh Assembly enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026, which reduced the cess rate from 1.85% to between 0.8% and 0.85%. The amendment also introduced a Settlement Agreement facility, allowing petitioners to enter into structured payment plans either to pay the outstanding cess obligations in full or instalments.

The Holding Company entered into Settlement Agreements and opted to pay the outstanding amount of Rs. 333.3 million in installments spread over 15 years and issued postdated cheques in favor of the ETO and withdrew all pending litigations while ETO released Bank Guarantees amounting to Rs. 344.0 million. As per the Settlement Agreements, the Holding Company shall be liable to pay cess at the rate of 0.85% of the value of the goods on all future imports.

The Holding Company remeasured the obligation at its present value and consequently a remeasurement gain amounting to Rs. 102.9 million has been recognised and non-current portion has been classified accordingly in these consolidated financial statements.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
12. TRADE AND OTHER PAYABLES			
Trade creditors		315,058	157,422
Bills payable		38	38
Commission payable		385	385
Customer's security deposits		786	-
Accrued liabilities		599,348	683,755
Contract liabilities	12.1	98,051	2,907,834
Deposits		1,062	250,000
Infrastructure fee, sales tax and damages	11 & 12.2	73,711	394,984
Due to related parties	12.3	25,525	24,380
Payable against purchase of investments		253	-
Payable to provident fund		-	232
Retention money		2,769	2,256
Withholding tax payable		4,950	5,232
Workers' Profit Participation Fund	12.4	69,755	41,213
Workers' Welfare Fund		40,294	33,879
Others		97,349	97,685
		1,329,334	4,599,295

12.1 The contract liabilities amounting to Rs. 2,907.83 million at the beginning of year are recognized as revenue in the ordinary course of business.

12.2 Movement in infrastructure fee, sales tax and damages

	Infrastructure fee	Sales tax	Liquidated damages	Total
		(Note 12.2.1)	(Note 12.2.2)	
	----- (Rupees in '000) -----			
Opening balance as at July 1, 2025	350,136	3,242	41,606	394,984
Accrual for the year	33,680	3,464	-	37,144
Payments during the year	-	-	(17,342)	(17,342)
Amount written back	(50,512)	-	-	(50,512)
Transferred to liability against infrastructure cess (note 11)	(333,304)	-	-	(333,304)
Closing balance as at June 30, 2026	-	6,706	24,264	30,970

12.2.1 These have been made against long outstanding sales tax claims with the sales tax department.

12.2.2 The provision represents liquidated damages on account of delayed supply of bare pipes and coated pipes. On a prudent basis full provision has been recognized.

	Note	2026	2025
		---- Rupees in '000 ----	
12.3 Due to related parties			
Shakarganj Food Products Limited		888	-
Shakarganj Limited		24,637	24,380
		25,525	24,380

	Note	2026	2025
		---- Rupees in '000 ----	
12.4 Workers' Profit Participation Fund			
Opening balance		41,213	94,975
Allocation for the year	38	66,655	38,113
		107,868	133,088
Amount paid to the trustees of the fund		(38,113)	(91,875)
Closing balance		69,755	41,213
13 MARK-UP ACCRUED			
Mark-up accrued on:			
- Lease obligations		205	24
- Long term loans		610	3,074
- Short term borrowings		7,593	24,186
		8,408	27,284
14. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	14.1	496,056	609,196
Short term loans	14.2	22,608	1,364,842
		518,664	1,974,038

14.1 Short term running finance / money market facilities are available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 1,200 million (2025: Rs. 1,150 million) out of which Rs. 250 million (2025: Rs. 300 million), Rs. 100 million (2025: Rs. 100 million) and Rs. 300 million (2025: Rs. 900 million) are interchangeable with letters of credit, letters of guarantee facility and short term loan, respectively. During the year, mark-up on such arrangements ranged from 12.24% to 14.28% (2025: 12.69% to 23.71%) per annum.

14.2 Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 500 million (2025: Rs. 6,565 million) out of which Rs. Nil (2025: Rs. 2,900 million), Rs. Nil (2025: Rs. 300 million) and Rs. Nil (2025: Rs. 400 million) are interchangeable with letters of credit, letter of guarantee and short term running finance facilities, respectively. During the year, mark-up on such arrangements ranged between 12.53% to 14.50% (2025: 13.12% to 23.46%) per annum.

14.3 The facilities for opening letters of credit amounted to Rs. 4,570 million (2025: Rs. 6,050 million) out of which Rs. 700 million (2025: Rs. 765 million), Rs. 3,765 million (2025: 4,200 million) and Rs. 200 million (2025: Rs. 200 million) are interchangeable with short term running finance, short term loans and letters of guarantee, respectively as mentioned in notes 14.1 and 14.2 above. The facility for letters of guarantee as at June 30, 2026 amounted to Rs. 1,622 million (2025: Rs. 200 million). Amounts unutilized for letters of credit and guarantees as at June 30, 2026 were Rs. 4,266.89 million and Rs. 1,280.88 million (2025: Rs. 4,486.71 million and Rs. 897 million), respectively.

14.4 This includes an amount of Rs. 149.17 million (2025: Rs. 147.84 million) outstanding against Islamic mode of financing.

14.5 The above facilities are expiring on various dates with maturity period upto March 31, 2027. These facilities are secured by way of mortgage of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 27.1.2), and lien over import / export documents. Further, these facilities (refer notes 14.1 & 14.3) are also secured against pledge of shares amounting to Rs. Nil (2025: Rs. 190.76 million) owed by CS Capital (Private) Limited (subsidiary company).

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 During 2014-2015, a show cause notice was issued by the Deputy Director, Directorate of Post Clearance Audit (Customs) Karachi for payment of duties and taxes on import of certain raw materials. In response the Holding Company had contested that the said imports were exempt under bilateral agreement between Government of Pakistan and Government of Japan for projects under grant and accordingly these were cleared by the customs. However, the collector customs issued an order dated May 22, 2015 for recovery of the said duty and taxes and penalty thereon amounting to Rs. 35.77 million. The Holding Company has filed an appeal with Appellate Tribunal (Customs) against the order. No provision has been recognized in these consolidated financial statements as the case is under appeal and management considers that the same would be decided in the Holding Company's favour.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

15.1.2 During 2015-2016, a show cause notice was received from Sindh Revenue Board (SRB) in respect of registration as a service provider and a demand aggregating to Rs. 60 million in respect of sales tax on services was raised thereby. The Holding Company filed a constitutional writ in the Sindh High Court (SHC) and interim relief was granted to the Holding Company.

Subsequently, the writ was decided in light of Supreme Court of Pakistan's orders in similar writs where SCP had decreed for a 50% payment of tax demand in order to keep the writs maintainable.

Following closure of petition, the Holding Company received show cause notices and demands for Sindh sales tax payments amounting to Rs. 79 million, which were challenged in SHC in a civil suit as well as at the appellate forums of the tax authority, where the cases are pending adjudication.

Furthermore, after the closure of the original petition, the SHC has decided the matter in the Holding Company's favor, ruling against the SRB. However, the SRB has now filed a petition at the SCP, arguing that sales tax on toll manufacturing before June 30, 2022 should fall under their jurisdiction.

No provision has been recognized in these consolidated financial statements in this respect, since based on the opinions of tax consultant and the Holding Company's legal counsel, the management is confident of favorable outcome of litigation in relation to the said matter.

15.1.3 Certain sales tax related matters having an aggregate exposure of Rs. 5.89 million are pending before taxation authorities and court of law. After consultation with the legal advisors, the management considers that the matters will be decided in the Holding Company's favour. Accordingly, no provision has been made in these consolidated financial statements.

15.1.4 Income tax related contingencies are disclosed in note 30.1 to these consolidated financial statements.

15.2 Commitments

15.2.1 The aggregate amount of guarantees issued on behalf of the Group against various contracts aggregated to Rs. 916.6 million (2025: Rs. 3,732.25 million). This includes guarantee issued by Islamic banks amounting to Rs. Nil (2025: Rs. 50.18 million).

15.2.2 Commitments in respect of capital expenditure contracted for as at June 30, 2026 amounted to Rs. 318.78 million (2025: Rs. Nil).

15.2.3 Commitments under letters of credit (L/C) as at June 30, 2026 amounted to Rs. 212.04 million (2025: Rs. 1,563.29 million).

	Note	2026	2025
----- Rupees in '000 -----			
16. PROPERTY, PLANT AND EQUIPMENT & RIGHT-OF-USE ASSETS			
Operating fixed assets	16.1	1,849,850	1,929,642
Capital work-in-progress	16.4	881,910	232,884
		2,731,760	2,162,526
Right-of-use-assets	16.1	121,132	178,578
		2,852,892	2,341,104

16.1 Operating fixed assets and right-of-use assets

Description	Note	Land		Buildings		Office premises	Plant and machinery owned	Electrical/office equipment and insurance	Future fittings	Computers	Motor vehicles owned	Total operating assets	Right-of-use assets		Total	
		Freehold	Leasehold including improvement	on freehold land	on leasehold land								Plant and machinery	Motor vehicles		
(Rupees in '000)																
Net book value as at June 30, 2026																
Balance as at July 1, 2025 (NBV)		207,403	24,885	248,516	16,885	825	1,25,259	95,868	8,989	10,385	180,617	1,92,842	1,53,938	24,540	178,578	2,10,820
Additions / transfers		-	1,950	8,576	-	-	125,940	14,057	2,430	8,197	10,597	28,757	-	-	-	28,757
Deposits / transfers (at NBV)	16.5	-	-	-	-	-	-	-	-	(18)	(9,464)	(9,464)	-	-	-	(9,464)
Transfer to investment properties (at NBV)	18	(84,070)	-	(13,230)	-	-	-	-	-	-	-	(97,300)	-	-	-	(97,300)
Inter-transfer (at NBV)	16.11	-	-	-	-	-	130	-	-	-	13,982	15,292	(130)	(13,982)	(15,292)	-
Transfer to non-current assets held for sale (NBV)	32	-	-	-	-	-	(17,42)	-	-	-	-	(17,42)	-	-	-	(17,42)
Depreciation charge	16.12	-	(6,633)	(19,086)	(1,592)	(825)	(48,033)	(13,900)	(2,000)	(6,529)	(59,722)	(258,335)	(35,028)	(7,126)	(42,154)	(300,489)
Balance as at June 30, 2026		123,333	20,204	224,776	15,293	-	1,09,276	96,035	9,419	11,936	25,818	1,84,950	17,900	3,532	12,132	1,97,982
Gross carrying value as at June 30, 2026																
Cost	16.2	123,333	28,958	400,150	28,984	27,481	2,70,407	1,68,675	4,673	88,798	480,789	4,07,524	216,883	9,005	225,879	4,30,220
Accumulated depreciation		-	(8,347)	(15,374)	(13,691)	(27,481)	(1,81,467)	(72,640)	(32,254)	(76,862)	(204,671)	(2,26,338)	(99,263)	(5,484)	(104,477)	(2,33,081)
Net book value		123,333	20,204	224,776	15,293	-	1,09,276	96,035	9,419	11,936	25,818	1,84,950	17,900	3,532	12,132	1,97,982
Net book value as at June 30, 2025																
Balance as at July 1, 2024 (NBV)		249,226	42,448	399,473	18,478	1,725	1,25,675	24,341	4,440	7,688	180,665	2,06,409	180,113	38,795	228,809	2,29,259
Additions / transfers		-	4,072	55,396	-	-	389,008	75,472	6,137	7,667	48,492	597,254	-	-	-	597,254
Deposits / transfer (at NBV)	16.5	-	-	-	-	-	-	-	-	-	(3,001)	(3,001)	-	(615)	(615)	(3,616)
Transfer to investment properties (at NBV)	18	(4,823)	(19,465)	-	-	-	-	-	-	-	-	(8,288)	-	-	-	(8,288)
Inter-transfer (at NBV)	16.11	-	-	-	-	-	-	-	-	-	25,40	25,40	-	(2,540)	(2,540)	-
Transfer to non-current assets held for sale (at NBV)	32	-	-	(1,87,410)	-	-	(259,981)	(12)	-	-	-	(447,520)	-	-	-	(447,520)
Depreciation charge	16.12	-	(2,170)	(19,943)	(1,593)	(900)	(1,39,453)	(3,886)	(1,578)	(4,900)	(48,079)	(222,432)	(36,715)	(10,916)	(47,136)	(2,68,588)
Balance as at June 30, 2025		207,403	24,885	248,516	16,885	825	1,25,259	95,868	8,989	10,385	180,617	1,92,842	1,53,938	24,540	178,578	2,10,820
Gross carrying value as at June 30, 2025																
Cost	16.2	207,403	33,827	488,338	97,627	27,481	3,24,036	1,82,990	42,136	83,763	326,859	4,82,259	235,585	53,352	288,937	4,80,106
Accumulated depreciation		-	(8,742)	(247,822)	(80,742)	(26,656)	(2,088,777)	(67,122)	(33,137)	(73,378)	(1,38,240)	(2,782,877)	(81,647)	(28,712)	(1,10,359)	(2,87,297)
Net book value		207,403	24,885	248,516	16,885	825	1,25,259	95,868	8,989	10,385	180,617	1,92,842	1,53,938	24,540	178,578	2,10,820
Depreciation rate (% per annum)			1 - 5	5 - 10	5 - 10	10	5 - 20	5 - 20	10	33.33	20	10	10	10	20	

16.1.1 During the year, assets having net book value Rs. 15.29 million (2025: Rs. 2.54 million) were transferred from right-of-use assets to operating assets.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

16.1.2 The depreciation charge for the year has been allocated as follows:

	Note	2026	2025
		---- Rupees in '000 ----	
Cost of sales	34.1	241,843	227,141
Distribution and selling expenses	36	902	902
Administrative expenses	37	57,744	41,525
		300,489	269,568

16.2 Property, plant and equipment as at June 30, 2026 include items having an aggregate cost of Rs. 910.07 million (2025: Rs. 1,570.63 million) that have been fully depreciated and are still in use by the Group.

16.3 Particulars of Group's immovable operating fixed assets are as follows:

Particulars	Location	Area
Building		
Office premises	Saddar, Karachi	14,504.4 Sq. feet
Building	Nooriabad, District Jamshoro	261,257.1 Sq. feet
Building	Dalowal, District Faisalabad	30,484.0 Sq. feet
Land		
Lease hold	Nooriabad, District Jamshoro	30.0 Acre
Freehold land	Dalowal, District Faisalabad	13.9 Acre

	Note	2026	2025
		---- Rupees in '000 ----	
16.4 Capital work-in-progress			
Advance to contractors		-	22,135
Civil work		12,456	-
Plant and machinery		737,500	47,294
Project under development	16.4.1	110,801	163,455
Others		21,153	-
	16.4.2	881,910	232,884

16.4.1 These include cost incurred by the Group through its managing partner 'MDeCC' and other consultants on preliminary activities of the project including preparation of feasibility study reports, environmental study reports, interconnection study approvals and obtaining of electricity generation license from NEPRA. During the year, the Group has written off an amount of Rs. 54.96 million against this project.

16.4.2 Following is the movement in capital work-in-progress during the year:

	Note	Land	Building	Plant and machinery	Others	Total
		----- (Rupees in '000) -----				
Balance as at July 1, 2025		22,135	-	16,341	194,408	232,884
Additions		8,172	15,356	815,804	23,458	862,790
Transfer to non-current assets held for sale	32	(3,750)	-	-	-	(3,750)
Written off		-	-	-	(54,959)	(54,959)
Transfers to operating fixed assets		-	(2,900)	(94,645)	(30,953)	(128,498)
Transfers to investment properties	18	(26,557)	-	-	-	(26,557)
Balance as at June 30, 2026		-	12,456	737,500	131,954	881,910

16.5 The following operating fixed assets were disposed of during the year:

Description	Cost	Accu- mulat- ed depre- ciation	Net Book Value	Sales proce- eds	(Loss) / gain	Mode of Disposal	Particular of buyers	Relationship with the Group
	----- (Rupees in '000) -----							
Motor Vehicles	1,425	520	905	447	(458)	As per Company policy	Mr. Muhammad Shahid	Employee
Motor Vehicles	3,045	458	2,587	1,931	(656)	As per Company policy	Ms. Sarah Zubair	Employee
Motor Vehicles	6,006	4,304	1,702	3,484	1,782	As per Company policy	Mr. Saad Thaniana	Key Management Personnel
Motor Vehicles	1,675	898	777	1,052	275	As per Company policy	Mr. Ahsan Quddus	Employee
Motor Vehicles	3,020	2,367	653	653	-	As per Company policy	Mr. Uzair Ahmed	Employee
Other	18,804	15,964	2,840	9,331	6,491			
2026	33,975	24,511	9,464	16,898	7,434			
2025	36,879	33,263	3,616	13,696	10,080			

17. INTANGIBLE ASSETS

The intangible assets represent various computer softwares. Movement during the year is as follows:

	Note	2026	2025
		---- Rupees in '000 ----	
Net book value as at July 1		-	-
Additions		2,244	-
Amortization	17.1	(374)	-
Net book value as at June 30		1,870	-
Gross carrying value as at June 30			
Cost		84,343	82,099
Accumulated amortization		(79,833)	(79,459)
Accumulated impairment loss		(2,640)	(2,640)
		(82,473)	(82,099)
Net book value		1,870	-
Amortization rate (% per annum)		33.33	33.33

17.1 The amortization for the year has been charged to administrative expenses (note 37).

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

18. INVESTMENT PROPERTIES

Description	Note	Land		Buildings		Office premises	Total
		Freehold land	Leasehold including Improvements	Freehold building	On leasehold land		
(Rupees in '000)							
Net book value as at June 30, 2026							
Balance as at July 1, 2025 (NBV)		87,320	38,469	6,933	722	-	133,444
Transfers from operating fixed assets	16.1	84,070	-	13,230	1,200	-	98,500
Transfer from capital work-in-progress	16.1	-	-	-	-	26,557	26,557
Depreciation charge	18.1	-	(2,522)	(2,514)	(81)	(664)	(5,781)
Balance as at June 30, 2026 (NBV)		171,390	35,947	17,649	1,841	25,893	252,720
Gross carrying value as at June 30, 2026							
Cost		171,390	64,301	26,230	2,958	56,212	321,091
Accumulated depreciation		-	(28,354)	(8,581)	(1,117)	(30,319)	(68,371)
		171,390	35,947	17,649	1,841	25,893	252,720
Net carrying value as at June 30, 2025							
Balance as at July 1, 2024		45,497	20,872	8,233	804	-	75,406
Transfers from operating fixed assets	16.1	41,823	19,465	-	-	-	61,288
Depreciation charge	18.1	-	(1,868)	(1,300)	(82)	-	(3,250)
Balance as at June 30, 2025 (NBV)		87,320	38,469	6,933	722	-	133,444
Gross carrying value as at June 30 2025							
Cost		87,320	106,018	13,000	1,758	29,830	237,926
Accumulated depreciation		-	(67,549)	(6,067)	(1,036)	(29,830)	(104,482)
Net book value		87,320	38,469	6,933	722	-	133,444
Depreciation rates (% per annum)							
		-	1 - 10	10 - 20	5 - 20	5 - 10	

- 18.1 Depreciation for the year has been charged to administrative expenses (note 37).
- 18.2 Fair value of the investment properties amounted to Rs. 4,200 million (2025: Rs. 394.26 million), which is determined by the external valuer on the basis of market value.
- 18.3 Particulars of Group's immovable investment properties are as follows:

Particulars	Location	Area
Building		
Office premises	Defence Housing Authority, Islamabad	3,931.0 Sq. feet
Office premises	Saddar, Karachi	4,854.2 Sq. feet
Building	Port Qasim Authority, Karachi	415.6 Sq. feet
Building	Ferozpur, Lahore	35,839.8 Sq. feet
Building	Jaranwala, District Faisalabad	340,455.0 Sq. feet
Land		
Freehold land	Port Qasim Authority, Karachi	2.0 Acre
Freehold land	Gawadar	3.0 Acre
Freehold land	Ferozpur, Lahore	5.1 Acre
Freehold land	Bhone, District Jhang	19.1 Acre
Freehold land	Jaranwala, District Faisalabad	35.5 Acre

19. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

2026 (Number of shares)	2025		Note	2026 ---- Rupees in '000 ----	2025
		Quoted			
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Pervez Akhtar)	19.1	-	-
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shahryar Mazhar)	19.1	-	-
				-	-

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

Description	June 30, 2026		
	Shakarganj Limited	Crescent Socks (Private) Limited	Total
---- Rupees in '000 ----			
Opening balance as at July 1, 2025	-	-	-
Share of profit	-	-	-
Share of OCI	-	-	-
Dividend received	-	-	-
Closing balance as at June 30, 2026	-	-	-

	June 30, 2025		
	Altern Energy Limited	Shakarganj Limited	Crescent (Private) Limited
---- Rupees in '000 ----			
Opening balance as at July 1, 2024	2,572,926	-	-
Share of loss	(474,924)	-	-
Share of OCI	360	-	-
Dividend received	(753,916)	-	-
Impact of shares disposed	(608,484)	-	-
Impairment loss	(220,171)	-	-
Retained interest transferred to short term investments	(515,791)	-	-
Closing balance as at June 30, 2025	-	-	-

19.1.1 These figures are based on unaudited condensed interim financial information of these companies as at March 31, 2026. The latest financial statements / condensed interim financial information of these companies as at June 30, 2026 are not presently available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

19.2. Market value of investment in associate is as follows:

	Note	2026	2025
		---- Rupees in '000 ----	
Quoted			
Shakarganj Limited		4,134,840	2,392,325
		(Percentage of holding)	

19.3 Percentage of holding of equity in associates is as follows :

Shakarganj Limited	28.01	28.01
Crescent Socks (Private) Limited	48.99	48.99

19.4 The latest condensed interim financial information of this company as at June 30, 2026 is not presently available. The following is summarized financial information of the associated company as at March 31, 2026 and for the twelve months ended March 31, 2026 based on its unaudited condensed interim financial information prepared in accordance with the accounting and reporting standards as applicable in Pakistan, modified for fair value and other adjustments and differences in Group's accounting policies:

	Shakarganj Limited	
	2026	2025
	---- Rupees in '000 ----	
For the period ended 31 March		
Revenues	22,403,401	19,120,811
Loss after tax	(3,386,034)	(3,416,209)
Other comprehensive income	3,024,858	146,508
Total comprehensive loss	(361,176)	(3,269,701)
Attributable to non-controlling interests	3,563	(412,172)
Attributable to owners of the investee company	(364,739)	(2,857,529)
	(361,176)	(3,269,701)
As at March 31		
Non current assets	20,439,798	19,056,146
Current assets	4,358,689	6,528,162
Non current liabilities	(3,866,944)	(4,665,944)
Current liabilities	(14,065,363)	(14,488,538)
Net assets	6,866,180	6,429,826
Attributable to non-controlling interests	1,620,844	1,356,563
Attributable to owners of the parent	5,245,336	5,073,263
	6,866,180	6,429,826
Reconciliation to carrying amounts:		
Opening net assets	6,429,826	10,060,751
Loss after tax	(3,386,034)	(3,416,209)
Other comprehensive income	3,024,858	146,508
Reserves	797,530	(361,224)
Closing net assets	6,866,180	6,429,826

Shakarganj Limited
2026 2025
---- Rupees in '000 ----

Group's interest in net assets of investee at end of the period	1,469,219	1,421,021
Fair value and other adjustments	(8,832)	(8,832)
Effect of difference in Group's accounting policy	(1,460,387)	(1,412,189)
Carrying amount of interest in equity accounted investees at end of the year	-	-

19.4.1 The auditors of Shakarganj Limited had expressed an adverse opinion on the financial statements for the year ended September 30, 2025. The Group has assessed the impact and concluded that it does not significantly affect the consolidated financial statements.

Note 2026 2025
---- Rupees in '000 ----

20. OTHER LONG TERM INVESTMENTS

Fair value through other comprehensive income (FVOCI)	20.1	611,104	204,192
Fair value through profit or loss (FVTPL)	20.2	1,180,347	734,380
		1,791,451	938,572

20.1 Fair value through other comprehensive income (FVOCI)

The Group holds investment in ordinary shares of Rs. 10 each in the following listed investee company.

2026	2025	Name of investee company	Note	2026	2025
(Number of shares)				---- Rupees in '000 ----	
		Quoted			
9,065,473	8,522,178	The Crescent Textile Mills Limited	20.1.1	611,104	204,192

20.1.1 The Group has irrevocably designated at initial application of IFRS 9 to recognize in this category. This is strategic investment and management considers this classification to be more relevant. Uptil June 30, 2018, these investments were classified as available for sale under IAS 39. Unlike IAS 39, the accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

20.2 Fair value through profit or loss (FVTPL)

2026	2025		Note	2026	2025
(Number of shares)				---- Rupees in '000 ----	
		Unquoted			
39,908,023	18,814,423	Shakarganj Food Products Limited	20.2.1	747,011	417,979
11,000,000	9,625,000	Central Depository Company of Pakistan Limited (CDC)	20.2.2	433,336	316,401
2,403,725	2,403,725	Crescent Bahuman Limited	20.2.3	24,037	24,037
1,047,000	1,047,000	Crescent Industrial Chemicals Limited	20.2.3	10,470	10,470
				1,214,854	768,887
		Less: provision for impairment		(34,507)	(34,507)
				1,180,347	734,380

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

20.2.1 During the year, the Group subscribed 21,093,600 right shares of Shakarganj Food Products Limited (SFPL) at a price of Rs. 15 per share. As of the reporting date, the Group holds 19.99% of SFPL. However, based on the arrangement between the Holding Company and its associated company, Shakarganj Limited, the management has determined that the Group does not have significant influence over the financial and operational policy decisions of SFPL. Accordingly, the investment in SFPL has been continued to be measured under IFRS 9, Financial Instruments, at fair value through profit or loss.

20.2.2 Central Depository Company of Pakistan Limited issued bonus shares during the year which did not change shareholders' rights.

20.2.3 This investment had been fully charged to profit or loss in earlier periods.

21. LONG TERM DEPOSITS

	Note	2026	2025
---- Rupees in '000 ----			
Security deposits			
- leasing companies		42,822	54,529
- others		16,550	16,269
		59,372	70,798

22. DEFERRED TAXATION - NET

Deferred tax credits / (debits) arising in respect of:			
Taxable temporary differences			
Accelerated tax depreciation / amortization		281,693	386,366
Fair value adjustment in unquoted investments through reserves		30,119	30,119
Unrealized gain on fair value through profit or loss investments		391,190	277,147
Unrealized gain on fair value through OCI		88,558	11,863
		791,560	705,495
Deductible temporary differences			
Lease obligations - net		(7,836)	(9,257)
Provision for slow moving stores, spares and loose tools		(55,795)	(44,218)
Provisions for doubtful trade debts, doubtful advances and others		(77,881)	(163,510)
Discounting on long term deposit		(199)	(1,582)
Provisions for impairment of fixed assets		(32,214)	(53,455)
Provision for impairment on long term investment		(18,500)	-
Provision of Gas Infrastructure Development Cess		(5,992)	(6,316)
Excess of minimum tax over corporate tax	22.2	(49,143)	(107,289)
Tax losses		(96,055)	(287,596)
Provision for diminution in the value of investments		(12,769)	(13,458)
		(356,384)	(686,681)
		435,176	18,814

22.1 Break up of deferred tax charge is as follows:

Profit or loss	42	339,667	31,147
Other comprehensive income		76,695	16,166
		416,362	47,313

22.2 The excess of minimum tax over corporate tax of the Holding Company as at June 30, 2026 amounted Rs. 49.14 million (2025: Rs. 107.29 million). The Holding Company carries out periodic assessment to determine whether it would be able to set off this asset against the tax liability in future years. This process includes determination of projected taxable profits of the Holding Company for future years and the expected applicable tax rate. The determination of future taxable profits is most sensitive to certain key assumptions such as sales volume, gross margin percentage, product pricing and inflation rates which have been considered in that determination.

22.3 In accordance with the Finance Act, 2026, super tax has been reduced from 10% to 8% for taxpayers having income exceeding Rs. 500 million from tax year 2027 and onwards. Accordingly, the Group has recorded deferred tax at 37%.

	Note	2026	2025
---- Rupees in '000 ----			
23. STORES, SPARES AND LOOSE TOOLS			
Stores		92,136	86,585
Spare parts		547,507	406,612
Loose tools		5,316	5,168
		644,959	498,365
Less: provision for slow moving items	23.1	(150,800)	(113,528)
		494,159	384,837

23.1 Movement in provision for slow moving items:

Opening balance		113,528	102,490
Provision made during the year - net		37,272	11,038
Closing balance		150,800	113,528

24. STOCK-IN-TRADE

Raw materials			
Hot rolled steel coils (HR Coils)		513,677	1,713,626
Coating materials		257,501	311,976
Steel scrap		-	2,327
Others		248,100	353,078
Raw cotton		-	100,206
Stock-in-transit	24.2	-	25,913
		1,019,278	2,507,126
Work-in-process			
Finished goods - net	24.2 & 34.1	253,437	57,023
Scrap / cotton waste	24.2 & 34.1	155,027	398,907
		38,629	20,745
		447,093	476,675
		1,466,371	2,983,801

24.1 Stock amounting to Rs. Nil (2025: Rs. 0.158 million) is held by third party.

24.2 Stock-in-trade as at June 30, 2026 includes items valued at net realisable value (NRV). Reversal in respect of stock written back to NRV amounting to Rs. 8.34 million (2025: Charge of Rs. 20.6 million) has been recognized in cost of goods sold.

	Note	2026	2025
---- Rupees in '000 ----			
25. TRADE DEBTS			
Secured			
Considered good		493,258	196,540
Unsecured			
Considered good		572,433	1,444,492
Considered doubtful		27,529	27,529
		599,962	1,472,021
Less: impairment loss on trade debts	25.1	(27,529)	(27,529)
		1,065,691	1,641,032

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
25.1 Movement in impairment loss on trade debts			
Opening balance		27,529	23,774
Charge of impairment	38	-	3,755
Closing balance		27,529	27,529
26. ADVANCES			
Unsecured			
Advances - considered good			
Staff		-	123
Suppliers for goods and services		46,187	44,654
Contract cost		-	261,890
Others		1,832	1,559
Advances - considered doubtful			
Suppliers for goods and services		47	47
Provision for doubtful advances		(47)	(47)
		-	-
		48,019	308,226
27. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits	27.1	5,205	9,939
Prepayments		19,724	12,272
		24,929	22,211

27.1 This includes cash margin on bank guarantees issued in favour of Punjab Power Development Board (PPDB) amounting to Rs. 3.045 million (2025: Rs. 3.045 million).

	Note	2026	2025
		---- Rupees in '000 ----	
28. SHORT TERM INVESTMENTS			
Amortized cost		-	87,000
Fair value through profit or loss (FVTPL)	28.1	3,303,776	2,248,852
Investment in commodity	28.2	150,000	150,000
		3,453,776	2,485,852

28.1 Fair value through profit or loss (FVTPL)

	2026	2025		Note	2026	2025
	(Number of shares / units)				---- Rupees in '000 ----	
	15,743,174	29,323,698	Quoted - investments	28.1.1	3,303,776	2,248,852
			Unquoted			
	1,996	1,996	Innovative Investment Bank Limited		2,777	2,777
			Less: provision for impairment		(2,777)	(2,777)
					-	-
				28.1.3	3,303,776	2,248,852

28.1.1 Quoted - Investments

The Group held investments in ordinary shares / units of mutual funds of the following investee entities:

Shariah Compliant Investments		Name of investees	2026	2025
2026	2025		---- Rupees in '000 ----	
(Number of shares / units)				
150,000	118,000	AGP Limited	30,950	22,533
-	10,000	At-Tahur Limited	-	402
50,000	-	Attock Refinery Limited	42,534	-
-	300,000	Avanceon Limited	-	14,637
-	200,000	Barkat Frisian Agro Limited	-	8,190
300,000	250,000	Cherat Cement Limited	103,779	72,575
-	20,000	Citi Pharma Limited	-	1,679
600,000	572,000	Engro Holdings Limited	172,632	104,424
350,000	232,822	Engro Fertilizer Limited	69,632	43,209
-	460,000	Engro Polymer and Chemical Limited	-	14,513
750,000	485,000	Fauji Cement Company Limited	43,162	21,665
1,250,000	1,100,000	Faysal Bank Limited	124,050	76,692
335,000	305,000	Fauji Fertilizer Company Limited	192,116	119,685
14,000	17,000	Haleon Pakistan Limited	11,273	12,518
-	197,400	International Industries Limited	-	34,942
-	200,000	International Steels Limited	-	18,540
600,000	800,000	Interloop Limited	64,524	54,208
-	38,000	Lucky Cement Limited	-	13,499
200,000	25,000	Maple Leaf Cement Factory Limited	21,382	2,107
280,000	272,700	Mari Energies Limited	188,801	170,953
550,000	519,500	Meezan Bank Limited	284,053	172,500
56,000	152,500	Millat Tractors Limited	17,077	85,196
650,000	558,000	Oil and Gas Development Company Limited	217,666	123,072
350,000	-	Pak Elektron Limited	15,908	-
750,000	700,000	Pakistan Petroleum Limited	181,965	119,119
400,000	490,000	Pakistan State Oil Company Limited	136,940	184,990
405,000	200,000	Systems Limited	59,572	21,428
56,500	64,000	Sazgar Engineering Works Limited	116,587	72,948
-	30,000	Nishat Chunian Power Limited	-	729
138,000	196,000	Tariq Glass Industries Limited	26,659	49,229
250,000	10,000	Sui Northern Gas Pipelines Limited	30,232	1,167
1,050,000	-	Sui Southern Gas Company Limited	33,684	-
1,045,000	988,000	The Hub Power Company Limited	243,955	136,156
-	4,020	Pak Qatar Income Plan Fund	-	532
10,579,500	9,514,942	carried forward	2,429,133	1,774,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Non-shariah Compliant Investments					
2026	2025	Name of investees	2026	2025	
(Number of shares / units)			---- Rupees in '000 ----		
10,579,500	9,514,942	brought forward	2,429,133	1,774,037	
-	17,663,256	Altern Energy Limited	-	195,002	
63,000	-	Attock Petroleum Limited	33,909	-	
200,000	-	Bestway Cement Limited	97,992	-	
-	852,500	HBL Growth Fund - Class A	-	9,548	
-	50,000	Lalpir Power Limited	-	1,305	
-	800,000	MATCO Foods Limited	-	39,282	
4,469,830	-	MCB Investment Saving Plan 1	450,023	-	
-	6,000	Pakistan Aluminium Beverage Cans Limited	-	866	
345,000	287,000	Pakistan Oilfields Limited	237,329	169,379	
85,844	150,000	Thal Limited	55,390	59,433	
5,163,674	19,808,756		874,643	474,815	
15,743,174	29,323,698		3,303,776	2,248,852	

28.1.2 The market value of investments which have been pledged with financial institutions as security against financing facilities (refer note 14.5) is as follows:

	2026	2025
	----- Rupees in '000 -----	
Name of investees		
Altern Energy Limited	-	171,327
The Crescent Textile Mills Limited	-	154,913
AGP Limited	-	6,684
Attock Petroleum Limited	18,838	-
Avanceon Limited	-	14,637
Bestway Cement Limited	24,498	-
Cherat Cement Company Limited	10,378	58,060
Engro Fertilizer Limited	-	26,168
Engro Holdings Limited	57,544	63,896
Engro Polymer and Chemicals Limited	-	6,058
Fauji Cement Company Limited	-	20,548
Fauji Fertilizer Company Limited	48,746	98,103
Faysal Bank Limited	22,329	52,290
HBL Growth Fund - Class A	-	9,548
Interloop Limited	21,508	33,880
International Industries Limited	-	21,666
International Steels Limited	-	11,773
Mari Energies Limited	67,429	80,336
MATCO Foods Limited	-	24,550
Meezan Bank Limited	90,380	156,064
Millat Tractors Limited	-	55,866

	2026	2025
	----- Rupees in '000 -----	
Name of investees		
Oil and Gas Development Company Limited	85,392	94,328
Pakistan Oilfields Limited	75,670	141,134
Pakistan Petroleum Limited	88,362	111,666
Pakistan State Oil Company Limited	46,217	144,655
Sazgar Engineering Works Limited	20,635	34,195
Systems Limited	22,064	-
Tariq Glass Industries Limited	-	12,559
The Hub Power Company Limited	79,373	117,828
Thal Limited	-	29,717
	779,363	1,752,449

28.1.3 This represents investment in ordinary shares of listed companies and units of mutual funds. Under IAS 39, these were classified as held for trading whereas under IFRS 9 these have been classified and held as FVTPL. Under IAS 39, these were classified as available for sale and reclassified to FVTPL on initial application of IFRS 9 as management has not designated it as FVOCI.

28.2 The subsidiary company has entered into an agreement with Shakarganj Food Products Limited for investment arrangement of Rs. 200 million (2025: Rs. 200 million) out of which the subsidiary company has disbursed Rs. 150 million (2025: Rs. 150 million) as at June 30, 2026. The subsidiary company is entitled to returns linked with the performance of the underlying commodity and the entire invested amount and accrued gain shall be repaid by December 10, 2026.

29. OTHER RECEIVABLES

	Note	2026	2025
		----- Rupees in '000 -----	
Dividend receivable		886	1,296
Provision there against		(886)	(886)
		-	410
Receivable against sale of shares		1,223	37,596
Receivable against commodity	29.1	16,500	16,500
Provision there against		(17,723)	(17,723)
		-	36,373
Receivable against rent from investment property		45	45
Receivable against sale of assets		39,235	-
Claim receivable		661	461
Due from related parties	29.2	-	1,650
Sales tax refundable		178,507	689,894
Margin on letters of credit		-	3,471
Margin on letters of guarantee		3,856	2,411,491
Receivable from staff retirement benefits funds	47	313,428	312,797
Others		2,224	874
		537,956	3,457,466

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

29.1 This represents the amount provided to a counterparty under buying and selling agreements of a commodity. However, due to uncertainty of the recovery of the amount, provision there against has been made.

29.2 Due from related parties

	2026	2025
	---- Rupees in '000 ----	
The Crescent Textile Mills Limited	-	571
Shakarganj Food Products Limited	-	1,079
	-	1,650

29.2.1 Maximum aggregate amount outstanding from related parties at any time during the year calculated by reference to month-end balance is as follows:

	2026	2025
	---- Rupees in '000 ----	
The Crescent Textile Mills Limited	1,139	817
Shakarganj Food Products Limited	703	4,138
	1,842	4,955

29.2.2 The aging of amount due from related parties:

Not yet due	-	377
Past due 1 - 30 days	-	246
Past due 31 - 180 days	-	-
Past due 180 days	-	1,027
	-	1,650

30. TAXATION - NET

Advance taxation	4,599,937	4,248,195
Provision for taxation	(4,315,377)	(3,857,215)
	284,560	390,980

30.1 The income tax assessments of the Holding Company have been finalized up to and including Tax Year 2026. Deemed assessments for certain tax years have been amended by the tax authorities on account of various issues as explained below:

- (a) An income tax matter relating to Tax Year 2006 is pending before the Lahore High Court (LHC) for reassessment of carried forward tax losses from Rs. 410.59 million to Rs. 296.87 million. The Department has challenged the decision of Appellate Tribunal Inland Revenue (ATIR) before the LHC.

- (b) The Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment of the Holding Company for the Tax Year 2011 raising demand of Rs. 22.22 million. The Holding Company filed appeal with the Commissioner Inland Revenue Appeals (CIRA) and the demand was reduced to Rs. 11.55 million. The ATIR decided the appeal in the Holding Company's favour and the assessment position has returned to the original position. The Department has filed a cross appeal against the decision of CIRA on the matters related to proration of expenses against dividend income, rental income and commission income before the ATIR which is yet to be fixed for hearing.

- (c) Income tax assessment of the Company for the Tax Year 2013 had been amended by the Commissioner Inland Revenue (CIR) whereby, tax demand of Rs. 95.94 million had been raised. Appeal had been preferred with the Commissioner (Appeals) where most of the issues were decided in favour of the Holding Company and the demand was reduced to an estimated Rs. 31.15 million, whereas for remaining issues, appeals were preferred before the ATIR by the tax authorities and the Holding Company. ATIR decided the matter in the favor of the Holding Company and department has filed reference in LHC against the decision of ATIR.

- (d) CIRA amended the Holding Company's assessment for the Tax Year 2016 by raising a demand of Rs. 143.8 million. The Holding Company preferred an appeal before CIRA who through its order accepted the Holding Company's contentions on the matters related to liquidated damages and provision for WPPF and reduced the tax demand to Rs. 18.6 million. The Holding Company filed an appeal before the ATIR which is yet to be fixed for hearing and the Department has also filed cross appeal against the decision of CIRA before the ATIR. The ATIR decided the Department's appeal in favour of the Holding Company by upholding the order of CIRA.

- (e) In respect of Crescent Hadeed (Private) Limited (previously wholly owned subsidiary, now amalgamated with and into the Holding Company), income tax matters relating to Tax Years 2016 and 2017 for disallowance of expenses of Rs. 9.50 million and tax demand of Rs. 27.31 million, respectively, which are pending before the ATIR.

- (f) Tax audit proceedings for Tax Year 2020 were concluded through an assessment order dated June 30, 2026 under section 122(1) of the Income Tax Ordinance, 2001, whereby certain expenses (including salaries, purchases and common expenses) were disallowed aggregating to Rs. 977.40 million. The Holding Company has filed an appeal before the CIRA against the above order which is pending adjudication.

No provision has been made in these consolidated financial statements in respect of the above matters, as management (after consulting the tax expert) considers that these would be decided in the Holding Company's favour.

31. CASH AND BANK BALANCES

	Note	2026	2025
		---- Rupees in '000 ----	
With banks			
- in saving accounts	31.1	12,613	50,624
- in current accounts		261,802	27,695
	31.2	274,415	78,319

31.1 Savings accounts carry mark-up ranging from 9% to 18% (2025: 9.5% to 19%) per annum.

31.2 This includes balances amounting to Rs. 1.77 million (2025: Rs. 3.02 million) with shariah compliant banks.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

32. NON-CURRENT ASSETS HELD FOR SALE

The Board of Directors of the Holding Company in their meeting held on October 3, 2024, had approved the disposal of plant and machinery and certain other related assets of Hadeed (Billet) segment. Consequently, the operation of Hadeed (Billet) segment had been classified as discontinued operation and presented in note 46.2.

Further, the Board of Directors in their meeting held on February 4, 2026, has approved the disposal of plant and machinery of Cotton division. Consequently, the operations of Cotton division has been classified as discontinued operation and presented in note 46.2. The related freehold land and building thereon has been classified as 'Investment properties' as disclosed in note 18.

The carrying amount of the assets classified as non-current assets held for sale are presented below:

	Note	Building on Freehold land	Plant and machinery	Electrical / office equipment and installation	Capital work-in- progress (note 16.4.1)	Total
----- (Rupees in '000) -----						
Hadeed (Billet) Segment						
Net book value as at July 1, 2025						
Cost		320,584	531,045	4,839	16,864	873,332
Accumulated depreciation		(133,174)	(271,064)	(4,710)	-	(408,948)
Accumulated impairment	38	(50,000)	-	-	-	(50,000)
	16.1	137,410	259,981	129	16,864	414,384
For the year ended June 30, 2026						
Disposal (at NBV)		(117,070)	(254,995)	(113)	-	(372,178)
Written of	38	(10,207)	-	-	-	(10,207)
		10,133	4,986	16	16,864	31,999
Cotton Segment						
For the year ended June 30, 2026						
Cost		-	570,799	-	3,750	574,549
Accumulated depreciation		-	(559,057)	-	-	(559,057)
Net book value	16.1	-	11,742	-	3,750	15,492
Disposal (at NBV)		-	(4,480)	-	-	(4,480)
		-	7,262	-	3,750	11,012
		10,133	12,248	16	20,614	43,011
Gross carrying amounts as at June 30, 2026						
Cost		59,686	270,298	2,351	20,614	352,949
Accumulated depreciation		(49,553)	(258,050)	(2,335)	-	(309,938)
		10,133	12,248	16	20,614	43,011

	Note	2026	2025
----- Rupees in '000 -----			
33. SALES - NET			
Continuing operations			
Local sales			
Bare pipes	33.1	6,942,731	4,888,284
Pipe coating		957,242	90,205
Coated pipes	33.2	968,317	2,175,977
Others	33.3	421,865	135,493
Scrap / waste		64,822	169,325
		9,354,977	7,459,284
Less: sales tax		(1,418,792)	(1,113,006)
		7,936,185	6,346,278
Discontinued operations			
Scrap / waste		631	35,172
Cotton yarn / raw cotton / polyester		124,863	40,559
		125,494	75,731
Less: sales tax		(19,143)	(10,057)
		106,351	65,674
		8,042,536	6,411,952

- 33.1 This is presented net of liquidated damages amounting to Rs. Nil (2025: Rs. 6.42 million).
- 33.2 This includes revenue amounting to Rs. 91.22 million (2025: Rs. 2,030.13 million) where Hot Rolled Coil (HRC) was supplied by the customer.
- 33.3 This represents revenue earned from manufacturing of metal structures by cutting, bending and assembling processes.
- 33.4 Revenue is disaggregated by operating segments under note 46. Additionally revenue by major customers is disclosed in note 46.4.

	Note	2026	2025
----- Rupees in '000 -----			
34. COST OF SALES			
Continuing operations			
Steel segment	34.1	5,861,891	4,690,400
Energy segment	34.1	60,270	58,436
		5,922,161	4,748,836
Discontinued operations			
Cotton segment	34.1	163,667	107,376
Hadeed (Billet) segment	34.1	5,449	62,345
		169,116	169,721
		6,091,277	4,918,557

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

		Continuing operations						Discontinued operations						Total		
		Steel segment		Energy segment		Sub total		Cotton segment		Hadeed (Billet) segment		Sub total				
		Note	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026			2025
(Rupees in '000)																
34.1	Breakup of cost of sales															
	Raw materials consumed		4,293,273	3,686,300	-	-	4,293,273	3,686,300	100,114	35,503	-	43,170	100,114	78,673	4,393,387	3,764,973
	Stores and spares consumed		262,645	319,079	(464)	(2,410)	262,181	316,669	134	609	3	17	137	626	262,318	317,295
	Fuel, power and electricity		120,289	178,801	-	40	120,289	178,841	17,661	18,870	30	196	17,691	19,066	137,980	197,907
	Salaries, wages and other benefits	34.2	391,278	343,554	-	-	391,278	343,554	33,549	34,291	4,040	5,260	37,589	39,551	428,867	383,105
	Insurance		5,708	4,567	1,021	1,093	6,729	5,660	1,703	1,821	504	711	2,207	2,532	8,936	8,192
	Repairs and maintenance		31,730	34,986	-	-	31,730	34,986	1,749	2,497	-	19	1,749	2,516	33,479	37,502
	Depreciation	16.12	178,038	145,723	59,713	59,713	237,751	205,436	4,084	9,316	8	12,389	4,092	21,705	241,843	227,141
	Other expenses		539,194	276,806	-	-	539,194	276,806	(3,057)	1,159	864	583	(2,193)	1,742	537,001	278,548
			5,822,155	4,989,816	60,270	58,436	5,882,425	5,048,252	155,937	104,066	5,449	62,345	161,386	166,411	6,043,811	5,214,663
	Opening stock of work-in-process		49,293	49,506	-	-	49,293	49,506	7,730	11,040	-	-	7,730	11,040	57,023	60,546
	Closing stock of work-in-process	24	(253,437)	(49,293)	-	-	(253,437)	(49,293)	-	(7,730)	-	-	-	(7,730)	(253,437)	(57,023)
			(204,144)	213	-	-	(204,144)	213	7,730	3,310	-	-	7,730	3,310	(196,414)	3,523
	Cost of goods manufactured		5,618,011	4,990,029	60,270	58,436	5,678,281	5,048,465	163,667	107,376	5,449	62,345	169,116	169,721	5,847,397	5,218,186
	Opening stock of finished goods		398,907	99,278	-	-	398,907	99,278	-	-	-	-	-	-	398,907	99,278
	Closing stock of finished goods - net	24	(155,027)	(398,907)	-	-	(155,027)	(398,907)	-	-	-	-	-	-	(155,027)	(398,907)
			243,880	(299,629)	-	-	243,880	(299,629)	-	-	-	-	-	-	243,880	(299,629)
			5,861,891	4,690,400	60,270	58,436	5,922,161	4,748,836	163,667	107,376	5,449	62,345	169,116	169,721	6,091,277	4,918,557
34.2	Detail of salaries, wages and other benefits															
	Salaries, wages and other benefits	34.2.1	362,391	326,949	-	-	362,391	326,949	31,403	32,141	3,952	5,097	35,355	37,238	397,746	364,187
	Pension fund		14,201	11,086	-	-	14,201	11,086	1,303	1,303	-	-	1,303	1,303	15,504	12,389
	Gratuity fund		5,916	(1,739)	-	-	5,916	(1,739)	-	-	-	-	-	-	5,916	(1,739)
	Provident fund		8,770	7,258	-	-	8,770	7,258	843	847	88	163	931	1,010	9,701	8,268
			391,278	343,554	-	-	391,278	343,554	33,549	34,291	4,040	5,260	37,589	39,551	428,867	383,105

34.2.1 This includes contribution amounting to Rs. 0.05 million (2025: Rs. 0.65 million) to Staff Benevolent Fund (“the Fund”). The Fund has been established as separate legal entity under the Trust Act, 1882 and registered under Income Tax Ordinance, 2001. The objective of the Fund is to provide at the discretion of the trustees, post retirement medical cover / facilities for retired employees and other hardship cases of extraordinary nature of existing employees of the Group. The Group does not have any right in the residual interest of the Fund.

35. INCOME FROM INVESTMENTS – NET

	Note	2026	2025
----- Rupees in '000 -----			
Dividend income	35.1	172,597	114,080
Realized gain on sale of FVTPL investments – net	35.1	105,542	138,623
Unrealized gain on FVTPL investments – net	35.1	693,217	268,645
Rental income from investment properties	35.2	8,386	7,605
Gain on investment in commodities		25,746	-
Other income		-	3,931
		1,005,488	532,884

35.1 Break up of dividend income, realised gain and unrealised gain is as follows:

	Dividend income	Realized gain	Unrealized gain
----- Rupees in '000 -----			
Shariah compliant investee companies	108,888	73,574	516,276
Non-shariah compliant investee companies	63,709	31,968	176,941
	172,597	105,542	693,217

35.1.1 Unrealized gain amounting to Rs. 471.51 million (2025: Rs. 88.38 million) was recognized in the other comprehensive income during the year.

35.1.2 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.

35.2 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 7.192 million (2025: Rs. 5.48 million).

36. DISTRIBUTION AND SELLING EXPENSES

		Continuing operation		Discontinued operations								
		Steel segment		Cotton segment		Hadeed (Billet) segment		Sub total		Total		
Note		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	
(Rupees in '000)												
	Salaries, wages and other benefits	36.1	12,148	9,818	3,259	2,926	1,619	1,453	4,878	4,379	17,026	14,197
	Travelling, conveyance and entertainment		722	919	48	41	25	22	73	63	795	982
	Depreciation	16.1.2	902	902	-	-	-	-	-	-	902	902
	Insurance		62	61	-	-	-	-	-	-	62	61
	Postage, telephone and telegram		85	90	33	66	2	2	35	68	120	158
	Advertisement		6,133	4,529	-	-	-	-	-	-	6,133	4,529
	Bid bond expenses		34	318	-	-	-	-	-	-	34	318
	Legal and professional charges		1,526	4,326	-	-	-	-	-	-	1,526	4,326
	Others		4,839	9,852	1,871	1,830	635	604	2,506	2,434	7,345	12,286
			26,451	30,815	5,211	4,863	2,281	2,081	7,492	6,944	33,943	37,759
36.1	Detail of salaries, wages and other benefits											
	Salaries, wages and other benefits		10,278	8,240	2,646	2,375	1,312	1,177	3,958	3,552	14,236	11,792
	Pension fund		986	835	320	286	160	144	480	430	1,466	1,265
	Gratuity fund		410	348	133	120	67	60	200	180	610	528
	Provident fund		474	395	160	145	80	72	240	217	714	612
			12,148	9,818	3,259	2,926	1,619	1,453	4,878	4,379	17,026	14,197

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

37. ADMINISTRATIVE EXPENSES

Note	Continuing operations								Discontinued operations								Total	
	Steel segment		Energy segment		IID segment		Sub total		Cotton segment		Hadeed (Billet) segment		Sub total					
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
(Rupees in '000)																		
	249,501	261,460	-	-	25,195	21,882	274,696	283,342	2,350	4,838	9,231	9,442	11,581	14,280	286,277	297,622		
Salaries, wages and other benefits	37.1	249,501	261,460	-	-	25,195	21,882	274,696	283,342	2,350	4,838	9,231	9,442	11,581	14,280	286,277	297,622	
Rents, rates and taxes		6,736	6,282	-	-	2,180	2,475	8,916	8,757	622	426	-	96	622	522	9,538	9,279	
Travelling, conveyance and entertainment		12,329	8,065	-	-	602	413	12,931	8,478	222	296	201	247	423	543	13,354	9,021	
Fuel and power		29,700	21,165	-	-	1,097	893	30,797	22,058	1,301	1,086	1,681	4,165	2,982	5,251	33,779	27,309	
Postage, telephone and telegram		3,825	3,223	-	-	189	170	4,014	3,393	87	78	58	24	145	102	4,159	3,495	
Insurance		3,282	4,642	1	1	221	275	3,504	4,918	72	52	36	58	108	110	3,612	5,028	
Repairs and maintenance		28,914	53,540	-	-	540	3,757	29,454	57,297	411	203	139	338	550	541	30,004	57,838	
Auditor's remuneration	37.2	10,773	9,139	165	143	1,159	905	12,097	10,187	108	103	-	-	108	103	12,205	10,290	
Legal, professional and corporate service charges		44,220	51,807	330	22	8,739	9,202	53,289	61,031	-	3,217	40	47	40	3,264	53,329	64,295	
Advertisement		4,915	4,645	-	-	257	243	5,172	4,888	-	-	-	-	-	-	5,172	4,888	
Donations	37.3	154,620	106,715	-	-	8,043	5,644	162,663	112,359	-	-	-	-	-	-	162,663	112,359	
Depreciation	16.12 & 18.1	53,891	38,156	-	3	9,174	5,545	63,065	43,704	319	507	142	564	461	1,071	63,526	44,775	
Amortization	17.1	359	-	-	-	15	-	374	-	-	-	-	-	-	-	374	-	
Printing, stationery and office supplies		1,575	4,103	-	-	112	329	1,687	4,432	1	3	4	8	5	11	1,692	4,443	
Newspapers, subscriptions and periodicals		1,624	5,847	1,409	1,365	132	499	3,165	7,711	386	700	-	-	386	700	3,551	8,411	
Others		12,376	13,578	-	-	4,306	5,304	16,682	18,882	23	53	620	880	643	933	17,325	19,815	
		618,640	592,367	1,905	1,534	61,961	57,536	682,506	651,437	5,902	11,562	12,152	15,969	18,054	27,431	700,560	678,868	

Note	2026	2025
(Rupees in '000)		

37.2 Auditors' remuneration

Audit fee – unconsolidated financial statements		4,835	4,205
– consolidated financial statements		4,835	4,205
– subsidiaries		390	339
Certifications, tax and other assurance services	37.2.1	4,857	3,506
		10,082	8,050
Out of pocket expenses		1,433	1,767
Sales tax		690	473
		12,205	10,290

37.2.1 These include audit of annual consolidated financial statements for group taxation purpose, limited scope review of unconsolidated condensed interim financial information for the six months period, review report on statement of compliance with best practices of the Code of Corporate Governance, taxation services and other statutory certifications.

37.3 Donations

Donations include the following in which a director is interested:

Name of director	Interest in donee	Name and address of the donee	Amount donated	
			2026	2025
			---- Rupees in '000 ----	
Mr. Ahsan M. Saleem	Director	The Citizens Foundation		
		Plot No. 20, Sector - 14,		
		New Brookes Chowrangi,		
		Korangi Industrial Area, Karachi.	120,416	97,824

37.3.1 Donations other than that mentioned above were not made to any donee in which a director or their spouse had any interest at any time during the year.

37.3.2 Donations include Rs. 30 million paid to Habib University Foundation which exceeds 10% of the total donation amount.

38. OTHER OPERATING EXPENSES

Note	2026	2025	
---- Rupees in '000 ----			
Continuing operations:			
Exchange loss	6,597	11,925	
Impairment loss on trade debts	25.1	-	3,755
Provision for:			
- Workers' Profit Participation Fund	12.4	66,655	38,113
- Workers' Welfare Fund		18,440	11,332
- Slow moving stores, spares and loose tools - net	23.1	28,573	9,696
Fixed assets written off		-	109
Stock-in-trade written off		20,834	-
Project development cost written off	16.4.2	54,959	-
Impairment on equity accounted investee	19.1	-	220,171
Others		3,464	-
		199,522	295,101
Discontinued operations:			
Impairment on non-current assets held for sale		-	50,000
Non-current assets held for sale written off		10,207	-
Stores, spares and loose tools written off		19,649	-
Provision for slow moving stores, spares and loose tools - net		8,699	1,297
		38,555	51,297
		238,077	346,398

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
39. OTHER INCOME			
Continuing operations:			
Income from financial assets / liabilities			
Return on deposits - from conventional banking		21,114	28,388
Gain on realization of deposit		-	3,861
Liabilities written-back		5,509	3,697
Unwinding of discount on long term deposit		1,618	2,695
		28,241	38,641
Income from non-financial assets / liabilities			
Gain on disposal of operating fixed assets	16.5	7,434	10,080
Deferred income amortized		537	537
Gain on discounting of infrastructure cess	11	102,921	-
Insurance claim		1,051	1,662
Others		6,465	11,981
		118,408	24,260
		146,649	62,901
Discontinued operations:			
Income from financial assets / liabilities			
Liabilities written-back		-	303
Income from non-financial assets / liabilities			
Gain on disposal of non-current assets held for sale		330,931	-
Rent income		8,088	6,890
Insurance claim		-	5,903
Others		150	-
		339,169	13,096
		485,818	75,997
40. FINANCE COSTS			
Continuing operations:			
Mark-up on short term loans - shariah arrangement		5,199	52,306
Interest on Non-shariah arrangement			
- finance lease obligations		21,250	35,633
- long term loans		6,645	65,031
- running finances		35,624	38,730
- short term loans		70,617	85,590
Bank charges		21,885	11,573
		161,220	288,863
Discontinued operations:			
Bank charges		87	87
		161,307	288,950

	Note	2026	2025
		---- Rupees in '000 ----	
41. SHARE OF LOSS IN EQUITY ACCOUNTED INVESTEEES - NET OF TAXATION			
Altern Energy Limited	19.1	-	(474,924)
42. TAXATION CHARGE			
Continuing operations:			
Current			
- for the year		332,824	289,504
- for prior years		27,713	(1,868)
		360,537	287,636
Deferred		339,667	31,147
		700,204	318,783
Discontinued operations:			
Current - for the year		75,761	-
		775,965	318,783
42.1 Relationship between taxation expense and accounting profit			
Profit before taxation from continuing operations		2,096,462	374,370
Tax at the applicable rate of 29% (2025: 29%)		607,974	108,567
Tax effect of inadmissible expenses / losses		(6,054)	7,397
Tax effect of income taxed at a lower rate		(149,656)	(130,095)
Tax effect arising due to super tax		201,320	202,293
Tax effect of discontinued operations		61,543	(28,708)
Others		33,125	161,197
Prior year tax effect		27,713	(1,868)
		775,965	318,783
43. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE			
Net profit / (loss) for the year		1,532,713	(43,406)
Net profit for the year from continuing operations		1,396,258	133,304
Net profit / (loss) from discontinued operations		136,455	(176,710)
		---- (Number of shares) ----	
Weighted average number of ordinary shares in issue during the year		77,632,491	77,632,491
		---- Rupees ----	
Basic and diluted - earnings / (loss) per share		19.74	(0.56)
Basic and diluted earnings per share from continuing operations		17.99	1.72
Basic and diluted - earnings / (loss) per share from discontinued operations		1.75	(2.28)

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
44. CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before tax	46.2	2,308,678	275,377
Adjustments for non cash charges and other items:			
Depreciation on operating fixed assets, right-of-use assets and investment properties	16.1.2 & 18	309,864	272,963
Amortization of intangible assets	17	374	-
Charge for the year on staff retirement benefit funds	47.1.7	1,479	37,972
Dividend income	35.1	(172,597)	(114,080)
Unrealized gain on FVTPL investments - net	35.1	(693,217)	(268,645)
Realized gain on FVTPL investments - net	35.1	(105,542)	(138,623)
Provision for slow moving stores, spares and loose tools - net	38	28,573	11,038
(Reversal) / charge of NRV on stock-in-trade	24.2	(8,339)	20,600
Charge of impairment loss on trade debts - net	38	-	3,755
Provision for Workers' Welfare Fund	38	18,440	11,332
Provision for Workers' Profit Participation Fund	38	66,655	38,113
Inventories written off		40,483	-
Non-current assets held for sale written off	38	10,207	109
Return on deposits	39	(21,482)	(28,388)
Gain on disposal of operating fixed assets	39	(7,434)	(10,080)
Amount written back	12.2	(50,512)	-
Gain on disposal of non-current assets held for sale	39	(330,931)	-
Deferred income amortized	39	(537)	(537)
Project development cost written off	38	54,959	-
Unwinding of discount on long term deposit	39	(1,618)	(2,695)
Liabilities written back	39	(5,509)	(4,000)
Gain on realization of deposit	39	-	(3,861)
Gain on discounting of infrastructure cess	39	(102,921)	-
Impairment on non-current asset held for sale		-	50,000
Finance costs	38	161,307	288,950
Share of loss from equity accounted investees	41	-	474,924
Impairment loss on equity accounted investees	38	-	220,171
Working capital changes		2,322,810	(1,836,321)
Cash generated from / (used in) operations		3,823,190	(701,926)
Changes in:			
- Stores, spares and loose tools		(137,895)	9,093
- Stock-in-trade		1,485,286	(1,556,807)
- Trade debts		575,341	(172,541)
- Loans and Advances		260,207	(112,719)
- Trade deposits and short term prepayments		(2,718)	(3,446)
- Other receivables		2,922,594	(3,053,954)
- Trade and other payables		(2,780,005)	3,054,053
		2,322,810	(1,836,321)

44.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Long term loans	Lease liabilities (including mark-up accrued)	Short term borrowings	Unclaimed dividend	Total
	----- (Rupees in '000) -----				
Note	9	10 & 13	14		
Opening balance as at July 1, 2025	306,758	202,532	1,364,842	111,697	1,985,829
Proceeds from long term loans	104,805	-	-	-	104,805
Repayment of long term loans	(286,560)	-	-	-	(286,560)
Proceeds from short term borrowings	-	-	1,524,526	-	1,524,526
Repayment of short term borrowings	-	-	(2,866,760)	-	(2,866,760)
Dividends paid	-	-	-	(344,919)	(344,919)
Lease payments	-	(81,268)	-	-	(81,268)
	(181,755)	(81,268)	(1,342,234)	(344,919)	(1,950,176)
Dividends declared	-	-	-	349,346	349,346
Interest accrued on lease obligation	-	21,250	-	-	21,250
	-	21,250	-	349,346	370,596
Closing balance as at June 30, 2026	125,003	142,514	22,608	116,124	406,249

	Note	2026	2025
		---- Rupees in '000 ----	
44.2 The cash flows from discontinued operations are as follows:			
Net cash flows from operating activities		10,987	(222,461)
Net cash flows from investing activities		418,367	250,000
Net cash flows from financing activities		-	-
		429,354	27,539
45. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements	14	(496,056)	(609,196)
Cash and bank balances	31	274,415	78,319
		(221,641)	(530,877)

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

46. SEGMENT REPORTING

46.1 Reportable segments

The Group's reportable segments under are as follows:

- Steel segment - It comprises of manufacturing and coating of steel pipes (note 1.1.2).
- Cotton segment - It comprises of manufacturing of yarn (note 1.1.3).
- 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) (note 1.1.4).
- Energy segment - It comprises generation and supply of electricity / power (note 1.1.5).
- Hadeed segment - It comprises of manufacturing billets (note 1.1.6).

The Group's all segments are engaged in shariah compliant businesses except mentioned in note 35 to these consolidated financial statements. Information regarding the Group's reportable segments is presented below:

46.2 Segment revenues and results

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

For the year ended June 30, 2026	Continuing operations				Discontinued operations			
	Steel segment	Energy segment	IID segment	Sub total	Cotton segment	Hadeed (Billet) segment	Sub total	Total
	----- (Rupees in '000) -----							
Sales - net	7,936,185	-	-	7,936,185	105,816	535	106,351	8,042,536
Cost of sales	5,861,891	60,270	-	5,922,161	163,667	5,449	169,116	6,091,277
Gross profit / (loss)	2,074,294	(60,270)	-	2,014,024	(57,851)	(4,914)	(62,765)	1,951,259
Income from investments - net	-	-	1,005,488	1,005,488	-	-	-	1,005,488
	2,074,294	(60,270)	1,005,488	3,019,512	(57,851)	(4,914)	(62,765)	2,956,747
Distribution and selling expenses	26,451	-	-	26,451	5,211	2,281	7,492	33,943
Administrative expenses	618,640	1,905	61,961	682,506	5,902	12,152	18,054	700,560
Other operating expenses	144,563	54,959	-	199,522	8,699	29,856	38,555	238,077
	789,654	56,864	61,961	908,479	19,812	44,289	64,101	972,580
	1,284,640	(117,134)	943,527	2,111,033	(77,663)	(49,203)	(126,866)	1,984,167
Other income	143,464	-	3,185	146,649	74,547	264,622	339,169	485,818
Operating profit / (loss) before finance costs	1,428,104	(117,134)	946,712	2,257,682	(3,116)	215,419	212,303	2,469,985
Finance costs	160,348	8	864	161,220	86	1	87	161,307
Profit / (loss) before taxation	1,267,756	(117,142)	945,848	2,096,462	(3,202)	215,418	212,216	2,308,678
Taxation charge				700,204			75,761	775,965
Profit for the year				1,396,258			136,455	1,532,713

For the year ended June 30, 2025	Continuing operations				Discontinued operations			
	Steel segment	Energy segment	IID segment	Sub total	Cotton segment	Hadeed (Billet) segment	Sub total	Total
	----- (Rupees in '000) -----							
Sales – net	6,346,278	-	-	6,346,278	34,372	31,302	65,674	6,411,952
Cost of sales	4,690,400	58,436	-	4,748,836	107,376	62,345	169,721	4,918,557
Gross profit / (loss)	1,655,878	(58,436)	-	1,597,442	(73,004)	(31,043)	(104,047)	1,493,395
Income from investments – net	-	-	532,884	532,884	-	-	-	532,884
	1,655,878	(58,436)	532,884	2,130,326	(73,004)	(31,043)	(104,047)	2,026,279
Distribution and selling expenses	30,815	-	-	30,815	4,863	2,081	6,944	37,759
Administrative expenses	592,367	1,534	57,536	651,437	11,562	15,869	27,431	678,868
Other operating expenses	74,783	147	220,171	295,101	1,297	50,000	51,297	346,398
	697,965	1,681	277,707	977,353	17,722	67,950	85,672	1,063,025
	957,913	(60,117)	255,177	1,152,973	(90,726)	(98,993)	(189,719)	963,254
Other income	54,643	3,861	4,397	62,901	13,096	-	13,096	75,997
Operating profit / (loss) before finance costs	1,012,556	(56,256)	259,574	1,215,874	(77,630)	(98,993)	(176,623)	1,039,251
Finance costs	288,329	2	532	288,863	87	-	87	288,950
Share of loss in equity accounted investees	-	-	(474,924)	(474,924)	-	-	-	(474,924)
Profit / (loss) before taxation	724,227	(56,258)	(215,882)	452,087	(77,717)	(98,993)	(176,710)	275,377
Taxation charge				318,783			-	318,783
Profit for the year				133,304			(176,710)	(43,406)

46.2.1 The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 6 to these consolidated financial statements. 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, Cotton and Hadeed 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.

46.3 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 33 to these consolidated financial statements.

46.4 Information about major customers

Revenue from major customers of the Steel segment represents an aggregate amount of Rs. 7,562.35 million (2025: Rs. 6,050.79 million) of total Steel segment revenue of Rs. 7,936.19 million (2025: Rs. 6,346.28 million).

46.5 Geographical information

46.5.1 All of the Group's revenue from external customers was generated within Pakistan.

46.5.2 All non-current assets of the Group as at June 30, 2026 and 2025 were located and used for operations within Pakistan.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

46.6 Segment assets and liabilities

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

	Continuing operations				Discontinued operations			
	Steel segment	Energy segment	IID segment	Sub total	Cotton segment	Hadeed (Billet) segment	Sub total	Total
	----- (Rupees in '000) -----							
Balance as at June 30, 2026								
Segment assets for reportable segments	5,508,927	374,456	5,430,484	11,313,867	106,677	48,893	155,570	11,469,437
Unallocated corporate assets								1,181,755
Total assets as per consolidated statement of financial position								12,651,192
Segment liabilities for reportable segments	1,240,432	78,301	106,558	1,425,291	41,207	57,863	99,070	1,524,361
Unallocated corporate liabilities and deferred income								1,269,391
Total liabilities as per consolidated statement of financial position								2,793,752
Balance as at June 30, 2025								
Segment assets for reportable segments	9,284,478	487,405	3,540,293	13,312,176	310,514	450,949	761,463	14,073,639
Unallocated corporate assets								1,577,387
Total assets as per consolidated statement of financial position								15,651,026
Segment liabilities for reportable segments	4,129,584	78,610	18,184	4,226,378	89,724	90,124	179,848	4,406,226
Unallocated corporate liabilities and deferred income								2,837,468
Total liabilities as per consolidated statement of financial position								7,243,694

- 46.6.1 For the purposes of monitoring segment performance and allocating resources among segments:
- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and
 - all liabilities are allocated to reportable segments other than those directly relating to corporate and taxation.
- 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.

46.7 Other segment information

	Continuing operations				Discontinued operations			
	Steel segment	Energy segment	IID segment	Sub total	Cotton segment	Hadeed (Billet) segment	Sub total	Total
	----- (Rupees in '000) -----							
For the year ended June 30, 2026								
Capital expenditure	1,016,001	-	-	1,016,001	-	-	-	1,016,001
Depreciation and amortization	233,190	59,713	8,153	301,056	4,403	150	4,553	305,609
Non-cash items other than depreciation and amortization - net	16,879	-	(971,132)	(954,253)	(96,176)	(259,427)	(355,603)	(1,309,856)
For the year ended June 30, 2025								
Capital expenditure	573,682	5,569	-	579,251	7,723	-	7,723	586,974
Depreciation and amortization	184,781	59,716	5,690	250,187	9,823	12,953	22,776	272,963
Non-cash items other than depreciation and amortization	79,487	149	(48,495)	31,141	3,266	204	3,470	34,611

47. STAFF RETIREMENT BENEFITS

47.1 Defined benefit plans

- 47.1.1 The actuarial valuation of both pension and gratuity schemes has been conducted in accordance with IAS 19, 'Employee benefits' as at June 30, 2026. The projected unit credit method, using the following significant assumptions, has been used for the actuarial valuation:

	2026		2025	
	Pension	Gratuity	Pension	Gratuity
Financial assumptions				
- Discount rate used for interest cost in profit or loss charge	12.00%	12.00%	15.25%	15.25%
- Discount rate used for year end obligation	11.75%	11.75%	12.00%	12.00%
- Expected rate of increase in salaries	11.75%	11.75%	12.00%	12.00%
- Pension indexation rate	5.75%	-	6.00%	-
Demographic assumptions				
- Retirement assumption	Age 58		Age 58	
- Expected mortality for active members	SLIC (2001-05)		SLIC (2001-05)	

- 47.1.2 The amounts recognized in consolidated statement of financial position are as follows:

		2026			2025		
		Pension	Gratuity	Total	Pension	Gratuity	Total
Note		----- (Rupees in '000) -----					
Present value of defined benefit obligations	47.1.4	1,092,218	253,504	1,345,722	936,364	216,051	1,152,415
Fair value of plan assets	47.1.5	(1,268,972)	(390,178)	(1,659,150)	(1,112,267)	(352,945)	(1,465,212)
Asset recognized in consolidated statement of financial position		(176,754)	(136,674)	(313,428)	(175,903)	(136,894)	(312,797)

47.1.3 Movement in the net defined benefit asset

Opening balance		(175,903)	(136,894)	(312,797)	67,937	(29,640)	38,297
Net benefit cost charged to profit or loss	47.1.7	7,952	(6,473)	1,479	40,857	(2,885)	37,972
Remeasurements recognized in other comprehensive income	47.1.8	29,311	22,064	51,375	(252,195)	(91,243)	(343,438)
Contributions by the Company	47.1.5	(38,114)	(15,371)	(53,485)	(32,502)	(13,126)	(45,628)
Closing balance		(176,754)	(136,674)	(313,428)	(175,903)	(136,894)	(312,797)

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

Note	2026			2025		
	Pension	Gratuity	Total	Pension	Gratuity	Total
	----- (Rupees in '000) -----					
47.1.4	Movement in the present value of defined benefit obligations					
Opening balance	936,364	216,051	1,152,415	804,399	173,925	978,324
Current service cost	47.1.7 31,348	10,876	42,224	29,693	9,960	39,653
Interest cost	47.1.7 111,197	25,773	136,970	121,167	26,524	147,691
Benefits paid	(19,437)	(2,556)	(21,993)	(19,722)	-	(19,722)
Remeasurement loss of defined benefit obligation	32,746	3,360	36,106	827	5,642	6,469
Closing balance	1,092,218	253,504	1,345,722	936,364	216,051	1,152,415
47.1.5	Movement in the fair value of plan assets					
Opening balance	1,112,267	352,945	1,465,212	736,462	203,565	940,027
Contributions by the Company	38,114	15,371	53,485	32,502	13,126	45,628
Interest income on plan assets	47.1.7 134,593	43,122	177,715	110,003	39,369	149,372
Benefits paid	(19,437)	(2,556)	(21,993)	(19,722)	-	(19,722)
Return on plan assets, excluding interest income	3,435	(18,704)	(15,269)	253,022	96,885	349,907
Closing balance	1,268,972	390,178	1,659,150	1,112,267	352,945	1,465,212
47.1.6	Actual return on plan assets					
	138,028	24,418	162,446	363,025	136,254	499,279
47.1.7	Following amounts have been charged in the consolidated statement of profit or loss in respect of these benefits:					
	2026			2025		
	Pension	Gratuity	Total	Pension	Gratuity	Total
	----- (Rupees in '000) -----					
Current service cost	31,348	10,876	42,224	29,693	9,960	39,653
Interest cost	111,197	25,773	136,970	121,167	26,524	147,691
Interest income on plan assets	(134,593)	(43,122)	(177,715)	(110,003)	(39,369)	(149,372)
Charge recognized in profit or loss	7,952	(6,473)	1,479	40,857	(2,885)	37,972

47.1.8	Following amounts of remeasurements have been charged in the other comprehensive income in respect of these benefits:					
	2026			2025		
	Pension	Gratuity	Total	Pension	Gratuity	Total
	----- (Rupees in '000) -----					
Remeasurement:						
Actuarial (gain) from changes in demographic assumptions	-	-	-	(33,410)	(9,331)	(42,741)
Actuarial loss / (gain) from change in financial assumptions	2,699	592	3,291	(19,930)	(82)	(20,012)
Experience adjustments	30,047	2,768	32,815	54,167	15,055	69,222
	32,746	3,360	36,106	827	5,642	6,469
Return on plan assets, excluding interest income	(3,435)	18,704	15,269	(253,022)	(96,885)	(349,907)
Remeasurement loss / (gain) recognized in the other comprehensive income	29,311	22,064	51,375	(252,195)	(91,243)	(343,438)
47.1.9	Total defined benefit cost recognized in profit or loss and other comprehensive income					
	37,263	15,591	52,854	(211,338)	(94,128)	(305,466)
Weighted average duration of the defined benefit obligation (years)	10.80	2.12		10.50	1.84	
Analysis of present value of defined benefit obligation						
Type of Members:						
Pensioners	34	-		34	-	
Beneficiaries	90	90		91	91	
Vested / Non-vested						
Vested benefits obligations	996,615	199,630	1,196,245	874,594	189,175	1,063,769
Non-vested benefits obligations	95,603	53,874	149,477	61,770	26,876	88,646
	1,092,218	253,504	1,345,722	936,364	216,051	1,152,415

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

	2026			2025		
	Pension	Gratuity	Total	Pension	Gratuity	Total
	----- (Rupees in '000) -----					
Disaggregation of fair value of plan assets						
The fair value of the plan assets at reporting date for each category are as follows:						
Cash and cash equivalents	33,428	29,672	63,100	31,939	12,446	44,385
Debt instruments						
AA-	-	-	-	2,996	-	2,996
AA	2,996	-	2,996	-	-	-
AAA	2,500	2,500	5,000	2,500	2,500	5,000
B-	82,983	-	82,983	-	-	-
CCC+	-	2,614	2,614	219,808	2,614	222,422
	88,479	5,114	93,593	225,304	5,114	230,418
Equity instruments						
Automobile Assembler	8,399	-	8,399	-	-	-
Automobile Parts and Accessories	5,907	-	5,907	-	-	-
Cement	4,453	-	4,453	2,900	-	2,900
Chemicals	888	-	888	-	-	-
Commercial Banks	22,812	-	22,812	15,797	-	15,797
Engineering	682,479	320,849	1,003,328	659,290	313,589	972,879
Fertilizer	36,008	1,694	37,702	24,788	1,159	25,947
Insurance	123	-	123	84	-	84
Oil and Gas Exploration Companies	49,617	5,470	55,087	40,952	4,522	45,474
Oil and Gas Marketing Company	957	-	957	481	-	481
Refineries	1,341	-	1,341	149	-	149
Investment Company	33,648	-	33,648	20,992	-	20,992
Gas Distribution Company	-	-	-	476	-	476
Pharmaceuticals	1,123	-	1,123	1,721	-	1,721
Power Generation and Distribution	72,239	23,345	95,584	42,206	13,781	55,987
Sugar and Allied Industries	13,696	4,034	17,730	7,924	2,334	10,258
Technology and Communication	2,935	-	2,935	859	-	859
Textile Composite	22,725	-	22,725	13,552	-	13,552
	959,350	355,392	1,314,742	832,171	335,385	1,167,556
Mutual funds						
Income Fund	187,715	-	187,715	22,853	-	22,853
	1,268,972	390,178	1,659,150	1,112,267	352,945	1,465,212

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Pension	Gratuity
	---- Rupees in '000 ----	
Discount rate +1%	(106,476)	(4,963)
Discount rate -1%	128,799	5,790
Salary increase +1%	19,301	5,766
Salary decrease -1%	(16,826)	(5,030)
Pension indexation rate increase +1%	118,576	-
Pension indexation rate decrease -1%	(101,752)	-

47.1.10 Through its defined benefit gratuity plan, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Fund believes that due to the long-term nature of the plan liabilities and the strength of the Holding Company's support, the current investment strategy manages this risk adequately.

Inflation risk

The majority of the plan's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities. However, the Fund manages plan assets to offset inflationary impacts.

Life expectancy / withdrawal rate

The majority of the plan's obligations are to provide benefits on severance with the Holding Company or on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

47.1.11 Expected future expense to be charged in consolidated statement of profit or loss for the year ending June 30, 2027:

	Pension	Gratuity
	---- Rupees in '000 ----	
Current service cost	37,919	12,274
Interest cost on defined benefit obligation	127,142	18,043
Interest income on plan assets	(150,575)	(35,179)
	14,486	(4,862)

47.2 Defined contribution plan

The Holding Company has set up provident fund for its permanent employees. The total charge against provident fund for the year ended June 30, 2026 was Rs. 18.92 million (2025: Rs. 18.62 million). Reporting year ends of Provident Fund Financial Statements are December 31, and June 30, for Steel & IID Division, and Cotton & Hadeed Division, respectively.

The investments out of the provident funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified there under.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

48. FINANCIAL RISK MANAGEMENT

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 categorized:

June 30, 2026									
	Carrying amount				Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amor-tized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Recurring fair value measurements									
Investments									
- Listed equity securities	3,303,776	611,104	-	-	3,914,880	3,464,857	450,023	-	3,914,880
- unlisted equity securities	1,180,347	-	-	-	1,180,347	-	-	1,180,347	1,180,347
	4,484,123	611,104	-	-	5,095,227	3,464,857	450,023	1,180,347	5,095,227
Financial assets not measured at fair value									
Deposits	-	-	64,577	-	64,577	-	-	-	-
Trade debts	-	-	150,000	-	150,000	-	-	-	-
Loan to subsidiary	-	-	1,065,691	-	1,065,691	-	-	-	-
Other receivables	-	-	46,021	-	46,021	-	-	-	-
Bank balances	-	-	274,415	-	274,415	-	-	-	-
	-	-	1,600,704	-	1,600,704	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	125,003	125,003	-	-	-	-
Lease liabilities	-	-	-	142,309	142,309	-	-	-	-
Trade and other payables	-	-	-	1,042,573	1,042,573	-	-	-	-
Unclaimed dividend	-	-	-	116,124	116,124	-	-	-	-
Mark-up accrued	-	-	-	8,408	8,408	-	-	-	-
Short term borrowings	-	-	-	518,664	518,664	-	-	-	-
	-	-	-	1,953,081	1,953,081	-	-	-	-

June 30, 2025									
	Carrying amount				Fair value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amor-tized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Recurring fair value measurements									
Investments									
- Listed equity securities	2,248,852	204,192	-	-	2,453,044	2,453,044	-	-	2,453,044
- Unlisted equity securities	734,380	-	-	-	734,380	-	-	734,380	734,380
	2,983,232	204,192	-	-	3,187,424	2,453,044	-	734,380	3,187,424
Financial assets not measure at fair value									
Deposits	-	-	80,737	-	80,737	-	-	-	-
Short term investments	-	-	237,000	-	237,000	-	-	-	-
Trade debts	-	-	1,641,032	-	1,641,032	-	-	-	-
Other receivables	-	-	2,454,775	-	2,454,775	-	-	-	-
Bank balances	-	-	78,319	-	78,319	-	-	-	-
	-	-	4,491,863	-	4,491,863	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	306,758	306,758	-	-	-	-
Lease liabilities	-	-	-	202,508	202,508	-	-	-	-
Trade and other payables	-	-	-	1,216,154	1,216,154	-	-	-	-
Unclaimed dividend	-	-	-	111,697	111,697	-	-	-	-
Mark-up accrued	-	-	-	27,284	27,284	-	-	-	-
Short term borrowing	-	-	-	1,974,038	1,974,038	-	-	-	-
	-	-	-	3,838,439	3,838,439	-	-	-	-

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.

Investment properties fair value have been determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations were 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 consolidated financial statements.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

48.1 Valuation techniques and significant unobservable inputs

The fair values of unquoted equity investments have been determined by the valuation expert. The following table shows the valuation techniques used in measuring Level 3 fair values at June 30, 2026 for unquoted equity investments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Name of investee company	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
- Shakarganj Food Products Limited	- Discounted free cash flows with terminal growth:	- Expected free cash flows	The estimated fair value would increase / (decrease) if:
	The valuation model considers the present value of expected free cashflows, discounted using Weighted Average Cost of Capital.	- Terminal growth rate	5.00% - The expected free cash flows were higher / (lower)
		- Weighted Average Cost of Capital	18.42% - The terminal growth rate were higher / (lower)
			- The Weighted Average Cost of Capital were lower / (higher)
- Central Depository Company of Pakistan Limited	- Dividend growth model:	- Dividend growth rate	The estimated fair value would increase / (decrease) if:
	The valuation model considers the present value of future dividends, discounted using Weighted Average Cost of Capital.	- Weighted Average Cost of Capital	14.85% -The dividend growth rate were higher / (lower)
			- The Weighted Average Cost of Capital were lower / (higher)

48.2 Level 3 fair values

Reconciliation of Level 3 fair values

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

--- Rupees in '000 ---	
Balance at July 1, 2025	
- Shakarganj Food Products Limited	417,979
- Central Depository Company of Pakistan Limited	316,401
	734,380
Additions in Investment	
- Shakarganj Food Products Limited	316,404
- Central Depository Company Limited	-
	316,404
Fair value recognized in profit or loss during the year	
- Shakarganj Food Products Limited	12,628
- Central Depository Company Limited	116,935
	129,563
Balance at June 30, 2026	
- Shakarganj Food Products Limited	747,011
- Central Depository Company Limited	433,336
	1,180,347

Sensitivity analysis

For the fair value of unquoted equity investment, reasonably possible changes at June 30, 2026 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

	Profit or loss	
	Increase	Decrease
---- Rupees in '000 ----		
Shakarganj Food Products Limited		
- Expected cash flows (10% movement)	43,558	(43,558)
- Terminal growth rate (100 bps)	23,816	(20,603)
- Weighted Average Cost of Capital (100 bps)	(32,969)	38,172
Central Depository Company of Pakistan Limited		
- Dividend growth rate (100 bps)	42,775	(33,625)
- Weighted Average Cost of Capital (100 bps)	(31,181)	39,665

49. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Group's risk management framework. The Board of Directors is also responsible for developing and monitoring the Group's risk management policies.

49.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the Group. It arises principally from trade debts, bank balances, security deposits, mark-up accrued and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date was as follows:

	2026	2025
---- Rupees in '000 ----		
Deposits	64,577	80,737
Short term investments	150,000	237,000
Trade debts	1,065,691	1,641,032
Other receivables	46,021	2,454,775
Bank balances	274,415	78,319
	1,600,704	4,491,863

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

Trade and other receivables

To manage exposure to credit risk in respect of trade and other receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales tenders and credit terms are approved by the tender approval committee. Where considered necessary, advance payments are obtained from certain parties. Sales of steel segment made to major customers are secured through letters of credit.

The maximum exposure to credit risk before any credit enhancements for trade debts at the reporting date by type of customer was as follows:

	2026	2025
	---- Rupees in '000 ----	
Steel segment	1,065,329	1,638,305
Cotton segment	198	564
Hadeed (Billet) segment	164	13
IID segment	-	2,150
	1,065,691	1,641,032
The aging of trade debts at the reporting date is		
Not past due	856,164	220,759
Past due 1 - 30 days	88,873	10,393
Past due 30 - 180 days	95,543	271,432
Past due 180 days	52,640	1,165,977
	1,093,220	1,668,561
Less: impairment loss	27,529	27,529
	1,065,691	1,641,032

The movement in the allowances for impairment in respect of trade debts is given in note 25.1.

The expected loss rates are based on the payment profiles of sales over a period of 60 month before June 30, 2026 and the corresponding historical credit losses experienced within this period. The historical loss rate are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of Pakistan in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance.

Loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and Group's view of economic conditions over the expected lives of the trade debts.

Based on past experience, the management believes that no impairment allowance is necessary, except mentioned above, in respect of trade debts past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Settlement risk

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Group's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

Bank balances

The Group kept its surplus funds with banks having good credit rating. Currently, the surplus funds are kept with banks having rating from AAA to A1+.

The credit quality of the Group's investment in units of mutual fund can be assessed with reference to external credit rankings as follows:

	Rankings		Ranking	2026	2025
	Short term	Long term	Agency	---(Rupees in '000) ---	
Mutual Funds					
MCB Investment Saving Plan I	-	AA+	PACRA	450,023	-
HBL Growth Fund (A)	A1+	AAA	VIS	-	9,548
Pak Qatar Income Plan Fund	-	AA-	PACRA	-	532
				450,023	10,080

Deposits

The Group has provided security deposits and retention money as per the contractual terms with counter parties as security and does not expect material loss against those deposits retention money.

Investment in debt securities

Credit risk arising on debt securities is mitigated by investing principally in investment grade rated instruments. Where the investment is considered doubtful a provision is created there against. The Group has debt security amounting to Rs. Nil as at reporting date.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Group believes that it is not exposed to major concentration of credit risk, except for the trade debts aggregating Rs. 529.21 million pertaining to steel segment receivable from two entities. However, as both the entities are state owned entities, the management has assessed the related risk as low.

49.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligation arising from financial liabilities that are settled by delivering cash or another financial asset or that such obligation will have to be settled in a manner disadvantageous to the Group. The Group is not materially exposed to liquidity risk as substantially all obligation / commitments of the Group are short term in nature and are restricted to the extent of available liquidity. In addition, the Group has obtained running finance facilities from various commercial banks to meet the short term liquidity commitments, if any.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2026							
	Carrying amount	Contractual cash flows	On demand	Six months or less	Six to twelve months	One to two years	Two to five years	Over five years
	----- (Rupees in '000) -----							
Financial liabilities								
Long term loans	125,003	227,726	-	17,008	16,588	114,163	79,309	658
Lease liabilities	142,309	163,688	-	26,863	26,961	55,056	54,808	-
Trade and other payables	1,042,573	1,042,573	-	1,042,573	-	-	-	-
Unclaimed dividend	116,124	116,124	116,124	-	-	-	-	-
Mark-up accrued	8,408	8,408	-	8,408	-	-	-	-
Short term borrowings	518,664	518,664	496,056	22,608	-	-	-	-
	1,953,081	2,077,183	612,180	1,117,460	43,549	169,219	134,117	658
	2025							
Financial liabilities								
Long term loans	306,758	306,758	-	135,165	39,377	78,429	50,164	3,623
Lease liabilities	202,508	248,187	-	48,357	34,616	54,556	110,658	-
Trade and other payables	1,216,154	1,216,154	-	1,216,154	-	-	-	-
Unclaimed dividend	111,697	111,697	111,697	111,697	-	-	-	-
Mark-up accrued	27,284	27,284	-	27,284	-	-	-	-
Short term borrowings	1,974,038	1,974,038	609,196	1,364,842	-	-	-	-
	3,838,439	3,884,118	720,893	2,903,499	73,993	132,985	160,822	3,623

49.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Investment Committee monitors the portfolio of its investments and adjust the portfolio in light of changing circumstances.

49.3.1 Currency risk

The Group is exposed to currency risk on import of raw materials and stores and spares denominated in US Dollars (USD) and Euros. The Group's exposure to foreign currency risk for these currencies is as follows:

	2026	
	USD	Euro
	----- Rupees in '000 -----	
Outstanding letters of credit	333,000	987,050
	2025	
Outstanding letters of credit	557,100	185,385

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2026	2025	2026	2025
USD to PKR	280.86	279.35	278.50	283.76
Euro to PKR	327.57	303.97	320.11	332.66

Sensitivity analysis

At the reporting date, if the PKR had strengthened by 10% against the USD and Euro with all other variables held constant, pre-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign creditors.

Effect on profit or loss

	2026	2025
	-- Rupees in '000 --	
USD	9,353	15,563
Euro	32,333	5,635
	41,686	21,198

The weakening of the PKR against USD and Euro would have had an equal but opposite impact on the pre-tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the year and assets / liabilities of the Group.

49.3.2 Interest rate risk

At the reporting date, the interest rate profile of the Group's significant interest bearing financial instruments was as follows:

	2026	2025	2026	2025
	Effective interest rate (Percentage)		Carrying amount (Rupees in '000)	
Financial liabilities				
Variable rate instruments:				
Long term loans	12.63 - 14.09	14.09 - 24.76	125,003	306,758
Lease Liabilities	16.66 - 20.83	18.22 - 31.53	142,309	202,508
Short term borrowings	12.24 - 14.50	12.69 - 23.71	518,664	1,974,038

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have (increased) / decreased profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2025.

	Profit or loss	
	Increase	Decrease
	(Rupees in '000)	
As at June 30, 2026		
Cash flow sensitivity – variable rate financial liabilities	(7,860)	7,860
As at June 30, 2025		
Cash flow sensitivity – variable rate financial liabilities	(24,833)	24,833

The sensitivity analysis prepared is not necessarily indicative of the effects on the consolidated profit for the year and assets / liabilities of the Group.

49.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Group's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Group diversifies its portfolio and continuously monitors developments in equity markets. In addition the Group actively monitors the key factors that affect stock price movement.

A 10% increase / decrease in share prices at year end would have increased / decreased in the Group's gain / loss in case of fair value through profit or loss and increase / decrease surplus on re-measurement of investments in case of fair value through other comprehensive income investments as follows:

	2026	2025
	(Rupees in '000)	
Effect on profit	330,378	224,885
Effect on OCI	61,110	20,419
Effect on investments	391,488	245,304

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Group.

50. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in '000)							
Managerial remuneration (including incentives)	72,976	62,505	-	-	227,697	141,138	300,673	203,643
Fees	-	-	6,455	5,995	-	-	6,455	5,995
Contributions to								
- Gratuity fund	2,831	2,487	-	-	8,257	5,200	11,088	7,687
- Pension fund	3,398	5,970	-	-	21,129	13,571	24,527	19,541
- Provident fund	6,797	2,985	-	-	10,380	6,715	17,177	9,700
Others	15,117	8,064	-	-	7,780	11,643	22,897	19,707
	101,119	82,011	6,455	5,995	275,243	178,267	382,817	266,273
Number of persons	1	1	7	7	32	17	40	25

50.1 The chief executive and thirteen executives are provided with free use of Company maintained cars, in accordance with their entitlements.

50.2 The chief executive, executives and their families are also covered under group life and hospitalization insurance. A director is also covered under group hospitalization scheme.

51. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors of the Group, companies in which directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transaction with related 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	Nature of relationship	Basis of relationship	Nature of transaction	2026	2025
				(Rupees in '000)	
Shakarganj Limited	Associated company	21.93% holding	Services rendered	1,563	1,558
			Payments made	5,037	5,857
			Dividends paid	810	1,530
			Rent	-	144
			Reimbursable expenses	6,858	6,860

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

Name	Nature of relationship	Basis of relationship	Nature of transaction	2026 (Rupees in '000)	2025
Shakarganj Food Products Limited	Related party	Subsidiary Company's related party	Reimbursable expenses	-	3,633
			Services rendered	2,640	3,318
			Rent	2,169	2,486
			Receiving of services	3,775	-
			Payments received	3,000	5,000
			Investment in commodity	350,000	150,000
			Principal received	350,000	-
			Right shares subscribed	316,404	-
			Payment made	316,404	-
			Gain on investment	25,747	3,931
The Crescent Textile Mills Limited	Related party	Common directorship	Rent	827	2,010
			Payments received against services rendered	1,868	3,779
			Reimbursable expenses	470	1,788
			Dividends paid	38,422	72,576
The Citizens' Foundation	Related party	Common directorship	Donation given	120,416	97,824
Pakistan Centre For Philanthropy	Related party	Common directorship	Annual membership fee	396	396
			Payment annual membership fee	396	396
Trustees Shakarganj Mills Limited – Provident Fund	Related party	Associated company's retirement benefit plan	Dividends paid	758	1,432
Trustees Shakarganj Mills Limited – Gratuity Fund	Related party	-- do --	Dividends paid	302	570
Trustees Shakarganj Mills Limited – Pension Fund	Related party	-- do --	Dividends paid	504	952
Crescent Cotton Products – Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	-	2,324

Name	Nature of relationship	Basis of relationship	Nature of transaction	2026 (Rupees in '000)	2025
Crescent Steel and Allied Products Limited – Gratuity Fund	Retirement benefit fund	-- do --	Contribution made	15,375	13,126
			Dividends paid	12,204	18,386
Crescent Steel and Allied Products Limited – Pension Fund	Retirement benefit fund	-- do --	Contribution made	36,296	32,502
			Dividends paid	25,500	38,403
Crescent Steel and Allied Products Limited – Staff Provident Fund	Retirement benefit fund	-- do --	Contribution made	21,254	15,995
			Dividends paid	559	1,056
Crescent Hadeed (Private) Limited – Staff Provident Fund	Retirement benefit fund	-- do --	Contribution made	-	296
CSAP – Staff Benevolent Fund	Staff welfare fund	Employees welfare fund	Contribution made	45	654
			Dividends paid	2,601	308
Key management personnel	Related parties	Executives	Remuneration and benefits	245,698	222,879
			Dividend paid	9,116	36,607
Chairman of the Board	Related party	Chairman	Honorarium	2,400	2,400
Directors and their spouses	Related parties	Directors	Meeting fee	4,055	3,595
			Dividend paid	23,836	24,787

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

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

51.3 Outstanding balances and other information with respect to related parties as at June 30, 2026 and 2025 are included in issued, subscribed and paid-up capital (note 7.1), trade and other payables (note 12), investment in equity accounted investees (note 19), other receivables (note 29.2), administrative expenses (note 37) and staff retirement benefits (note 47).

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

52. CAPITAL RISK MANAGEMENT

The Group’s prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group’s overall strategy remains unchanged.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and bank balances. Total capital is calculated as equity as shown in these consolidated statement of financial position plus net debt.

52.1 Gearing ratio

The gearing ratio at end of the year is calculated as follows:

	Note	2026	2025
		---- Rupees in ‘000 ----	
Total debt	52.1.1	785,976	2,483,304
Less: cash and bank balances		274,415	78,319
Net debt		511,561	2,404,985
Total equity	52.1.2	9,857,440	8,407,332
Total capital		10,369,001	10,812,317
Gearing ratio		4.9%	22.2%

52.1.1 Total debt is defined as long term loans, lease liabilities, and short term borrowings, as described in notes 9, 10 and 14 to these consolidated financial statements.

52.1.2 Total equity includes issued, subscribed and paid-up capital and reserves.

53. PLANT CAPACITY AND PRODUCTION

53.1 Steel segment

Pipe plant

The plant’s installed / rated capacity for production based on single shift is 66,667 tons (2025: 66,667 tons) annually on the basis of notional pipe size (whereas the notional pipe size is taken as 30" dia x ½" thickness for SP1600 and 40"dia x 5/8" thickness for SP 2003). The actual production achieved during the year was 20,228 tons (2025: 41,175.3 tons) line pipes of varied sizes and thickness. Actual production is equivalent to 64,655 tons (2025: 82,286.1 tons) when translated to the notional pipe size of 30" diameter for SP1600 and 40" for SP2003.

Coating plant

The coating plant has a capacity of shot blasting and coating of line pipes with single layer FBE and multilayer polyolefin coatings on pipe sizes ranging from 114 mm to 2134 mm outside diameter.

The annual capacity of the plant works out to 600,000 square meters outside surface area of line pipes based on notional size of 14" dia on single shift working. Coating of 226,457 meters (2025: 98,072 meters) of different diameter pipes and 246,959 square meters surface area was achieved during the year (2025: 319,711 square meters surface area). Actual production is in line with market demand.

53.2 Energy segment

The plant’s installed production capacity was 118,856 MWh (2025: 118,856 MWh) and the actual production achieved during the year was Nil (2025: Nil). Reason for underutilization was that no power was supplied to FESCO, Hadeed (Billet) segment (internal customer) and Shakarganj Limited (external customer).

53.3 Cotton segment

Spinning unit 1

The plant capacity converted to 20s count polyester cotton yarn based on three shifts per day for 1,092 shifts is 9,197,007 kilogram (2025: 9,197,007 kilograms). The Group has classified the plant and machinery and other related assets as non-current assets held for sale.

54. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV TO THE COMPANIES ACT, 2017

	Note	2026	2025
		---- Rupees in ‘000 ----	
Disclosures required in relation to the Consolidated Statement of Financial Position – liability side			
- Financing (long-term, short-term, or lease financing) obtained as per Islamic mode		149,169	147,840
- Interest or mark-up accrued on any conventional loan or advance		8,408	27,284
Disclosures required in relation to the Consolidated Statement of Financial Position – asset side			
- Long term and short term shariah compliant investments		3,040,237	1,978,229
- Shariah compliant bank deposits, bank balances, and TDRs	31.2	1,767	3,020
Disclosures required in relation to the Consolidated Statement of Profit or Loss and Other Comprehensive Income			
- Revenue earned from shariah compliant business segment	33	8,042,536	6,411,952
- Break-up of late payments or liquidated damages		17,342	3,815
- Gain or loss or dividend earned on shariah compliant investments or share of profit from shariah compliant associates		698,738	406,639
- Profit earned from shariah compliant bank deposits, bank balances, or TDRs		8,582	7,324
- Exchange loss on actual currency		6,597	11,925
- Exchange gains earned using conventional derivative financial instruments		-	-
- Profit paid on Islamic mode of financing	40	5,199	52,306
- Total interest earned on any conventional loan or advance		-	-
Break-up of other income into shariah compliant and non-compliant			
Shariah compliant income			
- Liabilities written back	39	5,509	3,697
- Gain on disposal of property, plant and equipment	39	338,365	10,080
- Rent	39	8,088	6,890

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
Shariah non-compliant income			
- Return on deposits - from conventional banking	39	21,114	28,388
- Gain on realization of deposit	39	-	3,861
- Unwinding of discount on long term deposit	39	1,618	2,695
- Gain on discounting of provision of infrastructure cess	39	102,921	-
- Others	39	8,203	14,180

Other disclosure requirements

Relationship with shariah compliant financial institutions, including banks, takaful operators and their windows, etc.

Name	Relationship
BankIslami Pakistan Limited	Bank Balances
Al Baraka Bank Pakistan Limited	Bank Balances
Faysal Bank Limited	Bank Balances
Dubai Islamic Bank	Bank Balances

55. GENERAL

55.1 Number of employees

The total number of employees, including contractual employees, of the Group as at June 30, 2026 were 401 (2025: 406) and weighted average number of employees were 404 (2025: 434).

The number of factory employees, including contractual employees, of the Group as at June 30, 2026 were 234 (2025: 223) and weighted average number of employees were 238 (2025: 288).

55.2 Comparative information

In addition to report the impacts due to the matter as stated in note 1.1.3, certain corresponding figures have been reclassified and rearranged for the purpose of better presentation and comparison of transactions in these consolidated financial statements, the effect of which is not material.

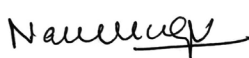
55.3 Subsequent event

The Board of Directors of the Holding Company in its meeting held on July 31, 2026 has recommended a final cash dividend of Rs. 3.5 per share for the year ended June 30, 2026 (2025: Rs. 2.5 per share). This is in addition to the interim cash dividend of Rs. 2 per share (2025: Rs. 5 per share). These consolidated financial statements do not reflect the effect of final cash dividend as this is subject to the approval of the shareholders of the Holding Company in the annual general meeting to be held on October 28, 2026.

56. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue in the Board of Directors’ meeting held on July 31, 2026.


Chief Executive


Director


Chief Financial Officer