



Crescent Steel and
Allied Products Limited

CARRYING WHAT MATTERS

ANNUAL REPORT 2026



WHERE ENERGY CARRIES **HOPE**

Power reaches homes, classrooms
and businesses—enabling growth,
learning and connection.



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ABOUT THE REPORT

This report is the fourth edition of our integrated financial and corporate responsibility reporting, published separately up until FY22. The FY26 annual report provides a detailed and focused overview of our operational performance across key areas of our business, alongside detailed annual financial reporting.

Our Priorities and Learning From Stakeholders

We are responsible corporate citizens and strive to build and enhance value across all stakeholder groups. This includes maximizing returns for our shareholders and practicing our business in a manner that delivers long term value.

We regularly collect key stakeholder feedback, both formally and informally, to determine where we stand and to ensure that we build a sustainable business with lasting positive impacts in all areas of our operations.

Scope and Boundary

This report covers the performance of business operations across the Company for both financial and non-financial information. Audited standalone financial statements present a detailed overview of Business Units within Crescent Steel while consolidated financial statements present Group level financial information that includes two wholly owned subsidiaries and the impacts of equity accounted associate companies.

Reporting Period Covered

This report covers fiscal year 2026 unless otherwise mentioned.

Reporting Framework

The report follows the IFAC’s International Financial Reporting Standards (IFRS), reporting requirements of the Companies Act (2017) and, the Global Reporting Initiative (GRI) Universal Standards 2021.

The report also draws from guidelines of the Integrated Reporting Framework, ICAP Best Corporate and Sustainability Report Evaluation Criteria, PSX Reporting Criteria and, the SECP ESG Disclosures Road Map. It also maps our contribution to the UN Sustainable Development Goals.

IFRS S1 and S2 Sustainability Disclosure Standards

The Company is undertaking the necessary steps to align its sustainability and climate-related reporting and disclosures with incoming IFRS Sustainability Disclosure Standards, IFRS S1 and S2 with a target to achieve early adoption. We have partnered with CIRAUT for Board and management capacity building and to assist in report development to incorporate requirements of IFRS S1 and IFRS S2 in the FY27 reporting cycle.

For areas where disclosure standards have not been defined, they have been reported on management approach and benchmarked on globally accepted methodologies and assumptions.

Data Collection

While we started formally reporting on our corporate responsibility performance in 2013, we have always been reporting detailed financial performance alongside voluntary disclosures on corporate responsibility performance

since we commenced commercial production in 1987. We have a robust enterprise level accounting system, and our financials are closed every month. A monthly management report covering financial and operational performance is circulated to key management. Every quarter the Board meets to review performance along with quarterly financial information which is also circulated to shareholders through the stock exchange as per applicable requirements. Financial Statements and quarterly reports are also available on the Company’s website for all stakeholders. Financial Statements are reviewed/audited by an external auditor at half-year and, annually.

For non-financial/sustainability reporting related data collection, we operate an in-house data gathering portal which is based on a comprehensive sustainability manual developed by external consultants. The manual draws guidelines on disclosures from Global Reporting Initiatives reporting framework, which we augment periodically to remain updated with GRI’s latest guidelines as well as to strengthen our internal and external reporting mechanisms.

All material topics, which are of interest to various stakeholders, and which reflect significant impacts of our activities on the economy, environment, and society are included in this report.

To ensure accuracy and transparency in reporting, we are working with our Internal Auditors to have corporate

Editorial Policy	The Annual Report communicates our financial, operational and sustainability related activities and performance, with our stakeholders. This year’s report covers the efforts and performance of fiscal year 2026.
Organization	Crescent Steel and Allied Products Limited and its subsidiary companies. The significant locations of operations are Nooriabad and Dalowal in Pakistan, with the head office situated in Karachi.
Referenced Reporting Guidelines	• IFAC’s International Financial Reporting Standards (IFRS) • Global Reporting Initiative (GRI) Standards 2021
Reporting Cycle	Annual; (July 01, 2025 to June 30, 2026)
Reporting Period	Financial Year 2026 (July 01, 2025 to June 30, 2026)
Date of the Previous Report	Annual Report 2025, issued on October 07, 2025.
Date of Previous Report Audit (Internal/External)	The Company’s financial statements are audited by the appointed external auditors A.F. Ferguson & Co; GRI and other sustainability/non-financial disclosures have not been audited internally or externally; these have however undergone management review. Any restatements are duly disclosed.
Point of Contact and Feedback	For queries and clarifications on this report, please contact us at: info@crescent.com.pk
Available Online	The report is available online at https://www.crescent.com.pk/uploads/media/annual-report-2026.pdf

COMPANY INFORMATION

Board of Directors

Ahmad Waqar
Chairman, Non-Executive Director

Ahsan M. Saleem
Chief Executive Officer

Ahmad Shafi
Non-Executive Director

Muhammad Kamran Saleem
Non-Executive Director (Independent)

Nadeem Maqbool
Non-Executive Director (Independent)

Nausheen Ahmad
Non-Executive Director (Independent)

Nihal Cassim
Non-Executive Director (Independent)

S.M. Ehtishamullah
Non-Executive Director

Company Secretary

Azeem Sarwar

Audit Committee

Nihal Cassim
Chairman, Non-Executive Director (Independent)

Ahmad Shafi
Member, Non-Executive Director

Nadeem Maqbool
Member, Non-Executive Director (Independent)

S.M. Ehtishamullah
Member, Non-Executive Director

Human Resource and Remuneration Committee

Nadeem Maqbool
Chairman, Non-Executive Director (Independent)

Ahmad Shafi
Member, Non-Executive Director

Ahmad Waqar
Member, Non-Executive Director

Nausheen Ahmad
Member, Non-Executive Director (Independent)

Governance and Nomination Committee

Ahmad Waqar
Chairman, Non-Executive Director

Ahsan M. Saleem
Member, Chief Executive Officer

Muhammad Kamran Saleem
Member, Non-Executive Director (Independent)

Nausheen Ahmad
Member, Non-Executive Director (Independent)

Risk Management Committee

S.M. Ehtishamullah
Chairman, Non-Executive Director

Muhammad Kamran Saleem
Member, Non-Executive Director (Independent)

Nihal Cassim
Member, Non-Executive Director (Independent)

Management Team

Ahsan M. Saleem - 1983*
Chief Executive Officer

Muhammad Saad Thaniana - 2007*
Chief Financial Officer and CEO Solution De Energy (Private) Limited

Hajerah A. Saleem - 2012*
Deputy Managing Director and CEO CS Capital (Private) Limited

Abdullah A. Saleem - 2017*
Chief Operating Officer

Mushtaque Ahmed - 1985*
Head of Manufacturing - Steel Division

Head of Internal Audit

Muhammad Shakeeb Ullah Khan - 2021*

Auditors

External Auditors
A.F. Ferguson & Co
Chartered Accountants

Internal Auditors
BDO Ebrahim & Co
Chartered Accountants

Legal Advisor

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

Bankers

Conventional

Allied Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
United Bank Limited

Shariah Compliant

Al Baraka Bank Pakistan Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan
Faysal Bank Limited
Meezan Bank Limited

Subsidiaries**

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

Registered Office

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

Liaison Office Lahore

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

Principal Office

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

Production Sites

Steel Division

Pipe and Coating Plants

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

Engineering Unit

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

CS Energy Division Power Generation Unit

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

Public Information

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

Mr. Azeem Sarwar

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

Share Registrar

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

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

Corporate Website

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



Annual Report

For Annual Report 2026 go to:
<https://www.crescent.com.pk/uploads/media/annual-report-2026.pdf>



* Year of Joining
** Registered Office and Principal Office are same as holding company

OUR PERFORMANCE OVER THE YEARS

TWENTY TWENTY-SIX AT A GLANCE

- Rs. 692.31 million donated to support The Citizens Foundation since 1995 at an average of Rs. 22.33 million per year. This translates to an average of 6.89% of PBT for the current year.
- During the year our education segment giving stood at Rs. 153.44 million or 8.75 % of FY26 PBT.
- Over the 10 years, the company has achieved an average Return on Equity (ROE) of 4.5%, while sales have declined at a CAGR of 3.21%.
- Since 2008, over 75,500 trees have been planted across 19 years, reducing approximately 447 tons of CO₂ – equivalent to avoiding the burning of around 58,885 gallons of gasoline

	2026	2025
ECONOMIC	- EPS: Consolidated=Rs. 19.74, Unconsolidated = Rs. 16.63 - ROE: Consolidated = 15.5%, Unconsolidated = 13.4% - Total sales of Rs. 7,936 million at a gross margin of 25.4% - Profit before taxation: Consolidated = Rs. 2,096.4 million at a margin of 26.4%, Unconsolidated Rs. 1,747.9 million at a margin of 22.0% - Taxes stood at: Consolidated=Rs.700.2 million, 33% of PBT, Unconsolidated Rs.593.0 million, 34% of PBT - Income from investments: Consolidated = Rs. 1,005.5 million at an ROI of 20.9 %, Unconsolidated Rs. 644.3 million at an ROI of 14.2%. - Remuneration to employees constitutes 14 % of net wealth generated - Goods and services purchased constitute 52.2% of Sales - Bare Pipe Production: 20,228MT - Line Pipe Coatings: 246,959 sq. meters - Dividend from strategic Investments: Rs. Nil - Supplied 198 km of high-quality line pipes on time, including 143 km for national energy infrastructure projects and 55 km for the Water Supply projects.	- LPS: Consolidated=Rs. (0.56), Unconsolidated EPS = Rs. 17.30 - ROE: Consolidated = (0.5%), Unconsolidated = 15.4% - Total sales of Rs. 6,346.3 million at a gross margin of 25.2% - Profit before taxation: Consolidated = Rs. 452.1 million at a margin of 7.1%, Unconsolidated Rs. 2,084.9 million at a margin of 32.9% - Taxes stood at: Consolidated=Rs. 318.8 million, 71% of PBT , Unconsolidated Rs. 565 million, 27% of PBT - Income from investments: Consolidated = Rs. 532.9 million at an ROI of 16.2 %, Unconsolidated Rs. 1,462 million at an ROI of 39.6%. - Remuneration to employees constitutes 23.4 % of net wealth generated - Goods and services purchased constitute 61.3% of Sales - Bare Pipe Production: 41,175MT - Line Pipe Coatings: 319,711 sq. meters - Dividend from strategic Investments: Rs. 754 million - Supplied 204 km of high-quality line pipes on time, including 162 km for national energy infrastructure projects and 42 km for Water Supply projects.
	34 students supported through tertiary education sponsorships in Pakistan. 1,299 hours volunteered 401 employees across locations where we operate 53% employees in formal training programs; average training of 4.10 hours per employee across all tiers 256+ local, 32+ foreign contractors, service providers and suppliers engaged	31 students supported through tertiary education sponsorships in Pakistan. 1,339 hours volunteered 406 employees across locations where we operate 56% employees in formal training programs; average training of 4.59 hours per employee across all tiers 291+ local, 46+ foreign contractors, service providers and suppliers engaged

Membership of Associations

- Pakistan Centre for Philanthropy
- Management Association of Pakistan
- Pakistan Engineering Council
- Pakistan Steel Line Pipe Industry Association
- Employers’ Federation of Pakistan
- The Federation of Pakistan Chambers of Commerce & Industry
- Karachi Chamber of Commerce and Industry



External Initiatives

- API Specification Q1 and API 5L (latest editions)
- ISO 9001:2015, 14001:2015, ISO 45001:2018
- Global Reporting Initiative (GRI) and Sustainability Reporting Standards



	2026	2025
COMMUNITY	- Rs. 152.94 million donated to support causes working in education during the year - Rs. 162.7 million in community investments, a 45% increase over the prior year. However, as a percentage of PBT it was higher at 9.3%. 23,000 ml of blood collected from donors during the year. 46 employees participated in the blood drive held at the Head Office and Nooriabad Factory.	- Rs. 102.22 million donated to support causes working in education during the year - Rs. 112.2 million in community investments, a 11.33x increase over the prior year. However, as a percentage of PBT it was higher at 6%. 23,000 ml of blood collected from donors during the year. 46 employees participated in the blood drive held at the Head Office and Nooriabad Factory.
	- Energy consumption:(GJ) 41,041; Fuel consumed by company fleet :(GJ) 1,917 Self-generated:(GJ) 35,793 National grid: (GJ) 3,331 - GHG emission decreased by 1,078 tonnes of CO₂ against an increase of 25.1% in sales - Emissions intensity ratio 0.0003MT CO₂ / sales 9,185 trees including 1,000 mangrove saplings planted. Minimize our yearly carbon footprint by 45.51 tonnes	- Energy consumption:(GJ) 53,417; Fuel consumed by company fleet : (GJ) 1,925 Self-generated:(GJ) 46,300 National grid: (GJ) 5,192 - GHG emission decreased by 2,000 tonnes of CO₂ supported by decrease of 30.2% in sales - Emissions intensity ratio 0.0006MT CO₂ / sales 9,482 trees including 1,000 mangrove saplings planted. Minimize our yearly carbon footprint by 39.6 tonnes
RECOGNITION	- Crescent Steel and Allied Products Limited is honored to be ranked 12th among the Pakistan Stock Exchange’s Top 25 Companies. - Our Company was presented with a Certificate of Merit in the Engineering and Autos Sector by ICAP and ICMAP under the ‘Best Corporate Report Awards’ for 2024 - Crescent Steel and Allied Products Limited was presented with a Joint Bronze Award in the Diversified Holdings category by South Asian Federation of Accountants (SAFA) under the ‘Best Presented Annual Report Awards’ for 2024 - Crescent Steel and Allied Products Limited received the Runner Up Award in the Engineering Sector at the Management Association of Pakistan’s 40th Corporate Excellence Awards 2025.	Certificate of Merit in the Engineering and Autos Sector by ICAP and ICMAP under the ‘Best Corporate Report Awards’ for 2023.

KEY HIGHLIGHTS

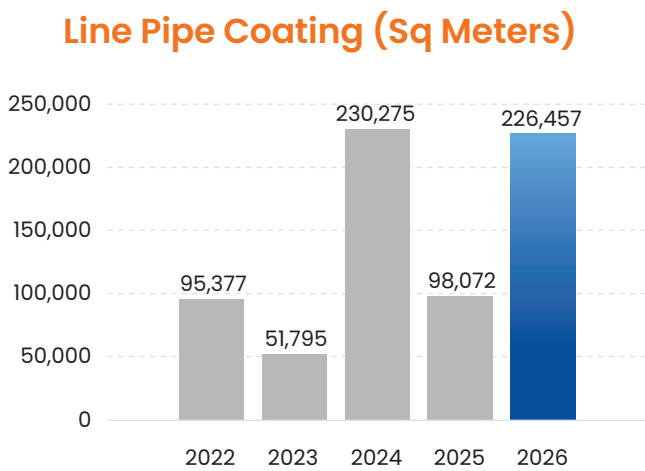
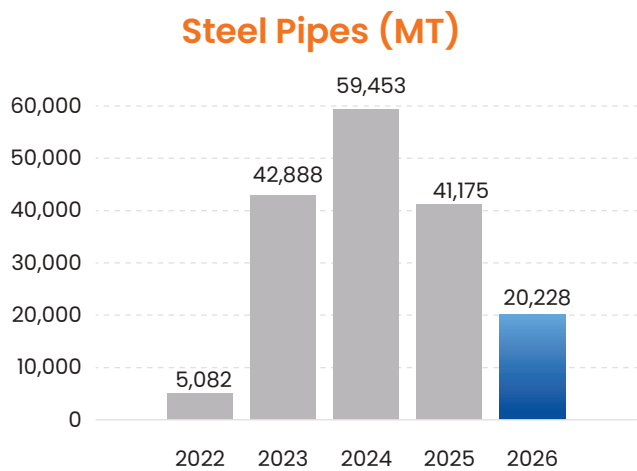
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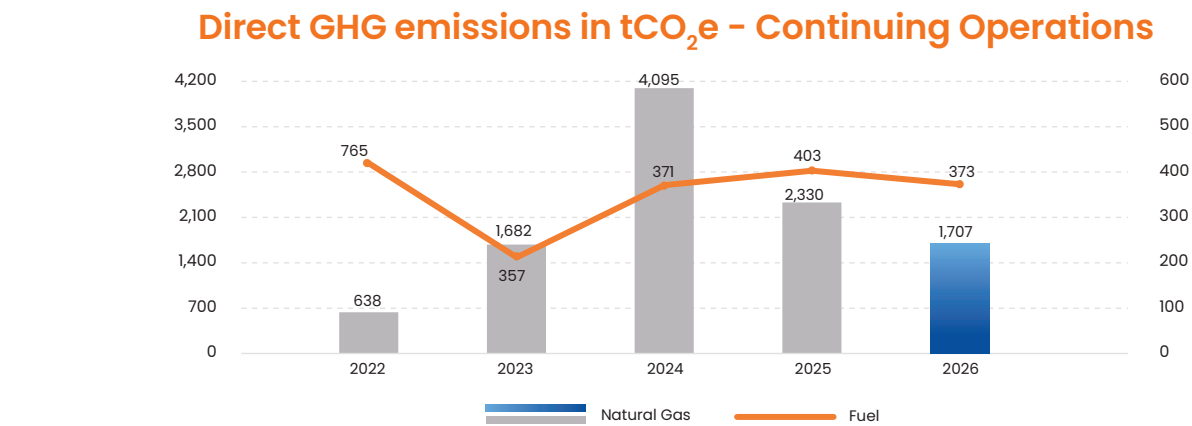
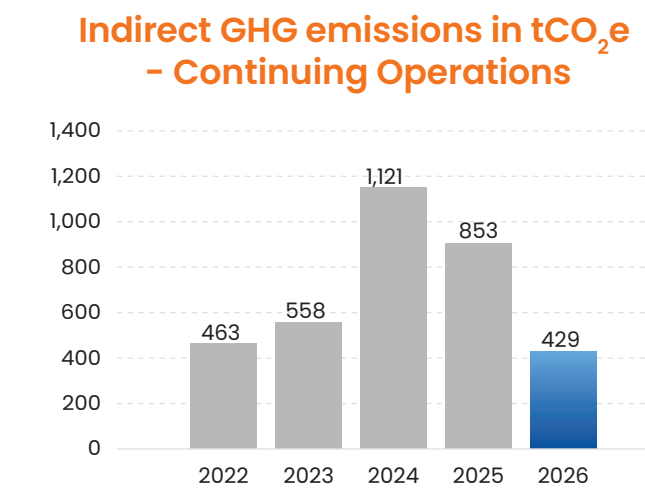
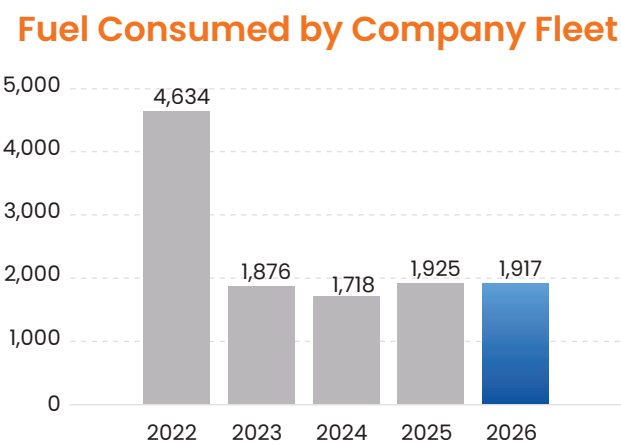
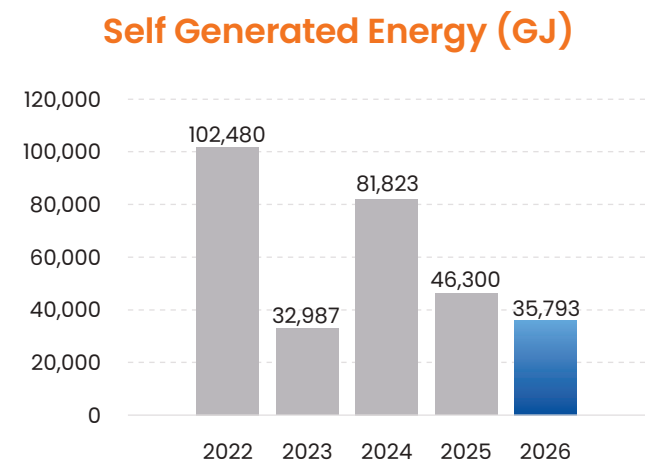
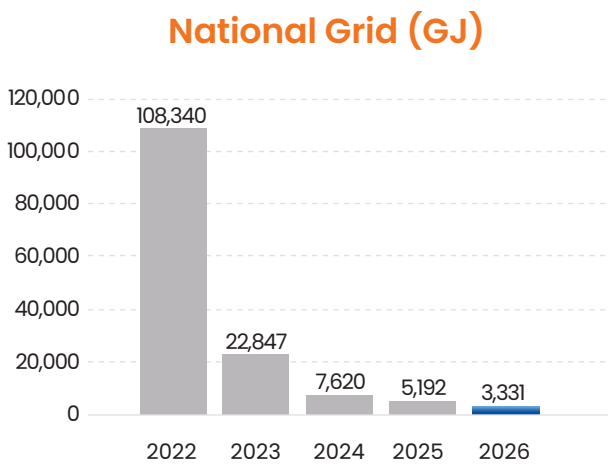
CONSOLIDATED



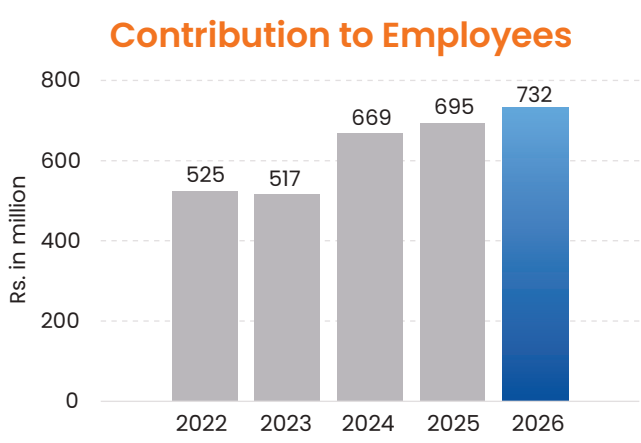
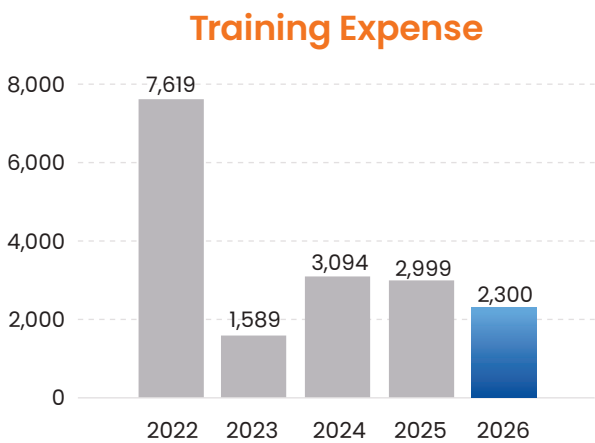
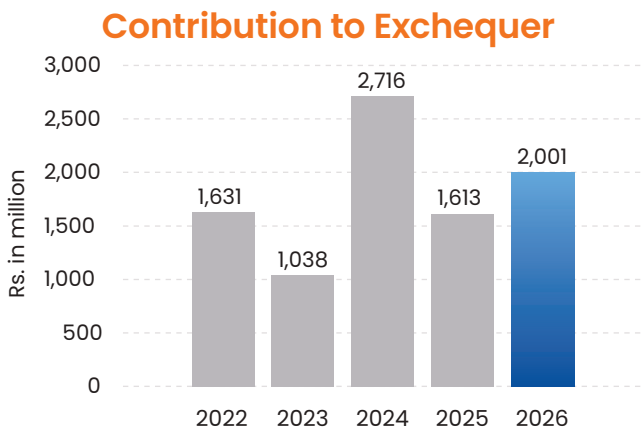
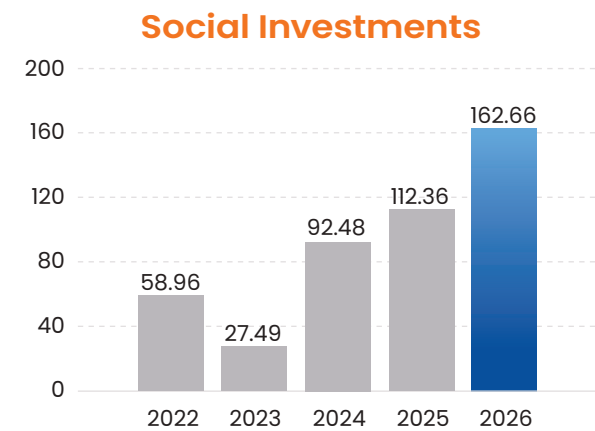
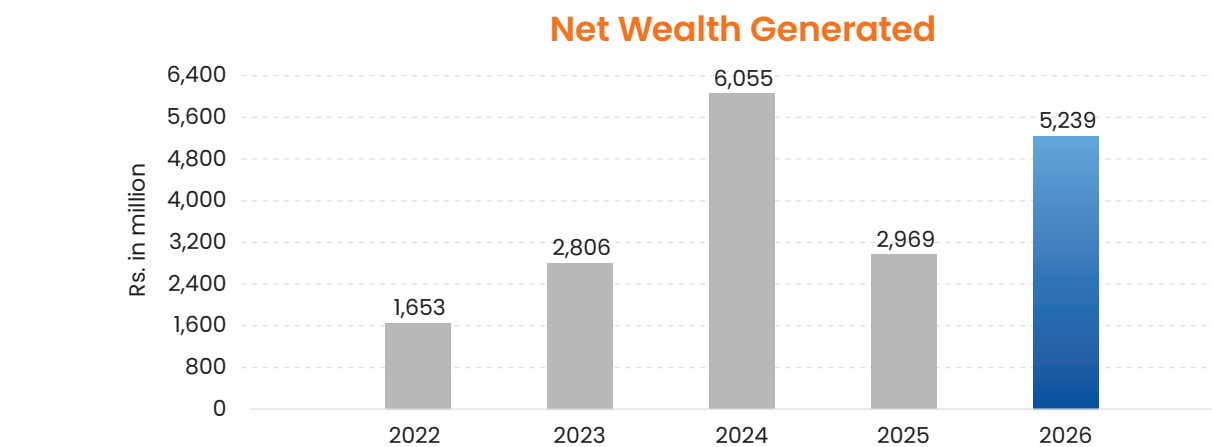
OPERATIONAL PERFORMANCE



ENVIRONMENTAL PERFORMANCE



WEALTH GENERATED AND DISTRIBUTED



WHERE STEEL CARRIES **PROGRESS**

The line pipes we supply are used in essential national infrastructure water and hydrocarbons transportation to businesses and households across the country.



CHIEF EXECUTIVE OFFICER'S REVIEW REPORT

Dear Shareholders,

It is my pleasure to present the Annual Report for Fiscal Year 2026 which includes our annual sustainability and financial performance together with statutory disclosures. This report is accompanied by the audited Financial Statements (Standalone and Consolidated) for the year ended June 30, 2026.

We maintained our position as a leading line pipe manufacturer, delivered consistent financial results accompanied by stable returns for shareholders, completed plant and machinery investments which enhance our capacity in both large dia line pipe manufacturing and line pipe coating, and completed divestments in underperforming assets to protect profitability and improve allocations.

In the outgoing fiscal year we harvested capital from non-core and underperforming assets, brought debt down sharply, and held our dividend payout steady as a share of profit even as the core steel business absorbed a slowdown in project execution. The result is a cleaner, less-levered balance sheet. On a standalone basis, profitability was lower compared to FY25, a year that had been flattered by an exceptional capital markets rally and a large one-off gain on the Altern Energy Limited (ALTN) divestment.

We also saw key leadership transitions taking effect and reviewed our organisation succession matrix at the Board level. Investments made in FY25 in response to shop applied cement mortar lining demand were successfully product tested during FY26. We enabled SNGPL in adding 100 mmfd of supply to the national gas transmission infrastructure, four months ahead of schedule – diminishing the impact of energy supply chain shocks in the first three months of the US-Iran War.

We made a deliberate and disciplined prioritization of where we want to grow, remaining focused on businesses where we can leverage our inherent strengths and long-standing capabilities. Our strategic thrust remains on the engineering sector, which is core to our value proposition and long-term growth ambitions. Divesting from manufacturing operations that had been a part of our journey, required courage; these units ultimately lacked the financial viability and strategic alignment required to support our long term core objectives. This optimisation reflects our commitment to capital efficiency, strategic clarity, and sustainable value creation.

The K-IV Pipeline Project – which will supply 260 MGD of potable water from Keenjhar Lake to reservoirs in Karachi through a 210 km pipeline network – is nearing completion of its first phase. ~70% of the ~210 km required has been delivered to date, with the remaining 30% (65 km) expected to wrap up during FY27 against client-supplied HRC. This project continues to remain material for our business in the immediate term.

Phase I's near-completion has already triggered demand from the K-IV Augmentation Project (KWSSIP), which is designed to upgrade Karachi's water pipeline network and represents a further ~70,000 tons of coated and lined large-diameter pipe demand.

Profitability and cashflows from core steel line pipe operations improved significantly while flows from investments were impacted, due to lower income from investments (down 56% year-on-year), against the high base set by FY25's ALTN-related gains noted above; as a result overall profitability was lower while cashflows from operations improved significantly. The steel division helped drive strong overall financial results, contributing ~73% to Company PBT from continuing operations.

Ahsan M. Saleem
Chief Executive Officer

At the close of FY26, Crescent Steel successfully delivered ~198 kilometers (20,228 metric tons) of line-pipe in assorted sizes, alongside 246,959 square meters of line-pipe coating and 129,522 square meters of internal cement mortar lining. On a notional basis, volume of bare pipe production is down 22% when compared to FY25 which includes line pipe deliveries for the K-IV project (on a km basis however, the variance is -3% year on year).

Sales for FY26 stood at Rs. 7,936 million (FY25: Rs. 6,346 million), reflecting a 25.1% year-on-year increase. FY25 sales include line pipe supplies for which HRC is client supplied, hence the lower output despite higher recorded sales. Sales equated to Rs. 8,168.2 million on a deemed revenue basis (factoring in client supplied steel raw material) compared with deemed revenue of Rs. 12,161 million in FY25.

Profitability remained strong with standalone EBITDA from continuing operations at Rs. 2,213.9 million (FY25: Rs. 2,645.0 million), with a margin of 27.9% (FY25: 41.7%), reflecting available liquidity and earnings buffers that can be leveraged to absorb shocks and provide access to capital. Consequently, underlying EBIT from continuing operations stood at Rs. 1,908.3 million (FY25: Rs. 2,373.3 million), translating into a margin of 24.0% on net sales (FY25: 37.4%). Profitability was impacted primarily due to lower income from investments (down 56% year-on-year) with FY25 investment income primarily constituting dividends and one off realized gains on sales of strategic holdings in ALTN.

Unconsolidated profit after tax (PAT) stood at Rs. 1,291 million (FY25 PAT: Rs. 1,343 million). Gross profit stood at Rs. 2,014 million, a margin of 25.4% (FY25: 25.2%; Rs. 1,597.4 million) reflecting stronger steel division performance and margin protection. Operating profit, was recorded at Rs. 1,908.3 million (FY25: 2,373.3 million), translating into a margin of 24.0% (FY25: 37.4%).

On a year-on-year basis contribution from investments to continuing operations PBT fell from 68% in FY25 to 31% in FY26 as against the Steel Division contribution of 35% and 73% in FY25 and FY26, respectively.

On a consolidated basis, the Group posted a profit after tax of Rs. 1,533 million for FY26, compared to a loss after tax of Rs. 43 million in FY25. Operating profit, was recorded at Rs. 2,258 million up 85% year-on-year (FY25: 1,216 million), translating into a margin of 28.4% (FY25: 19.2%). The improvement in the consolidated P&L is driven by both stronger steel division performance and the absence of the prior year ALTN share-of-loss and impairment charge.

Consequently, unconsolidated earnings per share (EPS) for FY26 stood at Rs. 16.63 (FY25: Rs. 17.30), while consolidated EPS was Rs. 19.74 (FY25: LPS of Rs. 0.56).

As at June 30, 2026, the Company's balance sheet footing stood at Rs. 12,105.5 million (FY25: Rs. 15,919.8 million). In addition to BMR and investment flexibility, free cash flow allowed us to retire debt (down ~70% year-on-year). Consequently, finance costs were lower year-on-year by Rs. 128 million or 45%, gearing ratio stood at 4.1% (FY25: 21.5%) and we posted an improved current ratio of 3.6x (1.6x). During the year our teams were able to restructure financing limits against raw material and plant and machinery assets, freeing up property and stock assets which were previously blocked as collateral with lenders.

Crescent Steel's book value has grown at a compounded annual growth rate (CAGR) of 7.4% since 1987 – from Rs. 7.11 to Rs. 124.51 per share. When adjusted for unrealized gains on strategic investments held at cost, the indicative break-up value stands at Rs. 157.30 per share. As of the reporting date, the Company's share traded at Rs. 114.1 per share, reflecting an earnings multiple of 6.9x and a price-to-book value ratio of 0.91x.

The Company distributed Rs. 155.3 million, representing 12.0% of PAT, as interim dividend during FY26. Including the proposed final dividend (payable in FY27), total profit distribution to shareholders for the year will stand at Rs. 427.0 million, equating 33.1% of PAT (FY25: 43.4% of PAT).

Rs. 162.7 million or 9.3% of profit before tax (PBT) from continuing operations was donated towards various causes we support (FY25: Rs. 112.4 million or 5.4% of PBT); this year's giving includes past pledges held due to cashflow constraints in previous years. Of these community investments, approximately 94.0% were directed toward education, reflecting our belief in its transformative impact and long-term value creation.

Rs. 1,920 million or 98% of PBT and 24% of sales from continuing operations, was paid in taxes to the national exchequer and broader economy (FY25: Rs. 1,584.1 million; 76.0% of PBT; 25% of sales), a year-on-year increase of 21.2%. Rs. 5,726 million (54.0% of sales) was paid to suppliers, while Rs. 728 million (9.2% of sales) was distributed to employees as compensation and benefits. Payments to lenders stood at Rs. 160.4 million (2.0% of sales and on an average borrowing cost of 10.1%).

We employ a diverse workforce with varying skill sets across 6 locations; on average, we had 404 people in

employment during the outgoing fiscal year and closed the fiscal year with a workforce of 401 (FY25: 406).

The flexibility and strength of our operating model combined with the commitment of our leadership and teams enabled us close FY26 with positive performance despite a major trim down in manufacturing assets, rising input costs and volatile regional and energy sector dynamics. These outcomes demonstrate the resilience of our business model, and reflect our ability to adapt, prioritize core strengths, and execute with discipline under challenging conditions.

Looking ahead, a key strategic focus will be to sustain topline momentum and reinforce the Company's growth trajectory through operational excellence, market responsiveness, and prudent capital allocation.

Our Business

Incorporated in 1983, we commenced commercial production in 1987 with an API licensed line pipe manufacturing unit about 100 km from Karachi, in Nooriabad. The four decade lifecycle of Crescent Steel has seen it diversify into textiles and power sectors. The last decade of the Company has been about unwinding many of these investments to bring focus back to our strength in engineering.

Our flagship operations manufacture, line and coat large diameter steel line pipes used for vital energy and water transmission and distribution infrastructure across communities.

Our line pipe business is inherently tied down to infrastructure development cycles making flows cyclical. To buffer against these fluctuations, we have a resilient corporate structure supported by ancillary income streams and robust cash flow management. We operate an investments division which includes two wholly owned subsidiaries, CS Capital (Private) Limited and Solution de Energy (Private) Limited. The division operates the Company's portfolio of investments in strategic as well as trading investments in equities and real estate. Our capital market investments reflect a long-term conviction in the resilience and growth potential of Pakistan's corporate sector.

Our Businesses Continue to Provide Equal Opportunity Employment to Hundreds of People in Pakistan.

During the year produced and supplied 20,228 tons of steel line pipe in diameters ranging from 10 inches to 40 inches (41,175 tons in FY25). On a notional basis, this works out to 64,655 tons on an installed notional capacity of 200,000 tons. Line pipe coatings of 246,959 sq. meters on an installed notional capacity of 600,000 sq. meters (319,711 sq. meters in FY25). A total of ~198 KMs of line pipes were dispatched during the year.

The Steel Division remained a key contributor to Crescent Steel's overall performance during FY26. Revenues stood at Rs. 7,936.2 million (FY25: Rs. 6,346.3 million), generating a gross profit of Rs. 2,074.0 million at a margin of 26.1% (FY25: 26.1%; Rs. 1,655.9 million). Adjusting for deemed revenue of approximately Rs. 232.0 million, estimated sales reach Rs. 8,168.2 million, reflecting a gross margin of 24.7%. The Division posted a profit before tax (PBT) of Rs. 1,267.8 million (FY25: Rs. 724.2 million), contributing Rs. 16.33 per share – 64.7% to the Company's total PBT of Rs. 25.25 per share.

FY26 was another strong year for Pakistan's capital markets on the back of sustained improvements in macroeconomic indicators and investor confidence. The KSE-100 Index rose 43.5% to close FY26 at 180,301 points – among the strongest performers globally.

For Crescent Steel, this performance is material. Our investment portfolio benefitted from market gains, while the broader improvement in liquidity and confidence has positive implications for capital formation across industries. Valuations remain compelling when compared to historical and regional averages – a potential for further re-rating as fundamentals continue to strengthen.

Rs. 625 m or 34% of cash generated from strategic divestments were reinvested to rebuild the portfolio – consequent on financing limits being structured against plant and machinery and raw material collaterals, the portfolio assets are almost entirely available for access to capital through both trading flows and financing.

The equities portfolio (on a consolidated basis including CS Capital) holds Rs. 3,454 million in trading investments while Rs. 5,245 million makeup strategic investments. The division posted a PBT of Rs. 542 million, including dividend income of Rs. 172 million, contributing 27.6% to the PBT of Rs. 6.98 per share. On a consolidated basis the Investments Division PBT stands at 45%.

The increasing reliance on pipelines as efficient logistics for water and hydrocarbons transport will sustain

demand for large diameter line pipes. Crescent Steel is strategically positioned to capitalize on this opportunity, leveraging its technical expertise, manufacturing capacity, and longstanding industry relationships to support infrastructure expansion and national development.

Our successes mean a durable energy and water infrastructure for Pakistan.

The Company has contributed ~33% of the national gas transmission infrastructure of ~14,000 kms since 1986, playing a significant role in advancing Pakistan's energy logistics and infrastructure footprint.

Energy and water security is essential to economic and social development and have a profound effect on lives everywhere. These sectors have historically been the single most important contributors to Crescent Steel's growth and employment generation, and they remain central to our business sustainability today.

Our pipe manufacturing business continues to serve domestic demand for large diameter steel line pipes – products that are otherwise imported at high freight costs to bridge local supply gaps. Planned projects to expand pipeline infrastructure, particularly for the transportation of imported fuels, along with critical water and sanitation projects are material to our business and to Pakistan's long-term development agenda.

Consequent on plant and machinery disposals at the billet unit as well as the spinning unit, freehold land and building have been reclassified as "Investment Property," in line with the broader objective of optimizing asset deployment and focusing capital on core segments and potential for alternate use.

Our commitment has always been to deliver quality products responsibly, efficiently, and economically, and in doing so to make positive contributions to our community, provide fair returns to our shareholders and a desirable workplace for employees.

As a long-term industrial concern, our values are rooted in sustainable principles. Since we opened our facility in Nooriabad in the 1980s – with all our expansions and consolidations during this time, we have grown with the communities where we work and live, have remained invested in the overall well-being of Pakistan, minimizing our environmental footprint and being a reliable partner for suppliers and customers.

We take pride in the unwavering commitment to ethical business practices demonstrated across our leadership and management teams. Our Core Values and Governing Principles reflect a deeply held belief that every aspect of our business must be conducted with honesty, openness, fair play, and decency. These principles were formally adopted well before the introduction of any mandated Code of Corporate Governance and even prior to our listing in 1987. They still serve as Crescent Steel's North Star, informing our thinking, behaviours and expectations around doing what is right and responsible for our business and, for all Crescent Steel stakeholders.

We strive to build a culture of care anchored in safety-first principles, a commitment to environmental stewardship, strong relationships with all our stakeholders and the discipline and focus to stay the course in both favorable and challenging times.

We are grateful for what we have accomplished over the past four decades – building not just infrastructure, but trust, impact, and institutional strength.

As we look ahead, we remain committed to leveraging opportunities and continuing to make a lasting difference for our business, our communities, and the nation at large.

Looking Ahead

Our recent consolidations help bring sharper focus and greater investment cushion to the line pipe business at a time where there is growing demand in the water transmission segment – an area we have been able to showcase performance and product differentiation through the K-IV Project contribution.

We expect inshaAllah that planned projects in both the water and energy segments will keep us busy over the next five years and allow for further product differentiation in this segment. We are actively exploring internal lining market depth and seek to partner with customers to introduce lining applications and develop demand for flow and corrosion protection internal coatings.

In the immediate term, our in-hand orders include completion of the K-IV Phase I deliveries of ~70Kms and ancillary demand from the water sector for coated and cement lined steel pipe.

We also expect gas-sector orders of approximately 60 km in H2FY27. The White Oil Pipeline Project is expected to be tendered by the end of FY27, with potential demand for approximately 435 km of assorted large-diameter coated steel line pipe over the following two years.

As K-IV phase one nears completion, we anticipate water sector demand for coated and internally lined steel pipe, from allied projects including the K-IV Augmentation Project. With the larger opportunity falling beyond FY27, the immediate term outlook remains subdued, reinforcing the need for us to develop additional topline wallets.

I remain confident about Crescent Steel's future because Pakistan's fundamentals and geostrategic advantage are turning a corner. Our strategy remains clear. We are committed to reinforcing our position in the engineering sector and deploying capital for long term growth and value creation.

The recent macroeconomic stabilization and global diplomatic role is creating space for investment, and I have conviction that the engineering sector will prove to be an engine of growth and innovation. Pakistani corporates have shown resilience through every cycle, and I believe the years ahead will offer new opportunities for companies that combine technical strength with disciplined execution. Crescent Steel is well positioned to contribute to and benefit from this next phase of growth.

I extend my sincere gratitude to the Board and its committees for their proactive guidance and unwavering support. I also wish to acknowledge the dedication and resilience of our employees and management team, whose outstanding contributions have been instrumental to sustained performance.

Finally, I would like to recognise and thank our stakeholders – our customers, the communities in which we operate, our business partners, and most importantly, you, our shareholders.

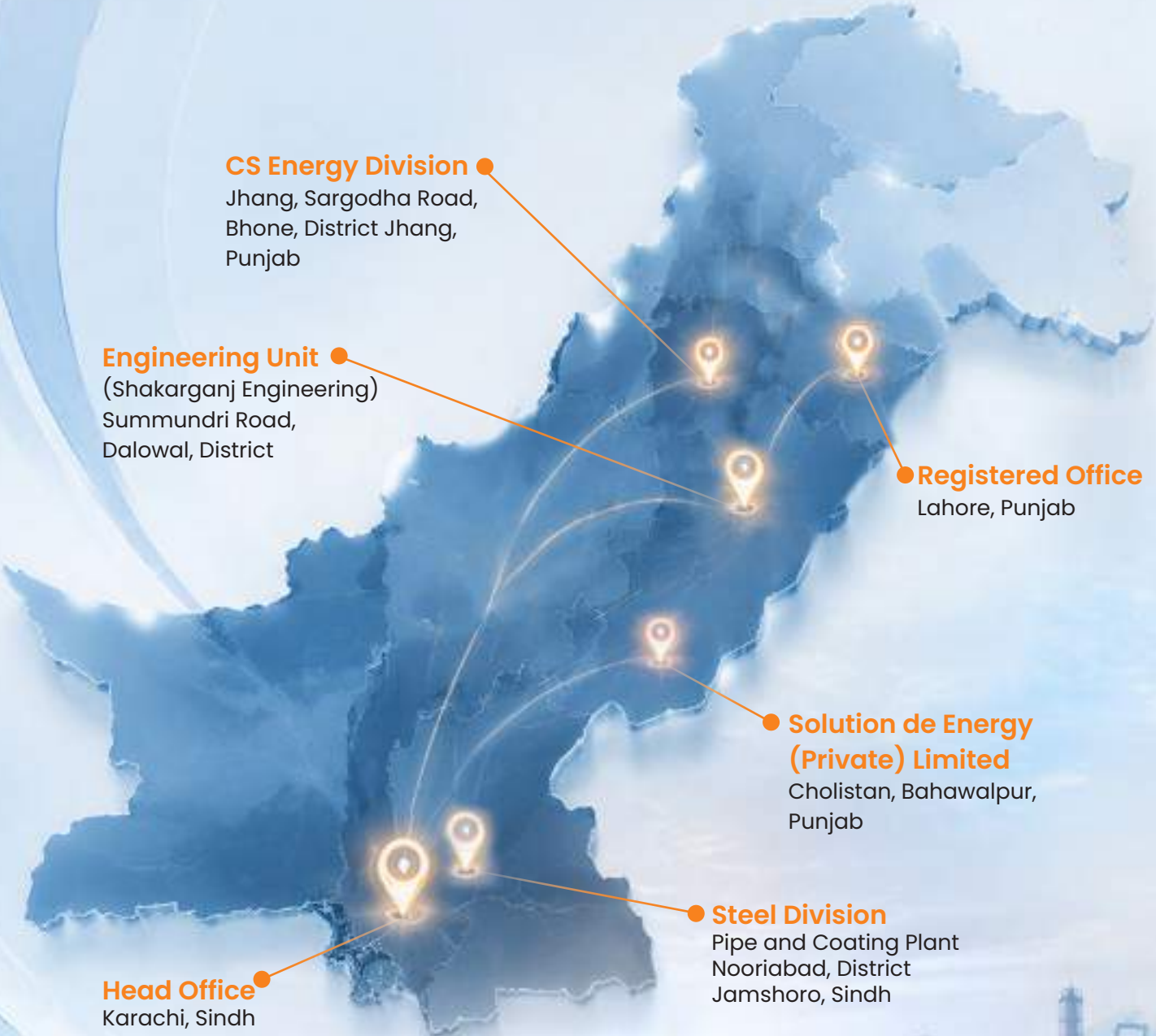
I look forward to your continued trust and support in our collective journey to build a sustainable and value-creating enterprise.



Ahsan M. Saleem

Chief Executive Officer
July 31, 2026

OUR FOOTPRINT



Business Unit	Address
Principal Office and Mailing Address	9th Floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi-74200
Liaison Offices	E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.
Steel Division Pipe and Coating Plants	A/25, S.I.T.E., Nooriabad, District Jamshoro, Sindh-73090
Engineering Unit	17 Kilometer Summundri Road, Dalawal, District Faisalabad, Punjab.
CS Energy Division Power Generation Unit	57 Kilometer, Jhang Sargodha Road, Bhone, District Jhang.

AWARDS AND ACCOLADES

2017

- 1st Position in the Diversified Holdings Sector – Best Presented Annual Report Award 2015 (SAFA)
- 3rd Position in the Engineering Sector – Best Corporate Report Award 2015 (ICAP and ICMAP)
- 3rd Position – Best Sustainability Report Award 2015 (ICAP and ICMAP)
- 1st Position in the Engineering and Autos Sector – Best Corporate Report Award 2016 (ICAP and ICMAP)
- 3rd Position – Best Sustainability Report Award 2016 (ICAP and ICMAP)

2018

- Listed among PSX – Top 25 Companies 2016
- 1st Position in the Diversified Holdings Sector – Best Presented Annual Report Award 2016 (SAFA)
- 3rd Position in the Integrated Reporting Category – Best Presented Annual Report Award 2016 (SAFA)
- 5th Position – Best Sustainability Report Award 2017 (ICAP and ICMAP)

2019

- Certificate of Merit in the Engineering and Autos Sector – Best Corporate Report Award 2018 (ICAP and ICMAP)
- 1st Position in the Diversified Holdings Sector – Best Presented Annual Report Award 2017 (SAFA)

2020

- 3rd Position – Corporate Philanthropy Award 2018 (PCP)

2021

- 1st Position in the Diversified Holdings Sector – Best Presented Annual Report Award 2019 (SAFA)
- Certificate of Merit in the Engineering & Autos Sector – Best Corporate Report Award 2019 (ICAP & ICMAP)
- Certificate of Merit in the Engineering & Autos Sector – Best Corporate Report Award 2020 (ICAP & ICMAP)

2022

- 1st in the Diversified Holdings Sector – Best Presented Annual Report Award 2020 (SAFA)
- Certificate of Merit in the Engineering and Autos Sector – Best Corporate Report Award 2021 (ICAP and ICMAP)

2023

- Joint Gold Award in the Category of Diversified Holdings by South Asian Federation of Accountants (SAFA) under the Best Presented Annual Report Awards for 2021

2024

- Silver Award in the Category of Diversified Holdings by South Asian Federation of Accountants (SAFA) under the Best Presented Annual Report Awards for 2022.
- Certificate of Merit in the Engineering and Autos Sector – Best Corporate Report Award 2022 (ICAP and ICMAP).

2025

- Certificate of Merit in the Engineering and Autos Sector by ICAP and ICMAP under the Best Corporate Report Awards for 2023.

2026

Top 25 Companies by the Pakistan Stock Exchange (PSX) for the calendar year 2024

Crescent Steel and Allied Products Limited is honored to be ranked 12th among the Pakistan Stock Exchange's Top 25 Companies.

Management Association of Pakistan: 40th Corporate Excellence Awards 2025

Crescent Steel and Allied Products Limited has received the Runner-Up Award 2025 in the Engineering Sector category.

SAFA's Best Presented Annual Report Awards 2024

Crescent Steel and Allied Products Limited was presented with a Joint Bronze Award in the Diversified Holdings category by South Asian Federation of Accountants (SAFA) under the 'Best Presented Annual Report Awards' for 2024

ICAP & ICMAP: Best Corporate and Sustainability Report Awards

Our Company was presented with a Certificate of Merit in the Engineering and Autos Sector by ICAP and ICMAP under the 'Best Corporate Report Awards' for 2024.



OUR HISTORY (1983-2026)

1983-1990

1983

- Incorporation of Crescent Steel and Allied Products Limited*

1987

- Started commercial production
- Listed on Pakistan Stock Exchange
- API Certification accreditation

1989-90

- Modification of pipe plant to produce line pipes up to 90 inches in outside diameter

1991-2000

1991

- Exported line pipes
- Investment made in 3-layered polyolefin coating facility

1992

- Executed first ever 3LPE coating project in Pakistan

1995-96

- Change of reporting period from December to June
- Introduced new logo of the Company

1997

- First company in its sector to obtain ISO 9001 accreditation
- Started reporting on Environment and Social Responsibility

2000

- Diversified into the textile sector by acquiring Crescent Cotton Products consisting of 19,680 spindles*

2001-2010

2001-02

- BMR at Crescent Cotton Products

2003

- Adaptation of the Code of Corporate Governance

2004

- Implementation of ERP and other IT related initiatives
- Acquired testing facilities for our service line pipes

2005

- Installed fine count unit at Crescent Cotton Products consisting of 25,344 spindles*

2006

- Pipe manufacturing and coating plant significantly upgraded to produce pipes for cross country pipelines
- Completion and commencement of production on the new spinning mill
- First Pakistani Company to acquire oil and gas industry specifics ISO/TS 29001, QMS Certification from API

2007

- Initiated the implementation of Oracle E-Business Suite
- The Investment and Infrastructure Development Division (IID) was carved out as a separate business unit

2008

- Executed port piles work

2009

- Oracle E-Business Suite go - live

2010

- Acquired a 100% stake in Shakarganj Energy (Private) Limited, a bagasse fired thermal generation power plant*
- Adapted horizontal and vertical integration in the steel business
- Complied with ISO 14001 and OHSAS 18001 requirements for the first time

2011-2020

2011

- Upgraded coating plant capacity to 60" making it the only coating plant of this capacity in Pakistan
- Migrated entire ERP system to Cloud Infrastructure
- Machinery enhancement at Crescent Cotton Products

2012

- Acquired a 100% stake in CS Capital (Private) Limited*
- Steel Division upgraded with state-of-the-art digital control systems and HMI (Human Machine Interface) capabilities
- BMR at Crescent Cotton Products

2013

- Incorporated a wholly owned subsidiary Crescent Hadeed (Private) Limited to manufacture steel billets*
- High energy efficient motors installed for reducing consumption of energy during production
- Defined Crescent Core Values*
- Launched Crescent Communications – an internal communication platform
- Developed a sustainability reporting framework*

2015

- Land allocated by Punjab Power Development Board to Solution de Energy (Private) Limited to establish solar power generation plant
- Installation of 7,680 compact attachments to enhance efficiency*

2016

- Rights issued to finance expansion in the line pipe manufacturing unit by adding another SP Line
- Installation and commencement of operation on the second SP Line, enhancing the installed capacity and product offering*
- Production of 58,202 tons of Mixed-Dia Bare Pipe and coating of 590,738 square meters*

2017

- Record production of 88,110 tons of Mixed-Dia Bare Pipe*

2019

- Amalgamation of Crescent Hadeed (Private) Limited and CS Energy (Private) Limited – wholly owned subsidiaries
- Enhanced hydro-tester machine capacity to meet new industry requirements.*

2020

- Issuance of electricity generation license of Solution de Energy
- Tested and implemented IT infrastructure for work from home.
- Implementation of Covid-19 protocols and work instructions

2021-2026

2023

- Enhanced pipe hydrostatic testing capacity to up to 100" in pipe diameters*
- Enhanced coating capability of pipe from 64" to 84" diameters*
- Installed Solar Power system at Nooriabad having 561.2 KW*

2024

- Production of 59,453MTons of mixed dia bare pipe, including 43,347MTons of 84 inch OD API "Grade L290M/X-42M, Standard API Spec 5L (46th Edition) PSL-2
- Coating application on 84 inch OD pipe*

2025

- Classified operation of Hadeed Division as 'Discontinued operation'.
- Installed Cement Mortar lining setup
- Enhanced pipe end-beveling capacity to 120".
- Enhanced Solar Power Generation Capacity to 1 MW*
- Divestment from strategic holding in Altern Energy Limited

2026

- Classified operation of Crescent Cotton Division as 'Discontinued operation'.
- Delivered 129,322 square meters of shop applied internally cement mortar lined pipes of up to 52" diameter.*
- Acquired a third Spiral Pipe Mill and second External Coating Plant*
- Entered into Joint Pari Passu arrangement with lenders resulting collateral rationalization

*Denotes diversification into new business, major expansion in existing units and landmark achievements.

WHERE CAPABILITY CARRIES **POSSIBILITY**

We turn steel into line pipe solutions and develop technical depth and enhance employability.



GROUP STRUCTURE

Our Business Operations are structured as separate Business Units and as subsidiary units within Crescent Steel.

The Company operates three divisions: Steel and Engineering, Investments, and Infrastructure Development (IID) and, CS Energy. Operations of Crescent Cotton Products have been discontinued during FY26 and the plant and machineries were classified as 'Held for Sale' as on June 30, 2026. The Company also operates two wholly owned subsidiaries: CS Capital (Private) Limited and Solution De Energy (Private) Limited. CS Capital forms part of the IID Division as a standalone investment holding company while Solution De Energy holds strategic investments in a 100 MW Solar Park Project and forms part of the CS Energy Division.

The Company holds strategic investments in Shakarganj Limited (28.1%), Shakarganj Food Products Limited (19.99%) and Crescent Textile Mills Limited (8.5%)



VISION, MISSION AND, CORE VALUES

Our Mission, Vision and Core Values help communicate the purpose of the organization across stakeholder groups, inform strategy development and provide the basis for setting measurable goals and objectives in alignment with the corporate strategy.

Vision

To lead with purpose and create sustainable value for all stakeholders based on a legacy of excellence.

Mission

We build Pakistan's resilience by delivering infrastructure, industrial and capital solutions, that power long-term growth, create stakeholder value and uplift communities.

Our mission is driven by:

- A Pursuit of Excellence;
- Capital Stewardship;
- Leading with Integrity;
- Empowerment that Multiplies Impact

Core Values

Our core values are at the heart of our business – they define who we are, how we work, what we believe in, what we stand for, how we act and how we expect to be treated as part of Crescent Steel.



Integrity

Consistently doing the right thing.

Being ethically unyielding and honest in the way we conduct business.



Ownership

Acting with stewardship.

Building a better, stronger and more dynamic organisation.



Customer Focus

Leveraging relationships for out-performance.

Delivering value through responsiveness to internal and external customers.



Continuous Improvement

Continuous improvement gives us a competitive advantage.

Fostering collaboration, innovation and, creativity as individuals and as teams.



Community Care

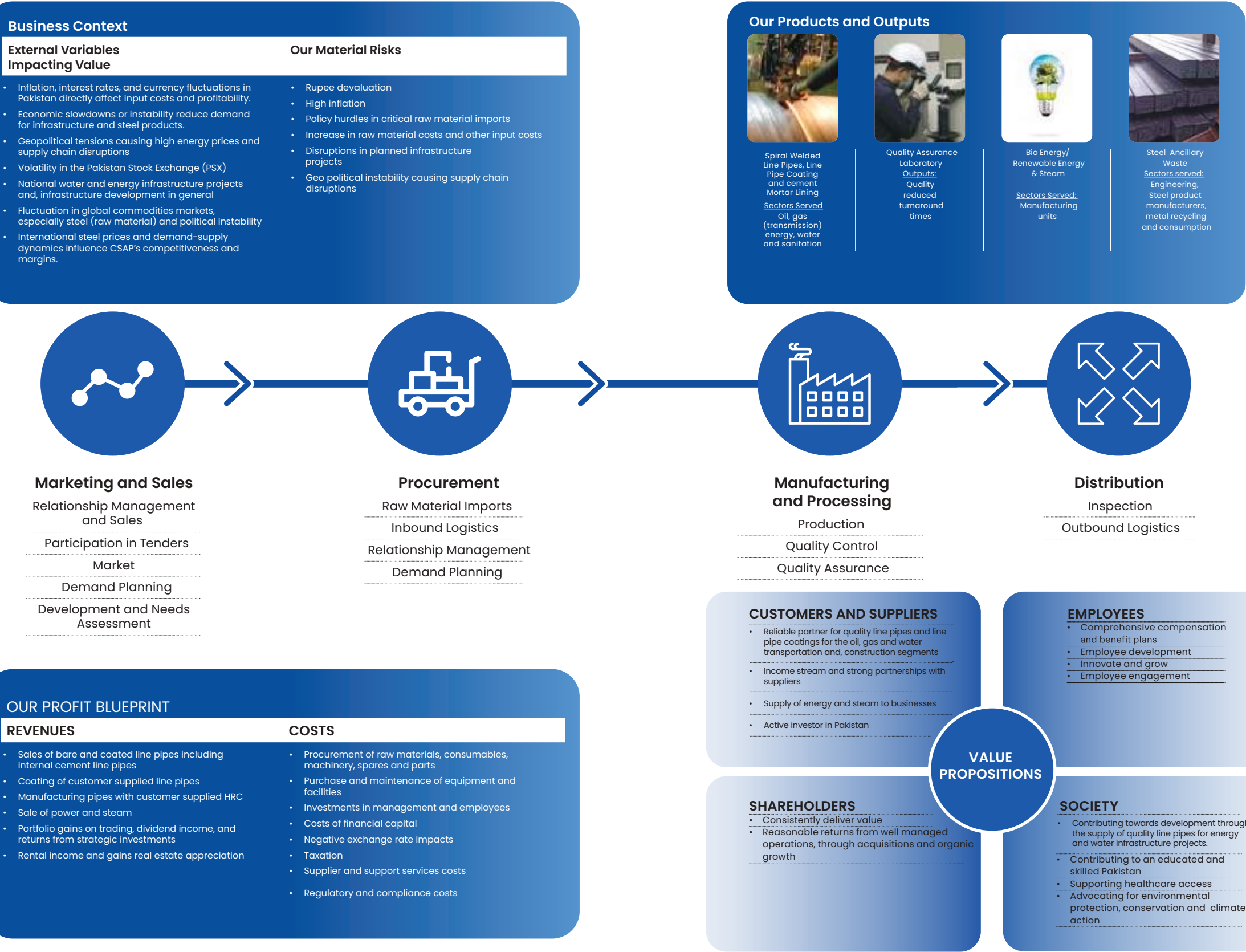
Social responsibility is at the heart of our business.

Facilitating social equity in communities where we operate.

Capitals Engaged	
Financial Capital	
Owner's Equity	Rs. 9,857 million
Investments	Rs. 5,498 million
Investment in Solution de Energy	Rs. 150 million
Net Worth	Rs. 9,857 million
Total Debt	Rs. 289.9 million
Investment property at Bhone Industrial land	19.11 acre
Investment property at Ferozepur, Lahore	5.1 Acre
Investment property at Port Qasim, Karachi	8,093.7 sq meter
Investment property at Jaranwala	35.5 acre
Manufactured Capital	
3 Manufacturing Facilities	Capacity
2HSAW Steel Pipe manufacturing lines	200,000 Tonnes (Notional) Core Raw Material: Hot Rolled Coils
Coating Plant	600,000 square meters (Notional) of various line pipe coatings and Cement Mortar Lining System Core Raw Material: Epoxy, HDPE, Cement, Sand
Power Plant	15MW (Co-generation, thermal generation power plant) 16.5MW (Condensing and extraction turbine) Core Raw Material: Bagasse
Intellectual Capital	
Systems and Processes	Strong management systems, detailed procedures and a strong Internal Audit function
Tacit Knowledge and Knowledge Sharing	Strong knowledge base, legacy staff, sharing personal and professional experiences
Brand Value and Reputation	Customer focus, reliability and product quality
Company Culture and Values	Workplace environment, strong performance culture, open door policy, high levels of employee engagement and focus on core values in day to day work
Corporate Governance	Transparency, focus on corporate governance beyond regulatory requirements
Strategies	Ability to position ourselves in industry, strong management team
Human Capital	
Number of Employees	401 (131 in management and 270 shop floor personnel)
Strong Leadership	Highly qualified management team
Highly Skilled Engineers Technical Staff	Technically strong team at manufacturing sites
Positive Employee Relations	- High performance culture - Regular communication - Open door policy - Annual Employee Opinion Survey - Annual engagement sessions with community partners - Reward programs - Competitive pay and benefits
Complex Supply Chain	- Strong supplier relationship management - Sourcing technically complex API grade steel and managing inland logistics - Quality Assurance and customer focus
Social and Relationship Capital	
Collaborative Partnership	1. The Citizens Foundation 2. Habib University 3. Indus Valley School of Arts and Architecture 4. Indus Hospital and Health Network 5. Sindh Institute of Urology and Transplantation 6. Shaukat Khanum Memorial Cancer Hospital and Research Centre 7. Layton Rahmatullah Benevolent Trust 8. Patients Aid Foundation 9. The Health Foundation 10. World Wide Fund for Nature – Pakistan 11. Karachi Relief Trust 12. SOS Village 13. Legal Aid Society 14. Relief and Hope for All 15. Citizens – Police Liaison Committee 16. Tehzeeb Foundation 17. Horticultural Society of Pakistan 18. Make-A-Wish Foundation 19. National University of Engineering and Technology (NUST)
Strong Customer and Industry Partnership	- Annual Voice of Customer Survey - Regular engagement with EDB (Engineering Development Board of Pakistan) - NSAC and other industry bodies - Strong partnership with EFP(Employers' Federation of Pakistan)
Engagement with Government and Regulators	- Full compliance towards all legal and regulatory asks - Strong engagement with SECP - Engagement with relevant ministries and government bodies when needed
Natural Capital	
Energy and Fuel through Conventional and Renewable Resources	1. National Grid 2. Bagasse 3. Gas 4. Steam 5. Solar
Energy Efficiency	- Energy efficient machinery, motors and electronics (including inverter HVAC and LED lighting) - Natural lighting interventions for conservation
Water	1. Water treatment before discharge 2. Reusing water where possible 3. Sources include groundwater and municipal supply

OUR BUSINESS MODEL

Crescent Steel Competitive Advantage



Capitals Engaged	Impacts and Outcomes
Financial Capital	8 5 Delivering sustainable returns - 10 Year ROE: 4.5% - 3,406 million wealth distributed - Turnover: Rs. 7,936 million - Supplier payments: Rs. 5,732.3 million - Finance Costs: Rs. 161.3 million
Manufactured Capital	6 9 11 12 Generating long-term returns through investments in plant, machinery and equipment to maintain and enhance capacity and quality of output. -Bare Pipes produced: 64,655 tonnes (notional) at capacity utilisation of 32.3% and 198 km of quality line pipes delivered to customers -Coating application: 333,237 sq meter (notional) at a capacity utilisation of 55.5% -2,093 units of various machinery and related fabrication.
Natural Capital	7 10 14 15 Protecting the environment through reduced impacts Our manufacturing operations produce air and other pollutants including waste which may lead to negative environmental impacts. Similarly, energy is consumed in the sourcing, manufacturing and delivery of goods. We seek to reduce our impacts and have: - Installed energy-efficient machinery and equipment - Installed air pollution controls - Reused 76.66 M litres of water - Generated 35,793 GJ of own source power - Planted 7,700 + trees and mangrove saplings - Installed 1,001.58 kWh of solar power capacity
Human Capital	3 5 8 9 - 17% female representation across our corporate offices - Paid Rs. 732m in salaries and wages, 34.9% of PBT - Provided 1,658 hours of training to enhance workforce skills - A thriving culture for our people - Generating value through skilled, motivated and well cared for employees; ensuring fair labor practices - A safe working environment and conducive human resource management and compensation policies - Investing in targeted training and development for technical and management personnel
Social and Relationship Capital	4 Creating value for the communities we operate in through investments in education, health and the environment - Spent Rs. 162.6m in donations to causes we support - 23,000 ml blood donated - 1,299 hours of volunteering time contributed by employees - 19 community partners engaged during the year - Continued to support an educated Pakistan by supporting 2,835 TCF students and providing 31 higher educations scholarships for TCF grads and children of our employees. Maintaining positive and productive relationships with employees, suppliers, shareholders and other stakeholders - Employee Satisfaction Score: 3.86 - Customer Satisfaction Score: 92.9% - Key Suppliers Evaluated: 100%
Intellectual Capital	4 8 9 Investments in innovative systems and resources; ensuring effective resource allocation i.e. placing the right roles by leveraging management systems and corporate culture

OUR BUSINESSES

Our performance creates value across the value chain, fostering shared success, resilience, innovation, and sustainable prosperity for all stakeholders.

Incorporated in 1983 as a steel line pipe manufacturer, Crescent Steel has grown into a diversified conglomerate, listed on the Pakistan Stock Exchange, with business units across three key sectors: engineering, , capital markets, and power. Our operations are spread across three campuses in Sindh and Punjab, with headquarters in Karachi and a registered and liaison office in Lahore.

Steel Division

The Steel Division operates three plants across two campuses, a Pipe Manufacturing, Coating Plant and Cement Mortar Lining in Nooriabad, Sindh and, a Machinery Fabrication Plant (Shakarganj Engineering) in Dalawal, Punjab. The pipe plant operates two Spiral Pipe (SP) production lines, specializing in large-diameter spiral submerged arc welded steel line pipes. The Coating Plant applies flow-efficient and anti-corrosion, external and internal pipe coatings on steel line pipes. The unit is also capable of applying weight coatings. Shakarganj Engineering fabricates machinery and equipment for the Sugar, Cement, Power and Engineering industries, including our own manufacturing units.

Line Pipe Manufacturing

The Spiral Pipe (SP) Plant has the capability of manufacturing high-quality steel pipes in the diameter range of 8 inches –120 inches (219 mm – 3,048 mm) with wall thickness up to 25.4 mm and material grades up to API 5L X-100. The unit’s pipe production capacity is 200,000 MT per annum.

The notional annual capacity for production based on a single shift of eight hours is 66,700 MT of bare pipe per annum. The SP lines are capable of operating for 24 hours at an annual plant capacity of 200,000 MT per annum. The notional pipe size is taken as a diameter size of 30 inches with 12.7mm thickness or 40 inches with 15.88mm thickness (depending on the machine).

The actual production achieved during the year was 20,228MT (FY25: 41,175.3 MT) of line pipes in varied sizes and thicknesses, in 618 extended shifts and total production of 2,784 hours. Actual production is equivalent to 64,655MT [FY25: 82,286.1 MT] when translated to the notional pipe sizes or a capacity utilisation of 32.3% on a notional basis.

In the manufacturing process Hot-rolled coils (HRC) are processed and converted into Submerged Arc Welded Helical Seam Line Pipes. If required, internal and/or external coatings of high-density polyethylene are applied and line pipes are supplied primarily to public utility companies for use in the national oil and gas transmission network and, to other customers.

Supply Chain Bare Line Pipes



Line Pipe Coatings

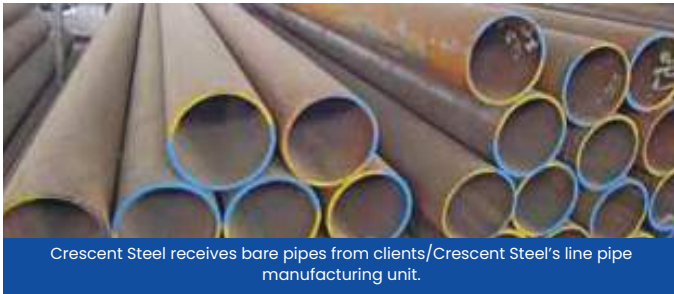
Crescent Steel is one of the first in the country to introduce anti-corrosion and flow efficiency internal and external pipe coatings with a state-of-the-art external coating line in 1992.

External coatings include Multi-Layer Polyolefin and Polypropylene Coating, Single layer Fusion Bonded Epoxy Coating, Tape Coating, and Liquid Epoxy Coating while internal coatings include Anti- Corrosion Epoxy Coatings, Flow Efficiency Coating (FEC) and Cement Lining.

We carry the capability to coat steel line pipes ranging from 4 inches – 84 inches (114 mm – 2,134 mm), tape coatings on pipe diameters above 60 inches (1,524 mm) and internal epoxy coatings on diameters ranging from 8 inches – 60 inches (219 mm – 1,524 mm).

The annual notional capacity of the plant works out to 600,000 square meters based on 14-inch diameter pipes operating single ten-hour shifts. We coated 226,457 meters [FY25: 98,072 meters] of pipes in varying sizes. 246,959 (333,237 notional) square meters surface area [FY25: 319,711 square meters surface area] was achieved during the year over 1,955 hours of production, translating into a capacity utilisation of 55.5%.

Supply Chain Internal and External Pipe Coatings



Cement Mortar Lining

Our new Cement Mortar Lining (CML) setup is now up and running—marking a big step forward in how we maintain and protect our water pipelines. This system applies an even layer of cement mortar inside pipes, helping to prevent corrosion, improve flow efficiency, and extend the life of our infrastructure.

With automated application tools, high-capacity mixers, and controlled curing chambers, the setup is built for consistent performance and long-term reliability. It also supports our sustainability efforts by reducing the use of chemicals and lowering maintenance needs over time. This new system is to boost the durability of our pipeline network, cut down on operational costs, and support future growth.



Engineering Unit

The Engineering Unit established in 2005 and located in Dalowal, Punjab was acquired by Crescent Steel in 2009.

The workshop fabricates machinery and spare parts on design specifications it owns, or as provided by the customers, for various local industries especially in the food and cement sectors. The raw material, mainly metal sheets, is procured and converted into industrial equipment.

CS Energy

The primary function of this unit is to generate and supply electricity for own source consumption and to customers and distribution companies, as permitted. The plant uses bagasse in the combustion process to produce power and process steam. Bagasse, a by-product of sugar cane processing, is an alternate and renewable source of power. CS Energy purchases bagasse and uses it as a fuel to generate electricity and steam. The condensing turbine processes surplus steam to generate energy. The unit remained inoperative during FY26.

Investment and Infrastructure Development Division

The Investment & Infrastructure Development Division (IID) manages diversified portfolios across equities, fixed income securities, real estate, and commodities. Through its wholly owned subsidiary, CS Capital (Private) Limited (incorporated in 2011), IID maintains a balanced portfolio designed to mitigate risk while delivering growth and attractive dividend yields. Strategic real estate holdings further enhance rental income and long term capital appreciation.

In FY26, IID reported consolidated PBT of PKR 945.8 million and contributed PKR 12.18 per share, underscoring its pivotal role in driving profitability. Strong investment returns, disciplined portfolio management, and long term strategic holdings have generated significant shareholder value, positioning the Division to sustain its contribution to the Company's bottom line in the years ahead.

Solar Energy Investments

Solution de Energy is a wholly owned subsidiary of Crescent Steel.

The principal activity of the Company is to build, own, operate and maintain a 100MW solar power project in Solar Power Park, being established by the Government of Punjab in the Cholistan desert.

The Company has been granted an electricity generation license from National Electric Power Regulatory Authority (NEPRA) for its 100MW Solar Power Plant.

MATERIALITY

Material topics are the matters on which Crescent Steel has the most significant impact on the economy, environment and people, and those that most affect its cash flows, access to finance and ability to operate. They determine the content of this report and feed the risk register and the FY27–29 Strategic Plan.

Assessment Methodology

The Business Strategy Committee reviews material topics annually alongside the annual plan and review of the rolling three year corporate strategic plan; a cross functional team conducts a comprehensive assessment every three years. The last full assessment was in FY23. The next, in FY27, is planned as part of ESG integration goals including readiness for IFRS S1 and S2 reporting. ESG oversight rests with the Board’s Governance and Nomination Committee.

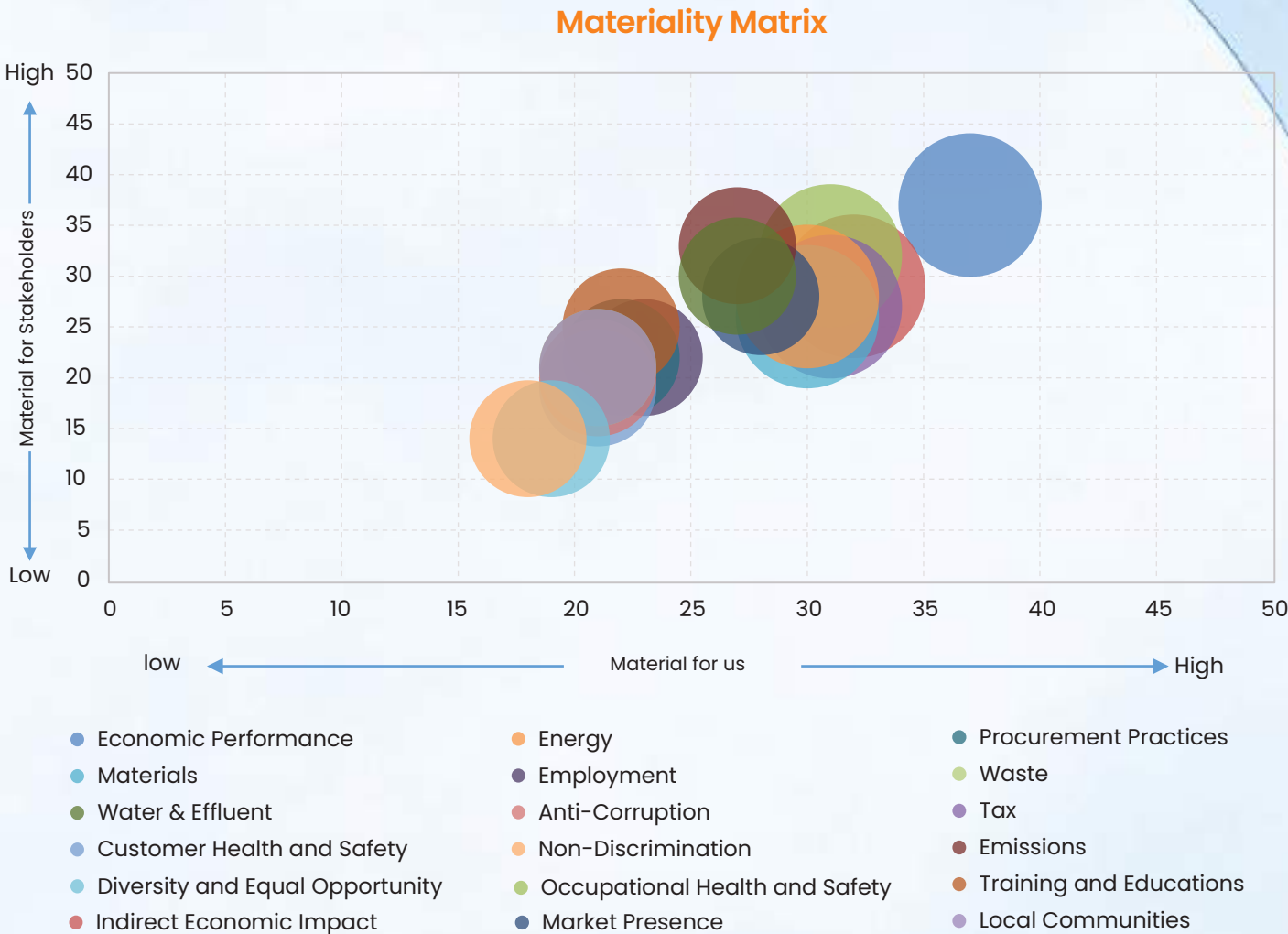


*Significant and High have been merged into one scale as “high” to simplify evaluation

Review and Identification

This last review process had identified **18 key material issues (those ranked High and Medium)** across economic, environmental, and social aspects. All deserve focus, but **six priority issues** were carried forward to 2026–2027.

The outcome of this analysis can be seen in the graph below.



Material Areas FY27

Success of pipeline development on key national and transnational pipelines remains material for both our business and for development – including energy security and better water management – for Pakistan. The table below lays out the results of our internal materiality assessment across the six priority material issues, refreshed for the annual plan and shifting operating dynamics.

Material Topics for Sustainable Growth (2026–2028)

Economic			
Economic Performance		Indirect Economic Impacts	
Material focus areas	Economic value creation; sustained line-pipe demand; profitability; operational efficiency and capacity expansion	Infrastructure development; import substitution; supply-chain and industrial growth	Community investment; employee contribution and engagement
	Sustains business continuity, shareholder returns, wages, supplier payments and reinvestment.	Supports gas and water infrastructure, energy security and water access. Local manufacturing supports suppliers and saves Pakistan foreign exchange through finished pipe import substitution.	Supports education, healthcare, environmental initiatives and community development for long term durability, national resilience; supports access to capital, provides license to operate; mitigates long term sustainability risks.
	PKR 5.24bn economic value generated and distributed; 20,228 MT / 198 km of line pipes supplied.	Estimated value addition of ~47% [Based on delta of HRC and Finished Pipe]; local supplier payments of PKR 1.5 bn across 256 suppliers, ~26.2% of COGs	PKR 163m cash contributions; 9.31% of PBT; 2,835 students supported; 51 tertiary scholarships; 0.35% of net payroll in employee giving and matched donations and 1129 hours in employee volunteering. Through Crescent matches employees were able to reduce income tax liability by up to 30%. Employee service at TCF and LAS contributes governance expertise and leadership.
Tax			
Fiscal contribution; tax management and compliance			
Contributes to national and provincial revenues, supporting public services and infrastructure; affects earnings and shareholder returns.			
Taxes of PKR 2.0bn ~ 21.4% of gross sales; effective tax rate of 33.4% (against absolute rate applicability of 39%) through prudent tax management.			

Energy		Materials	
Material focus areas	Energy consumption and efficiency	Raw-material use; resource efficiency and waste	
	Affects production costs, dependence on non-renewable resources and environmental footprint	Consumption places pressure on finite resources and supply chains; efficient use and recovery reduce waste and costs.	
	Energy consumption 41,041 (GJ). (GJ/Sales) 0.0051 (from continuing operations)	21,078 MT of pipe related raw materials; 1,711 MT of coating raw materials, including 803.4 MT for cement lining. - Waste generated is covered in Natural Capital (Page 162)	

Occupational Health and Safety	
Material focus areas	Worker health, safety and operational continuity
	Preventing injury protects employee wellbeing, morale, productivity and product quality.
	13 injuries reported; 32 lost workday cases; no restricted-work cases, occupational diseases or fatalities. 31 HSE/technical sessions; 1,100+ training man-hours.

CORPORATE STRATEGY

The Business Strategy Committee reviews and updates the Company’s rolling three-year Corporate Strategic Plan in line with changes in the internal and external operating environment. This ensures that our core strategic direction remains relevant to evolving market conditions and is aligned with our long-term vision for the Company.

The outgoing fiscal year marked a material repositioning of the Company’s operating and capital structure. In line with the Board’s direction to exit or repurpose underperforming and non-core assets, the Company has disposed of building, plant and machinery at the billet manufacturing while disposals are in process for spinning unit machinery. Property has subsequently been transferred to investment property, creating optionality for monetization, debt access, redevelopment or deployment into new business opportunities.

We continued with the strategic theme introduced last year, **FORGE**; the derivative Forge 5 framework – *Foresight, Optimize, Resilience, Governance, Empower* – helps steer Corporate Strategy and protect from mission drift. FY26 delivery against objectives is set out below.

Key Resources and Capabilities Providing CSAPL Sustainable Competitive Advantage

Crescent Steel is a leading Pakistani API licensed steel line pipe manufacturing company. Following are some of the key resources and capabilities, which provide us sustainable competitive advantage:

- **API Monogram Authorization:** one of two large-diameter SAWH steel pipe manufacturers in Pakistan licensed to apply the API monogram on gas, oil and water line pipes.
- **Range and integration:** diameters from 8" to 120", thicknesses from 4mm to 25.4mm, grades up to X-100; the only integrated pipe manufacturing, coating and shop-applied ICML facility in the country with demonstrated supplies to key national infrastructure projects.
- **Quality certification:** API Q1, ISO 14001, ISO 45001.
- **Experienced leadership:** and a customer-facing team built around tailored, technical solutions rather than commodity supply.

Effects of External Drivers on Strategy and Resource Allocation

- Technological change: Other Line Pipe applications (PE) are increasingly used in low-pressure and distribution applications; our investment is concentrated in large-diameter API pipes used in high-pressure transmission. Generative AI and resulting process and manpower changes although AI adoption in production (for QA etc.) will depend on API qualification requirements, which apply for as long as we manufacture line pipe for the oil and gas segment.
- ESG Integration: ESG oversight sits with the Board's Governance Committee; Direct operations have an inherently low environmental footprint; external facilitation arranged for capacity building, support with reporting challenges and early compliance with IFRS S1/S2 requirements.
- Innovation: shop-applied ICML product-tested; internal FBE lining being evaluated; finishing and coating lines upgraded; capacity enhanced to capture emerging water sector demand.
- Resource constraints: imported spares lead times; building technical skills depth against a demanding market for experienced talent both locally and abroad; management bandwidth and legal expense unevenly extended to manage recurring tax and regulatory matters.

Please refer to 'Key Challenges and Initiatives' on page 52 for more information on how external drivers impact strategic response and resource allocation.

Strategic Objectives, Resource Allocation and Performance:

Objective	Time-line	Rating	Strategy	Resource Allocation Plan	Key Performance Indicators (KPI)	Status / Actual Results
Enhance shareholders' value and deliver sustainable, disciplined growth	Long term	High	- Grow revenue 33% by FY29 - Hold average RoE above 15% - Redeploy capital released from discontinued operations against strict hurdle rates - Deepen water, energy and industrial line-pipe positioning	All forms of Capitals	- Earnings per Share - Dividend per share - Return on Equity - Net Margins - Market price per share - Book value per share	- 5 year average: • Earnings per share Rs. 11.03 • Dividend per share Rs. 3.7 - Return on Equity 10.7% - Net margin of 14.6% - Market price per share Rs. 114.1 - Book value per share Rs. 124.6 - Distribution 33.1% of profit after tax (FY25: 43.3%)
Build a resilient corporate structure that can absorb cyclical inactivity	Long term	High	- Complete discontinued operations asset exits; convert released land to optionality via investment property - Maintain financing headroom unlocked by the FY26 collateral restructuring - Progress leadership succession at the executive level	Financial Capital	- Gearing ratio - Current ratio - Finance cost - Goal fulfilment	- Gearing 4.1% (FY25: 21.5%) - Current ratio 3.6x (FY25: 1.6x) - Finance cost down 45% YoY as debt retired ~70% YoY - Disposal of Plant and Machinery assets from discontinued operations (~70% done)
Build operational agility and execution discipline	Short to Medium term	High	- Sustain the K-IV and ICML capacity additions; prioritize preventive maintenance over expansion until utilization catches up - Add internal FBE lining capability. - Increase share in water, sanitation and construction segments, including piling and architectural applications - Build ERP/BI visibility into production, receivables and cost – working tools - Foster a culture of collaboration, learning and creativity	All forms of Capitals	- Relationships with business partners including investors, lenders, suppliers, customers and regulatory bodies. - Plant availability - Capacity utilization of plant and machinery - Customer Satisfaction Scores	- Ability to offer product differentiation (In Situ cement lining) to meet customer needs. - Continue to maintain quality management certification under API Q1 and closed the audit with zero non-compliance. - Plant availability (planned vs. actual) • Steel division: Pipe plant – 97% - Coating plant – 90% - Capacity Utilization • Steel division: Pipe plant – 32.3% - Coating plant – 55.5% - Customer Satisfaction Score: 92.9%

Objective	Time-line	Rating	Strategy	Resource Allocation Plan	Key Performance Indicators (KPI)	Status / Actual Results
Manage our impact and support the communities where we operate	Long term	High	- Contribute towards an educated Pakistan - Support employees seeking further education - Sponsor education for the children of Employees - Emergency medical and affordable healthcare – emergency fund for employee hardship cases - Minimize the environmental impact of our operations and advocate for environment protection - Develop strong relationship capital and provide meaningful inputs to regulators, legislators, policy makers, shareholders, customers, government bodies - Move to IFRS S1/S2-aligned voluntary disclosure	Human Capital Financial Capital Social & Relationship Capital Manufacture d Capital	- 2- 5% of profit before tax allocated towards causes, we support. - Number of Crescent Scholars and their progress - Impact evaluations for discretionary giving - Endorsement and recognition from regulators and other authorities	- Distributed 9.3% of profits before tax in donations and community investments reflecting pledges held back in prior years for cashflow reasons. - Our people have volunteered 1,299 hours (FY25: 1,339 hours) to structured community programs throughout the year. - Funded 51 tertiary scholarships of which 31 are TCF children, 17 are children of employees and 3 children belong to other institutions - Built 28 TCF schooling units (21 primary and 7 secondary school units) and continues to support fifteen schooling units (12 primary and three secondary school units) - IFRS S1/S2 alignment in preparatory phase
Enhance skilled workforce and maintain a highly ethical environment	Medium term	High	- Talent Reviews and targeted development plans for high potential resources - Identify and target to close on skill gaps - Providing a performance culture and safe environment where people can learn and are assessed with fairness	Human Capital Social & Relationship Capital	- Internal & External Training - Education programs for employees - Employee turnover ratio - Hi-Po retention rate - Employees Satisfaction Survey	- More than 60% of management staff at the Company were reviewed in the Organization Talent Review exercise to identify Hi-Potential people. - 1,658 training hours delivered during the year. - Permanent staff turnover ratio of 15.5% - Hi-Po retention rate of 100% . - Employees' Satisfaction Index of 3.86/5

Objective	Time-line	Rating	Strategy	Resource Allocation Plan	Key Performance Indicators (KPI)	Status / Actual Results
Ensure health and safety of employees in workplaces	Short to Medium term	High	- Deliver leading HSE practices by going beyond local environmental protection requirements and benchmark on global best practices and standards - Build a strong culture of safety by regularly engaging staff at all levels in safe practices and wellbeing.	- Human Capital - Manufactured Capital - Social & Relationship Capital	- Number of accidents and injuries reported with a ZERO Major Accident, ZERO Major injury target. - Preventive Actions: Hazard Identification Reports - Breaches in HSE protocols	- The Company retained standards certification for ISO 9001:2015, ISO 45001 and ISO 14001 - One major accident occurred during the year at Nooriabad factory resulting in finger amputations of a contract worker.

Relationship Between Entity's Results and Management's Objectives

FY26 results reflect the repositioning described above: asset exits and the SP line addition changed the shape of both revenue and the balance sheet and are assessed directly against the strategic priorities set out here. The KPIs in use remain fit for purpose going into FY27. The CEO's Review Report sets out how we performed on targets in more detail.

Significant Changes in Business Model, Objectives and Strategies from Previous Period

Operations at the steel billet manufacturing unit were discontinued in FY25 and the cotton division in FY26; plant and machinery both are sold or in process of sale, with the underlying property reclassified as investment property. This is a genuine change and the FY27–29 objectives have been refreshed accordingly. Growth targets are set against a smaller, concentrated asset base while profitability targets are set against higher sales margins and return thresholds in line with the dynamics of line pipe manufacturing and capital market returns. Water projects which now sit alongside energy transmission as a key client segment reflecting where public infrastructure spending is flowing.

The underlying direction holds: concentration on the engineering business. The asset base it is executed against and the discipline applied to redeployment has shifted.

Sources and Assumptions Used in Preparing The Strategic Plan

Projections are based on State Bank of Pakistan monetary policy statements, IMF programme documentation, Pakistan Bureau of Statistics data, federal PSDP and provincial infrastructure allocations, brokerage reports, published hot rolled coil price benchmarks, the Company's own order pipeline and tender intelligence, supplemented by management assessment, internal production, cost and receivables data. Assumptions are reviewed by the Business Strategy Committee against the rolling three-year Corporate Strategic Plan. No external consultant was engaged in preparing the business plan.



SWOT ANALYSIS

Our strengths, weaknesses, opportunities and threats to analyze and respond to them; and to set our strategic goals by exploiting our strengths and opportunities and mitigating our weaknesses and threats.



S



STRENGTHS

- Institutional resilience and financial strength
- Credible market position in critical infrastructure
- Governance, control and stewardship culture.
- Technical and operational capability in pipe, coating and lining

W



WEAKNESSES

- Cyclical dependence and uneven capacity utilization
- Business development not yet fully institutionalized
- Data analytics and digitalization
- Talent acquisition and retention
- Real-estate management



Crescent Steel and Allied Products Limited

O



OPPORTUNITIES

- Water, energy and infrastructure-linked line pipe demand
- Pipeline rehabilitation and energy-security requirements
- Investment property deployment
- Improved debt access for long-term initiatives

T



THREATS

- Rising input, energy and compliance costs
- Substitute materials in water-sector applications
- New entrants and aggressive competition
- Macroeconomic and fiscal dependence
- Geopolitical and supply-chain disruption

PESTLE ANALYSIS

P POLITICAL  Factor - IMF-backed stabilization holding, but reform delays remain a risk. Federal / provincial infrastructure allocations (Punjab, Sindh) support project flow, subject to public-sector procurement cycles and payment timing. Organizational Response - Maintain PPRA-compliant contracting discipline and active project-tracking to manage payment-timing risk from public-sector clients.	E ECONOMIC  Factor - Macroeconomic stabilization has improved confidence, but recovery remains fragile. - Interest Rates have moderated from prior peaks, improving investment appraisal conditions; fiscal, exchange-rate and financing-cost pressure Organizational Response - FY26 collateral restructuring freed financing headroom ahead of further rate relief. - Capital deployment must be governed by strict return thresholds, downside protection and liquidity discipline.	S SOCIAL  Factor - High youth population and overseas migration pressure both talent retention and, via remittances, domestic demand. Organizational Response - Hi-Po pipeline and internal fill-rate tracking under the FY27-29 people priority, targeted directly at retention.	T TECHNOLOGICAL  Factor - Automation, ERP and BI adoption lag regionally due to import dependency and capex cost. Organizational Response - ERP/BI build-out named as an FY27-29 priority – a working tool for production, receivables and cost visibility.	L LEGAL  Factor - Tightening SECP/PSX governance and tax-digitization requirements; PPRA rules govern our public-sector contracts. Organizational Response - Compliance costs for tax filings have increased as authorities push for digitized reporting. - Contract and warranty discipline maintained as a standing compliance requirement, not a one-off initiative.	E ENVIRONMENTAL  Factor - Government target of 60% renewable generation by 2030, and rising water-scarcity and flooding risk, directly support water-sector line-pipe demand. - Regulatory enforcement on emissions and effluents intensifying. Organizational Response - Pakistan aims to generate 60% of power from renewables by 2030, and has introduced policies for wheeling electricity, net metering, and solar adoption in agriculture. - Captured through our water, sanitation and construction segment positioning, set out in Corporate Strategy. - The ESG reporting trend is notable. Crescent Steel is also committed to implement the ESG reporting.
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KEY CHALLENGES AND INITIATIVES

On the domestic front political stability and macro-economic stabilization were offset by structural bottlenecks, higher input costs, tariffs and external shocks. Structurally, businesses in Pakistan operate with a shallow talent and skills base and an import dependent value chain; much of our supply chain, from raw materials to consumables and spares originate outside Pakistan. This exposes businesses directly to the global operating environment.

Ongoing conflicts, a slowdown in industrial growth and rapid technological advancements are major shifts that impact business directly; presenting both challenges and opportunities.

Over the last seven years we have taken deliberate steps to reallocate capital, protect profitability and enable growth including the 2019 amalgamation of non-core subsidiaries into the Company and, following completion of the required holding period, the disposal of the billet plant in FY26. Having made material progress on this strategic goal, the primary opportunity to capture today is disciplined capital allocation – directing resources toward value addition and responsible, sustainable growth.

The table below sets out the principal challenges encountered by our business and our response to each.

Driver	Impact	Strategy / Resource Allocation	Stakeholder
Product substitution: alternate pipe used in low-pressure and distribution applications	Structural volume risk outside large-diameter, high-pressure transmission	Investment concentrated in large-diameter API pipe; ICML product-tested, internal epoxy based lining (liquid and powder) to be setup, external weight coating to be assessed, finishing/coating lines upgraded for up to 100" diameter pipe.	Design and project supervision consultants, project owners and employers, EPC contractors/customers, utility companies, downstream end-users.
Trade, tariff and compliance distortion: export rebates and uneven cascading; compliance costs fall on formal manufacturers; infrastructure gaps raise input costs	Margin erosion; value generated and distributed impacted	EDB/MoIP/NTC representation; review of cascading duties structure	EDB, Ministry of Industries and Production, National Tarriff Commission; Employees, Shareholders, Community
Order book tied to public-sector gas and oil transmission capex, which is volatile; lacking topline diversification	Demand outside our control; similar slowdown exposed capital tied up in non-core, underperforming assets; profitability/cost absorptions	K-IV entry into water transmission: 147,705 metres of coated API PSL-2 line pipe, up to 84" diameter. Billet and spinning units discontinued, freeing capital that took debt down ~70% YoY; gearing to 4.1% (FY25: 21.5%), finance cost down Rs. 128 million (45%), current ratio to 3.6x (1.6x); diversification	Public-sector gas, oil and water utilities (SNGPL, SSGC, PSO, PARCO, WAPDA); lenders; investors.
Import dependence: spares lead times; freight/lead-time, not price or FX, the binding constraint	Carrying costs up, occasional delays	Forward contracts; local supply chain development	Suppliers; Customers; Investors

Driver	Impact	Strategy / Resource Allocation	Stakeholder
Generative AI and process automation	Adoption in production (QA etc.) gated by API standards requirements. Change management in the way we work .	Targeted training for enterprise-wide applicability of Gen. AI, specifically in automating and upgrading manufacturing processes and reporting.	American Petroleum Institute (certifying body), employees, customers, lenders/investors, shareholders.
ESG integration	Reporting and IFRS S1/S2 readiness obligations	Board Governance Committee oversight; external facilitation for capacity building and reporting	Board Governance Committee; SECP/PSX disclosure requirements; capital providers
Resource constraints: technical skills depth against a competitive market for experienced talent, locally and abroad; management bandwidth and legal expense unevenly extended on recurring tax/regulatory matters and compliance burden	Execution risk on strategic priorities	Succession planning and middle order strengthening; internal fill rates; strong governance and audit controls	Employees; Board HR&R and Audit Committees; Customers; Lenders; Investors
Energy, water and gas availability and costs.	Higher manufacturing costs, development of redundancies and contingencies, higher competition from domestic and foreign businesses with lower energy costs, product development feasibility, reliance on expensive backup power (diesel), diminished manufacturing line performance and machine health.	Developing renewable energy infrastructure – solar with BESS (solar increased to >1 MW. Non-core (residential and admin facilities) 100% off-grid by Q3FY27, BESS as supplemental power (500 kWh) source for Coating Plant by Q2FY28.	Vendors (utilities), employees, investors/lenders, customers, shareholders.
Aging plant and machinery – infrastructure not conducive to modern equipment.	High CAPEX to modernize, automate and develop supporting infrastructure to protect sensitive equipment, lower efficiency, delayed data delivery, high human capital costs for assurance.	Retro-fit/re-fit existing machinery with augmented capacity, upgrade energy infrastructure at manufacturing facilities, invest in automation and assurance reporting systems	Employees, Customers, Investors and Shareholders, Lenders, Vendors.

REPORT ON RISK AND OPPORTUNITY

The Company's Board of Directors holds the responsibility for establishing and overseeing an effective risk management framework. The Board, supported by the Board Risk Management Committee, oversees the entire risk management process. They are also tasked with developing and monitoring the company's risk management policy, which defines the organisation's risk tolerance and provides guidance on managing identified risks.

We believe that taking risks is essential for driving business growth, fostering innovation, and delivering value. Given the complexity and challenges of our operating environment, the Company is exposed to various internal and external risks that may impact our success and profitability. However, we approach risk with a clear understanding of our appetite and tolerance levels.

In making business decisions, we carefully evaluate the potential risks alongside the opportunities. By taking calculated risks, we aim to capitalize on opportunities that align with our long-term vision and support sustainable growth.

Risk Management Policy

CSAPL is committed to implement an organisational philosophy that ensures risk management is an integral part of corporate objectives, plans and management systems.

Compliance with legislative requirements underpin the risk management policy.

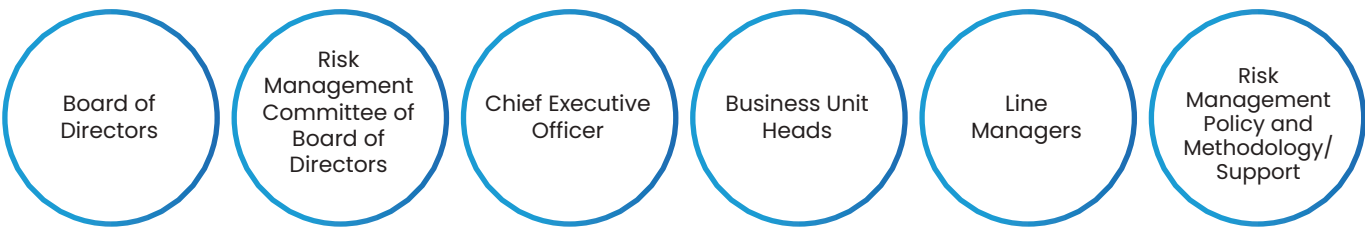
Risk management objectives are as follows:

- To ensure risk management is adopted throughout the Company as a prudent management practice.
- To ensure that all employees are made aware of the need to manage risk and to promote a culture of participation in that process.
- To protect the Company from adverse incidents, to reduce its exposure to loss and to mitigate and control loss should it occur.
- To ensure the ongoing unimpeded capacity of the Company to fulfil its mission, perform its key functions, meet its objectives and serve its customers.
- To reduce the costs of risk to both the Company and its stakeholders.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

Risk and Opportunity Framework

Crescent Steel's well-defined risk management framework establishes clear ownership of risks, evaluates their significance, and assesses the adequacy of controls implemented to mitigate them. This framework prioritizes risks that may impact the achievement of strategic, operational, financial, and compliance objectives based on their likelihood and potential impact, with appropriate remedial actions devised accordingly.

By promoting greater accountability, this framework enables the identification of opportunities and effective risk management at all levels of the organisation.



Risk and Opportunity Management Process

As part of our annual strategic planning cycle, we actively identify opportunities by analyzing internal and external factors that may positively or negatively influence business development. These factors can be social, economic, or environmental in nature. The core phase of our strategic planning typically occurs prior to the start of the new fiscal year, ensuring we are well-positioned to seize opportunities and address potential challenges.

Operational Risk Identification, Management, and Reporting: Bottom-Up Approach

- 1. Business Process Owners**
Identifies risks, maintains risk registers, and devises mitigation plans. Priorities the implementation of action plans based on risk exposure.
- 2. Internal Audit**
Provides assurance on the exposure of risks, assesses the adequacy of internal controls and provides recommendations for enhancing the level of controls needed to mitigate the risks.
- 3. Executive Management Team**
Reviews the Company wide risks, assesses the extent of its exposure and finalizes the action plans for implementation.
- 4. Board Risk Management Committee (RMC)**
Reviews the effectiveness of the ERM framework and assesses the significance of risks and their mitigation plans. Interim updates are provided to RMC on emerging/new risks and the implementation status of mitigation plans.
- 5. Board of Directors**
Overall responsibility for overseeing the risk management processes.

Robust Assessment of Principal Risks

The Board of Directors have carried out a robust assessment of the principal risks faced by the Company, including those that would threaten the business model, future performance, solvency and liquidity. RMC oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Crescent Steel. The Audit Committee is assisted in its oversight role by the Internal Audit department. Internal Audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. The Human Resource and Remuneration Committee focuses on risks in its area of oversight. This includes succession planning with a view to ensure availability of talented functionaries in each area of critical company operations as well as assessment of compensation programs to ensure that they do not escalate corporate risk.



Principal risks facing the business and mitigating strategies are covered separately in this report.

Major business risks and their mitigation

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Macro-Economic Situation and Political Instability			
In recent years, a significant portion of our revenue has been driven by the Steel Division, primarily through the sale of line pipes to state-owned utilities. These companies award contracts through a tendering process. However, political instability and fiscal constraints can slow the progress of energy and water infrastructure projects, which may negatively impact our revenue growth. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: High Timeline: Short to Medium-term	External / Strategic - Financial	Financial Capital Manufactured Capital Social and Relationship Capital	The Company has established a strong and resilient corporate structure capable of absorbing external shocks, as evidenced in past years when revenues from the Steel Division were minimal. We continuously monitor the economic and legal implications of government policies and political developments on both the Company and the steel industry at large. In addition, our Investments Division offers a unique opportunity to hedge against potential downturns in core business areas by investing in high-performing sectors, providing a crucial liquidity buffer during challenging periods.
Currency Risk			
Exchange rate fluctuations or local currency devaluation may affect our financial results, primarily due to our reliance on imported raw materials. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: High Timeline: Short-term	External / Financial	Financial Capital	The Company imports a significant portion of its raw materials and, where feasible, secures forward cover on these imports. However, due to restrictions imposed by the State Bank of Pakistan (SBP), forward cover may not always be available, increasing the Company's exposure to currency fluctuations. The Company also regularly updates its pricing models to reflect changes in exchange rates. The Company's centralized treasury function closely monitors and manages the exposure to foreign currency risk. The Company uses various available means, including dollar-based bidding for international tenders.
Interest Rate Risk			
A fluctuation in interest rates will affect the Company's cost and profitability. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium Timeline: Short to Medium-term	External / Financial	Financial Capital	The company avails financing/place deposits at competitive rates from varying financial institutions. Also, borrowings/deposits are based on floating rates to minimize interest rate risks.
Raw Material Sourcing / Pricing			
As the majority of our core business is tendered for, there is a lag between bidding for the works and sourcing the required raw material for the order. The lack of locally available raw material exposes us to a 60 – 90 day raw material price risk as raw material sourcing is only secured once a tender has been awarded. In periods of high price volatility this exposure can lead to an erosion of margins or having to fulfill orders at losses. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium to High Timeline: Short term	External / Operational - Commercial / Financial	Financial Capital Manufactured Capital	The Company regularly monitors major raw material price trends to stay informed of market fluctuations. We leverage our purchasing power and maintain long-term relationships with suppliers to secure raw materials, ensuring timely delivery under the best possible terms and minimizing the lag between order receipt and procurement. To mitigate the impact of higher landed costs, we actively evaluate various sourcing options and continuously expand our supplier base. This approach helps ensure uninterrupted procurement and reduces lead times. Additionally, the Company employs various strategies to minimize potential losses resulting from adverse price movements.

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Policy Induced Import Restriction			
The majority of our raw materials are imported and with the import reduction measures by Government to manage foreign exchange reserves of the Country, we are exposed to risk of sourcing required raw materials for the orders and potential late delivery penalties. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium to High Timeline: Short-term	External / Operational - Commercial	Financial Capital Manufactured Capital	We actively engage with the Ministry of Industries and Production, the State Bank of Pakistan, and the Engineering Development Board to express our concerns regarding business continuity challenges arising from policy-induced measures. To minimize our dependency on imports, the Company prioritizes local sourcing whenever feasible. Additionally, we explore available options for discussions with customers to mitigate late delivery penalties that may arise from situations beyond our control, including invoking force majeure clauses when applicable.
Dependence on Suppliers / Customers			
Failing to identify alternative suppliers for key raw materials poses a risk to our business operations, particularly in our core segments. Additionally, reliance on a limited number of customers, especially within the Steel Division, increases the potential for business interruptions and financial losses. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium Timeline: Long-term	Internal - External / Operational - Commercial	Financial Capital Manufactured Capital Social and Relationship Capital	The Company actively seeks competitive suppliers for all its raw materials in both local and international markets. The Company constantly seeks to increase its customer base and product offering to maintain and grow its revenues.
Investment Risk			
Adverse stock market developments may affect the profitability and valuation of assets. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: High Timeline: Short to Medium-term	External / Strategic - Financial	Financial Capital	The Company has significant investments in marketable securities. To reduce this risk to an acceptably low level, it follows a diversified investment policy and actively manages its portfolio to match the required risk profiles.
Credit Risk			
Credit risk refers to the potential financial loss the Company may incur if a customer or counterparty to a financial instrument does not fulfill their contractual obligations. This risk primarily arises from trade receivables, bank balances, security deposits, accrued mark-up, and investments in debt securities. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium Timeline: Medium to long-term	Internal / Financial	Financial Capital	To manage credit risk exposure related to trade receivables, management conducts credit assessments by evaluating the customer's financial position, past experience, and other relevant factors. Sales tenders and credit terms are approved by the tender approval committee. When deemed necessary, advance payments are required from certain customers, while sales to major clients are safeguarded through letters of credit.

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Health, Safety and Environment			
Risks related to health, safety and environment can adversely affect our operations. These can be associated with personal health and safety, product quality and safety and environmental efficiency. An unfavourable incident can have a major impact on our Company and communities and may cause reputational damage and Assessment: Likelihood:  Magnitude:  Impact: Medium Timeline: Long-term	Internal – External / Reputational / Regulatory / Health and Safety	Human Capital Social and Relationship Capital Natural Capital	Our business operations are run in compliance with international Quality, Health, Safety and Environmental standards. Moreover, we consistently make efforts to minimize our environmental impact by energy conservation and other measures with community partners. HSE audits are being performed by Internal Auditors and external consultants in order to identify the areas of concerns.
Cost and Availability of Funds			
A depletion in the steady availability of funds, can negatively impact liquidity and the Company's overall financial health. This risk is further intensified by assets and funds pledged to secure long-term Performance Bond Guarantees, which remain in effect for several years, thereby limiting access to Assessment: Likelihood:  Magnitude:  Impact: Medium Timeline: Short term	External / Financial	Financial Capital	The Company continuously evaluates its financial (funded and non-funded) needs against its borrowing capacity. When financing requirements exceed this capacity, the Company explores alternative funding options, including engaging shareholders to support business and operational needs. A substantial portion of the Company's working capital is met through short-term financing. To mitigate these risks effectively, the Company has secured adequate financing facilities to cover its requirements. Additionally, the Company manages its held-for-trading investment portfolio to address working capital needs, if necessary. Borrowing is primarily based on floating rates to reduce the impact of interest rate volatility.
Internal Controls			
In the absence of effective internal controls, the Company may be exposed to financial irregularities and resultant losses. Assessment: Likelihood:  Magnitude:  Impact: Low Timeline: Medium to long-term	Internal / Financial – Compliance	Financial Capital Social and Relationship Capital	The Company has established a robust internal control system that is continuously monitored by the Internal Audit Function and other oversight procedures. Monitoring of these internal controls is an ongoing effort aimed at strengthening the system and implementing improvements. The controls in place address various areas, including asset protection, compliance with laws and regulations, and the accuracy and reliability of records and financial reporting.
Regulatory Compliance			
Non-compliance with laws and regulations may result in penalties, reputational damage and business interruptions. Assessment: Likelihood:  Magnitude:  Impact: Medium Timeline: Long-term	Internal / Reputational / Finance – Compliance	Financial Capital Social and Relationship Capital	The Company closely monitors changes in the regulatory environment and adapts to all significant changes in a timely manner to prevent any breach of law. External experts are also engaged for consultations. Apart from external compliance we put emphasis on compliance with our 'Code of Conduct' and 'Governing Principles' which are in line with best practices.

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Increase in Competition Through Leveraging of Technological Changes			
Competitors may recognise and adopt significant technological advancements, enabling them to substitute products, enhance production efficiency, and reduce costs. If the company fails to implement similar advancements, it could struggle to remain competitive. Assessment: Likelihood:  Magnitude:  Impact: Medium Timeline: Medium to long-term	External / Strategic	Financial Capital Intellectual Capital	The Company's management prioritizes automation and technological advancements. Through corporate agility and strong market awareness, the Company stays informed about product trends, demand shifts, and advancements in manufacturing processes. This ensures the Company not only meets but strives to surpass the quality and service performance of its competitors. In addition, the Company continuously enhances its product and service offerings while expanding its capacity to meet increasing demands and address specific product requirements. Significant investments have been made in modernizing production facilities, leveraging the latest technologies to optimize costs and output.
Information System Risk			
The increasing reliance on IT infrastructure for day-to-day operations exposes businesses to significant vulnerabilities. Any disruption—whether due to system failure, software malfunction, or external threats—can severely impact operational continuity. Moreover, the growing sophistication of cybersecurity threats such as ransomware, phishing, and data breaches poses a serious risk to the confidentiality, integrity, and availability of critical business data. These threats can lead to financial loss, reputational damage, and regulatory non-compliance. Assessment: Likelihood:  Magnitude:  Impact: Medium Timeline: Medium to long-term	External / Strategic	Financial Capital Intellectual Capital	The Company has enhanced its cybersecurity infrastructure and conducts vulnerability assessments to identify and remediate risks promptly. Automated data backups are maintained, and disaster recovery plans are documented and tested periodically to ensure recoverability. Employees receive ongoing cybersecurity training including phishing awareness, to strengthen the human firewall. Third-party risks are rigorously managed through due diligence and contractual security requirements. Formal incident response procedures are in place and tested annually to ensure swift and effective action in the event of a security incident.
Retention of Employees in Critical Position			
Failure to attract and retain the right people may adversely affect the achievement of the Company's growth plans. Assessment: Likelihood:  Magnitude:  Impact: Medium Timeline: Medium to long-term	Internal / Strategic	Human Capital Financial Capital Social and Relationship Capital Intellectual Capital	The Company is dedicated to training and developing its intellectual capital, aiming to create meaningful opportunities that promote a thriving work environment and a high-performance culture. Additionally, the Company has implemented a formal succession planning process supported by competitive compensation packages.

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Sustainability-related Risk			
Non-compliance with sustainability related standards or regulation may result in the penalties and ultimately eroding the Company's reputation. Assessment: Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium Timeline: Short to long-term	External / Reputational / Finance -Compliance	Financial Capital Social and Relationship Capital	The Company has established formal policies and processes to ensure compliance with regulatory requirements concerning sustainability and ESG (Environmental, Social, and Governance) practices. Additionally, it has implemented a comprehensive risk management framework to identify, assess, and address sustainability-related risks. Furthermore, the Company is in process of developing specific metrics to monitor progress towards achieving its sustainability goals.

Opportunities:

In the short term, we aim to leverage our organisational strengths, while in the long term, we focus on modernization by creating new business opportunities that align with the Company's vision.

We are committed to building supply chain resilience by strengthening existing supplier relationships and exploring new sources from previously untapped regions. Additionally, we aim to enhance the capabilities of local suppliers to ensure future sustainability.

We are the only functioning large dia pipe manufacturer in Pakistan with a notional capacity of 200,000 metric tons annually (66,667 metric tons annually per shift). With this strategic edge, the Company actively participates in gas infrastructure and water sector pipe projects to fully utilize its potential. With the expected upcoming gas infrastructure and waterworks projects, we are fully poised to capture this opportunity and grow in this area.

We are dedicated to meeting the development needs of the country and are committed to exploring all possible avenues to accelerate the Company's growth and enhance shareholder wealth.

LIQUIDITY AND CASH FLOW MANAGEMENT

Liquidity Position

The Company's liquid assets, primarily made up of short-term investments and nominal cash and bank balances, totaled Rs. 2,694.0 million at the end of FY26.

Strategy to Overcome Liquidity Problems

The Company continues to adopt a proactive and structured approach to liquidity management, ensuring that adequate financial resources are available to meet short-term and long-term obligations. During FY26, liquidity challenges due to working capital need are effectively managed through strategic financing and disciplined treasury operations.

A comprehensive treasury management framework is in place to monitor cash flow requirements on a daily, weekly, and monthly basis. This includes detailed short and medium term projections that support informed decision-making and ensure timely availability of funds. The Company's liquidity risk management strategy is designed to maintain sufficient cash reserves and access to committed credit facilities, enabling it to meet liabilities as they fall due under both normal and adverse conditions.

Operational liquidity is supported by maintaining optimal levels of working capital, actively managing receivables and payables, and investing idle cash, resulting in favorable returns ultimately increasing the value of idle cash. The Company also prioritizes maintaining healthy liquidity ratios and avoiding over-reliance on external debt. In FY26, the current ratio stood at 3.6x and the quick ratio to 2.6x, indicating a strong financial position with further improvement by reduction in negative balance in cash and cash equivalents indicating better liquidity management and enhanced financial flexibility.

Liquidity Generation

The Company's liquidity generation policy is focused on maintaining a balanced reliance on internally generated funds and selective external financing. In FY26, net cash generated from operations was Rs. 3,226.8 million. These robust operating cash flows were deployed towards investing activities of Rs. 875.3 million and strategically settled Rs. 1,342 million of short-term borrowings, thereby reducing its reliance on external financing and associated financing costs.

Investments and Placement of Funds

The company continues to maintain a diversified investment portfolio comprising blue-chip equities, mutual funds, and term deposits. These investments are aimed at maximizing returns while maintaining liquidity ratios and minimizing risk. Regular performance reviews ensure alignment with market conditions and liquidity objectives.

Repayments of Debts

Total borrowings, including short-term loans and current maturities of long-term debt, reduced to Rs. 686 million from Rs. 2,474.2 million in FY25, in order to meet working capital requirements. The company repaid Rs. 181.8 million in long-term loans and Rs. 81.3 million in lease obligations.

All debt obligations due during the year were repaid on time, and the Company continues to maintain a strong credit profile with no history of defaults. A sizeable unused borrowing capacity remains available to meet future funding needs.

Capital Structure and Assessment of Its Adequacy

As of June 30, 2026, the Company reported total equity of Rs. 9,666 million, consisting of Rs. 776.3 million in share capital and Rs. 8,889.7 million in reserves. The capital structure strengthened during the year, as reflected by improvement in long-term debt-to-equity ratio to 0:88 from 3:97 in FY25, indicating a significant reduction in reliance on long-term borrowings. The gearing ratio also improved substantially to 4.1% from 21.5%, mainly due to an reduction in short-term liabilities. The increase in equity and reserve levels has further strengthened the Company's financial position, meeting internal benchmarks and ensuring sufficient liquidity and headroom for further financing.

Business Rationale for Major Capital Expenditure

We create value for our stakeholders through business diversification and continued investment in manufacturing facilities. During FY26, the Company focused on optimizing production infrastructure and refining its cost structure to enhance operational efficiency. Capital expenditure initiatives were aligned with the Company's strategic objective of expanding into diversified business segments, thereby increasing operating leverage and strengthening profitability. These investments are expected to contribute to sustainable growth through improved revenue and profit streams. The Company maintained a disciplined approach to managing working capital and capital outflows, ensuring consistent cash generation to support reinvestment. The capital expenditure plan for the year was reviewed and formally approved by the Board of Directors.

THE CAPITALS AND VALUE CREATION

We are Committed to Creating a Sustainable Value Chain by Optimizing the Outputs from All the Capitals Integrated Into Our Business Processes.

At Crescent, our approach is rooted in value creation. We believe this path strengthens our financial health and sharpens our competitive edge. By strategically leveraging the capital available to us, we aim to deliver sustainable performance and generate long-term value for all stakeholders.

Beyond economic returns, our value creation model encompasses the full spectrum of our inputs, outputs, and impacts across the value chain, including our customers, suppliers, employees, communities, and the environment. This holistic perspective ensures that our growth is inclusive, responsible, and aligned with our commitment to sustainability.

Our Approach to Value Creation

Value creation is the lens through which we view every aspect of our operations. This strategic track not only strengthens our financial performance but also enhances our long-term competitiveness. By effectively utilizing the six capitals – financial, manufactured, intellectual, human, social & relationship, and natural – we strive to deliver sustainable outcomes that benefit all our stakeholders.

Our integrated approach goes beyond economic value. It captures the full scope of our inputs, outputs, and impacts across the value chain, including our relationships with customers, suppliers, employees, communities, and the environment.

The Capitals

Guided by the International Integrated Reporting Framework, we use the following forms of capitals to assess our



Financial Capital Generating Funds

We generate our financial capital through our ongoing business operations and strategic financing from lending partners. This capital supports our working capital requirements and enables us to pursue growth initiatives and invest in other forms of capital.



Manufactured Capital Leveraging Infrastructure to ensure Quality Delivery

We continuously invest in our production facilities, corporate offices, and operational processes to enhance efficiency, ensure workplace safety, and uphold product quality and reliability—while fostering responsible growth.



Human Capital Our Differentiator Strengthening Skill

We invest in skills development, collective knowledge, training, and organisational health to drive performance excellence. Our operating ethos centres on ensuring employee safety, promoting health and well-being, providing fair compensation, and continuously enhancing competencies.



Social and Relationship Capital Our Legacy as a Responsible Corporate Citizen

We believe in building long-term, high-impact relationships with our stakeholders, while minimizing the footprint of our operations in the communities we serve. We uphold full compliance with all applicable regulations, foster fairness and transparency in our practices, and actively invest in meaningful causes aligned with our values.



Intellectual Capital Knowledge-Based Intangibles that Make us Competitive

We cultivate a strong, values-driven culture that promotes continuous learning and recognises performance. Our robust management and information systems are reinforced by regular stakeholder feedback, enabling us to adapt and align with evolving needs. Comprehensive internal controls and monitoring mechanisms ensure the effectiveness and relevance of our management systems.



Natural Capital Voluntary Commitment for Environmental Stewardship

We utilize raw materials, water, and energy responsibly, while actively monitoring our consumption and greenhouse gas (GHG) emissions. Our operations are designed to minimize environmental impacts, including emissions, wastewater, and effluent discharge. Beyond compliance, we advocate for environmental stewardship and promote a culture of care and protection for the planet.

Capital Utilization (Aligned with GRI Standards)

At Crescent, our business strategy is centered on long-term value creation, in line with the **Global Reporting Initiative (GRI)** Standards. We manage and leverage the six capitals—financial, manufactured, intellectual, human, social & relationship, and natural—to deliver sustainable performance and generate shared value across our ecosystem.

Our approach contributes to:

- **GRI 201: Economic Performance**
We report on direct economic value generated and distributed, including revenues, operating costs, employee wages, and community investments.
Total economic value generated in FY2026: PKR 11.0 billion.
- **GRI 203: Indirect Economic Impacts**
Our operations support local supply chains, create employment, and contribute to regional development.
Number of local suppliers engaged: 256.
- **GRI 102-40 to 102-44: Stakeholder Engagement**
We maintain active dialogue with key stakeholders—customers, suppliers, employees, communities, and regulators—to ensure our decisions reflect their expectations.
- **GRI 305: Emissions & GRI 306: Waste**
We monitor and report our environmental footprint, including GHG emissions and waste management practices.
Scope 1 & 2 emissions: 1,805 and 429 tonnes CO₂e ; Waste recycled: 692.6 MT.

Our Approach to Business – Creating Value

As a diversified conglomerate operating across four core sectors—engineering, textiles, capital markets, and power—we are committed to delivering high-quality, value-added products. We foster equal employment opportunities and strive to generate sustainable economic and social value through responsible business practices and inclusive growth.

Drivers for Sustainable Value Creation

Our priorities lie at the intersection of business and society—where we can generate the greatest impact and long-term value. With a structurally robust business model, we focus on operational excellence and value creation by:

- Maintaining industry leadership through innovation in production and processes
 - Leveraging the technical expertise of our people and the diversity of our business portfolio
 - Upholding a strong corporate culture rooted in employee wellbeing, environmental stewardship, and institutional learning
 - Driving continuous improvement through best practice benchmarking, knowledge sharing, and advanced technology
- As responsible corporate citizens, we are committed to delivering consistent returns and maintaining a healthy balance sheet. This reinforces our credibility, strengthens access to capital, and to markets.

Creating Value for Sustainable Development



OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



PKR **3,406**
million in wealth distribution to
Stakeholders related to the cause
we are supporting in education,
health, society and environment.



23,000 ml
of blood donated
Health Insurance Policies
PKR 7.3 million
Premium and Strength **606**
Life Assurance Policies
PKR 1.4 million
Premium and Strength **383**



PKR **120.4**
million to support **2,835**
TCF students
PKR **2.3**
million for Employee
development



17%
female representation across
our corporate offices



76.66
million Liters of water reused



41,041 GJ
Total Energy Consumption
4,049 GJ
Renewable Solar Power Produced



PKR **10,972**
million Revenue
PKR **5,239**
million in Wealth Generated
143
KM Pipe for national energy
infrastructure
55
KM pipe for the Water project



Driving forward with our Company
Sponsored Vehicles program **3** cars
and **4** motorcycles allotted to eligible
employees
Keeping our employees moving –
company- arranged transportation for
our factory employees



63
Empty drums were sold for recycling



7,700
mangroves which have reduced our
carbon footprint by
198 tonnes



9,185
trees
8,185 trees and **1,000** mangrove
saplings were planted. (Total
mangroves to date 7,700)
Minimize our yearly carbon footprint
by **198** metric tonnes

MAPPING WITH SUSTAINABLE DEVELOPMENT GOALS (SDGs)

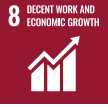
We support the United Nations Sustainable Development Goals (SDGs) in their mission to create a better and more sustainable world for everyone.

From the commencement of our operations in 1987 our commitment has always been to deliver quality products efficiently and economically minimizing the negative impacts of our operations, contributing to the communities where we operate, providing fair and consistent returns to shareholders and a desirable workplace for our employees where they are assessed and rewarded with fairness.

While our contributions span a range of UN SDGs, our primary focus remains on SDGs 4 (Quality Education), 8 (Decent Work and Economic Growth), and 12 (Responsible Consumption and Production).

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2026
1 NO POVERTY  End poverty in all its forms everywhere	To promote social entrepreneurship and tertiary education to enhance the employability of our people and of Pakistanis at large. Empowering through education. Contributing to social safety nets such as education for all, healthcare access and relief.	Donated Rs. 153,587,400 to community partners in education, namely TCF, Habib University and IVS. Donated Rs. 3,827,600 to community partners in health for free healthcare access. Provided hardship support to our employees through the Benevolent Fund of Rs. 929,719.
2 ZERO HUNGER  End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Contribute towards food security and distribution programs/centres.	Our employees volunteered for Iftar distribution drives organised by Relief and Hope for All. Through the drive, we were able to feed approximately 210 individuals at old age homes and orphanages. Our employees volunteered for ration distribution drives organised in collaboration with WWF. Through the drive, ration was distributed to 217 households in Kakapir and Somar Goth (fishermen communities). Surplus food from the Head Office Mess is regularly shared with underprivileged communities in the surrounding area. Over the course of the year, nearly 899 food packs were distributed as part of this initiative.

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2026
3 GOOD HEALTH AND WELL-BEING  Ensure healthy lives and promote well-being for all at all ages	Promote a healthy Pakistan by catering to the basic healthcare needs of the people through awareness campaigns and initiatives while contributing financial support leading to a hepatitis-free Pakistan.	Sponsored Hepatitis B and C vaccinations in collaboration with The Health Foundation. Our employees donated 23,000 ml of blood through the Indus Hospital Blood Drive held during the year. Contributed Rs. 1,000,000 to the Indus Hospital and Health Network to support its general expenses. Contributed Rs. 2,000,000 to Patients' Aid Foundation to support in its mission to provide access to free, quality healthcare to underserved communities. In collaboration with Indus Hospital and Health Network, we organised an informative session on breast cancer.
4 QUALITY EDUCATION  Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Our mandate is to build an educated Pakistan through a focus on primary education. We selectively support programs for tertiary education, especially when those resources may be absorbed into our businesses.	Contributed Rs. 65,615,000 as operational support for 15 school units built by us. The contribution helped educate 2,835 students. Contributed a total of Rs. 54,600,000 towards the construction of following two TCF campuses: - Rs. 27,300,000 towards the construction of a TCF primary campus in Ibrahim Hyderi, Ali Akhbar Shah Goth, Korangi, Karachi, with a planned capacity of 180 children per shift. - Rs. 27,300,000 towards the construction of a TCF secondary unit in Maskeen Pora, Chiniot, with a capacity of 180 children per shift. Partnered with Habib University and established a Crescent Steel Endowed Scholarship of PKR 120 million, spread over four years, with an annual contribution of PKR 30 million. Through this, we aim to support at least eight TCF students at Habib University by the fourth year. Contributed a total of PKR 500,000 to Indus Valley School of Art and Architecture (IVS) for the campus expansion. Provided career counselling to TCF students during Crescent Cares Week 2026. Manage a scholarship scheme for children of employees with 3 active scholars. Continue to provide tertiary scholarships to 1 TCF alumnus, 1 student at IVS, supported through the Crescent Steel Scholarship Fund. Continue to provide tertiary scholarship to three children of employees.

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2026
 Achieve gender equality and empower all women and girls	We are committed to providing equal opportunities and are gender-blind in our recruitment. We ensure that the workplace is rewarding, safe and comfortable for all employees and go beyond the norm to provide flexibility to female employees as required.	In 2026, 17% of our employees across our corporate offices were females. 14% of the Executive Management Team and 2% of the management roles were filled by women. We have a dedicated space for mothers even though we do not have the depth that would require a full-scale day-care center with only one new mother in the Head Office. We offer equal pay and positively discriminate in favor of female employees, going beyond the norm to offer flexibility in work schedules and paid time off.
 Ensure availability and sustainable management of water and sanitation for all	We aim to conserve, reuse and recycle water at every opportunity.	We reused 234.3% of water consumed in 2026 across all our campuses.
 Ensure access to affordable, reliable, sustainable and modern energy for all	To manage our energy consumption, reduce our dependency on the national grid and mitigate the risk of recurring power outages.	The Company expanded the solar capacity at its Nooriabad steel plant from 582.4 kW to 1,001.58 kW. The initiative is expected to save 4,330 GJ of energy annually and reduce CO₂ emissions by nearly 594 metric tons, while lowering reliance on fossil fuels and grid electricity. This investment reinforces the Company's focus on cleaner energy and operational efficiency.
 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We aim to provide equal growth opportunities to our people and encourage them to innovate, discuss and present new ideas.	We employ a staff of 401 people across our locations and strive to provide the right resources and an environment that supports their growth and development needs. We continue to retain standard certifications (ISO 14001:2015 and ISO 45001:2018) and encourage a strong safety-first culture with a mission-zero goal alignment We hold sessions to inform employees about better financial planning, savings and more. The average pay increase to eligible employees for FY25 stood at 13.36%, while variable payouts to management averaged 30.28% of annual gross salary. During the year, 7% of our total payroll comprised of overtime payments to workers.

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2026
 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	We support sustainability advancement and transformational change across our business and strive to leverage best in class technology to make operations efficient and agile. We work with industry partners, trade bodies and universities and strive to contribute to meaningful dialogue on industry innovation.	All our emissions and discharges are compliant and within the prescribed limits set by the National Environmental Quality Standards (NEQS). As a part of our continued commitment to our stakeholders, we work hard to mitigate the environmental impact of our operations
 Reduce inequality within and among countries	We provide equal opportunities to grow and encourage innovation, discuss, and suggest new ideas.	Our businesses continue to provide equal-opportunity employment to hundreds of citizens across Pakistan. Our priority towards society and people are effectively integrated with our business offering and how we work on a day-to-day basis. In 2026, minority employees comprised 5% of the total workforce, with representation at the Head Office reaching 10% Supported Akhuwat Microfinance Bank via a revolving fund for microfinance loans, where repayments are reinvested to enable future lending. In its initial phase, the fund has facilitated the disbursement of 102 loans.
 Make cities and human settlements inclusive, safe, resilient and sustainable.	We strive to make a meaningful impact in the communities where we operate.	The line pipes we supply are used in hydrocarbon transmission to businesses and households across the country. We successfully supplied 198 km of high-quality line pipes on time, including 143 km for national energy infrastructure projects and 55 km for the Water Supply project We also ensure that we hire people from localities near our operations, as far as reasonably possible and in line with business requirements. Over the last year, 76% of new entrants represent rural communities and 70% of our total workforce is from rural Pakistan. Provided operational support to TCF for running 10 CSAPL (15 units) sponsored TCF campuses.

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2026
 Ensure sustainable consumption and production patterns	To minimize wastage resulting by reducing material consumption as far as reasonably possible.	Our products contribute significantly towards import substitution and towards a sustainable energy and water infrastructure for Pakistan. 35% of the natural gas transmission infrastructure has been produced by us. We seek to ensure that as far as possible we practice reuse, where reuse is not possible, we ensure proper disposal of waste matter in accordance with local regulations imposed on us and international best practices. Disposal methods include landfilling, recycling, and incineration. A total 63 drums were sold for recycling, while 14.0 metric tonnes of debris, kitchen waste, and other non-hazardous materials were properly disposed of. At the Nooriabad plant, skylight installations save 25,000 kWh annually, while a 419.18 kW solar system displaces 765,000 kWh and avoids 320 MT of CO₂ emissions. Water recovery conserves 1,635 litres weekly, and recycling reduces 10 gallons per hour. LED upgrades cut 1.06 kW, solar fixtures add 640k W, and daylight utilisation saves 4.4 kW. Inverter air conditioning delivers 20% savings, while broader LED deployments achieve up to 40%, underscoring Crescent Steel's sustainability commitment. All lights bulbs in Head Office are LED. Cutting off logistic requirements by 50 resulting in reduction in consumption and emissions. Integration of sustainability reporting with annual reporting cycle.
 Conserve and sustainably use the oceans, seas and marine resources for sustainable development	We strive to conserve natural resources by partnering with WWF.	Mangrove forests serve as a valuable nursery for fish and other invertebrates. To date, we have planted 7,700 mangroves which have reduced our carbon footprint by 198 tonnes.

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2026
 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	We strive to support marine conservation and environmental advocacy activities.	During the year, we planted 9,185 trees. Over the years our plantation size has increased to over 75,581+ trees. These trees will help reduce our carbon footprint by 447 tonnes annually.
 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	We strive to promote sustainable business practices throughout our value chain.	Through our business, we increase stability, improve economic prospects, and contribute socially and economically towards the community. Close collaboration with Citizens-Police Liaison Committee (CPLC) in our efforts towards a peaceful and safe society. Supported Legal Aid Society with a total contribution of Rs. 1,005,000, enabling 10 survivor legal representation cases and 10 legal literacy sessions.

WHERE RESPONSIBILITY CARRIES **TRUST**

Governance, safety and accountability ensure
every step forward is built responsibly.



PROFILE OF DIRECTORS



Ahmad Waqar
77

Masters in English Literature, MBA (Finance)

Joined Board: January 30, 2012

Chairman (Non-Executive Director)

MAJOR ENGAGEMENTS

Past:
Private Sector:
Principal Advisor to Chairman, Petroleum Exploration Limited (PEL)

Public Sector:
Chairman FBR/Secretary, Revenue Division
Secretary, Investment Division/Board of Investment
Secretary, Ministry of Petroleum and Natural Resources
Secretary, Privatization Commission
Additional Secretary In-charge, Ministry of Privatization
Member Finance/Financial Adviser, Capital Development Authority (CDA)
Deputy Auditor General
Chief Accounts Office, PTCL
Deputy Secretary, Cabinet Division
Assistant/Deputy/Joint/Controller Military Accounts

Chairman:
Saindak Metals (Private) Limited
Pakistan Mineral Development Corporation
Government Holdings (Private) Limited

Director/Member (Nominee – Government of Pakistan):
State Bank of Pakistan
United Bank Limited
Habib Bank Limited
Pak-Kuwait Investment Company
Pakistan Telecommunication Company Limited
Pakistan International Airlines
Hydrocarbon Development Institute of Pakistan
Pakistan Electronic Media Regulatory Authority
Private Power Infrastructure Board
Overseas Pakistanis Foundation
Ufone



Ahsan M. Saleem
73

Masters in Economics

Joined Board: August 1, 1983

Chief Executive Officer and Managing Director

Other current engagements:

1. Co-Founder and Chairman, The Citizens Foundation
2. Director, Pakistan Centre for Philanthropy
3. Trustee, Commecs Educational Trust



Nausheen Ahmad
66

L.L.M, L.L.B Kings College London; Barrister at Law; Advocate Sindh High Court

Joined Board: January 29, 2024

Director (Non-Executive, Independent)

Other Current Engagements

Director
Chancellor Textile Institute of Pakistan
Independent Director Meezan Bank Limited
Independent Director International Steel Limited
Independent Director Descon Engineering Limited
Independent Director SLG Trax Limited



Nihal Cassim
51

MBA (Finance & MIS)

Joined Board: January 29, 2024

Director (Non-Executive, Independent)

Other Current Engagements

Chairman:
The Organic Meat Company Limited

Director:
Pakistan Stock Exchange Limited
National Clearing Company of Pakistan Limited
International Steels Limited
National Institutional Facilitation Technologies (Private) Limited
Ubiquity Trading Limited
Jinnah Foundation (Trustee)

PROFILE OF DIRECTORS



MUHAMMAD KAMRAN SALEEM
54

M.Com., LL.B., LL.M., ACA (Eng. And Wales), FCA (Pak.), FCMA, FCIS, PGD

Joined Board: January 30, 2021

Director (Non-Executive, Independent)

Other Current Engagements

Chief Executive Officer/Managing Director:
Pak Qatar Investment (Private) Limited
AK Advisors LLP

Executive Director and Company Secretary:
Pak Qatar Takaful Group

Director:
Pak Elektron Limited
Pak Qatar Asset Management Company Limited
Pak Qatar Family Takaful Limited
Pak Qatar General Takaful Limited
MPQ Developers (Private) Limited
Sharq Trading and Merchandising Limited

Member:
Sindh High Court Bar Association
Sindh Bar Council
Karachi Bar Association
Karachi Tax Bar Association
Karachi Press Club
Karachi Chamber of Commerce & Industry

Former Chairman/Convener:
FPCCI's Standing Committee on Takaful & Window Operations



S.M. Ehtishamullah
87

Fellow Chartered Accountant

Joined Board: January 30, 2000

Director (Non-Executive)

Past engagements:

Director:
The Organic Meat Company Limited

Director:
Agriauto Industries Limited
Al-Ghazi Tractors Limited
Crescent Leasing Corporation Limited
Hinopak Motors Limited



Ahmad Shafi
48

Bachelor In Commerce (Marketing), Concordia University

Executive Education: Harvard Business School, The Wharton School, London Business School, LUMS REDC

ICAP – Certified Director

Joined Board: January 29, 2024

Director (Non-Executive)

Other current engagements:
Chief Executive Officer, Crescent Textile Mills Limited



NADEEM MAQBOOL
67

A.B Eco.

Joined Board: March 25, 2020

Director (Non-Executive, Independent)

Other Current Engagements

Chief Executive Officer:
Suraj Cotton Mills Limited

Director:
Premier Financial Services (Pvt.) Ltd.
Premier Insurance Limited

Past Engagements

Director/ Chairman:
Karachi Cotton Association
National Textile Foundation – (currently member Board of Governors)
All Pakistan Textile Mills Association – APTMA

Trustee:
Old Grammarian Society

CORPORATE GOVERNANCE

Crescent Steel conducts its business in a responsible manner and with honesty, integrity and in line with best practices. We also have the same expectations from all those with whom we have relationships. We insist on doing what is right, which sets the tone of our actions and underpins the functioning of our employees. We also insist that all transactions be open, transparent and within the legal framework culminating in responsible financial reporting.

OUR GOVERNING PRINCIPLES

At Crescent Steel, we uphold the highest standards of safety, governance, environmental stewardship, and ethical business conduct; we strive to ensure that every individual and partner associated with our company embodies these values

As a responsible corporate Crescent Steel conducts business with honesty, transparency and integrity and expects the same from all partners and stakeholders. Our Core Values – Integrity, Ownership, Customer Focus, Continuous Improvement and Community Care –are embedded in every decision we make.

Crescent Steel complies with the Pakistan Code of Corporate Governance and other applicable regulations of the Securities and Exchange Commission as well as the listing regulations of the Pakistan Stock Exchange.

Anti-bribery / Corruption and Facilitation Payments

Crescent Steel does not use bribery as an instrument for any business or financial gain and prohibits the offer, payment, solicitation or acceptance of bribes, improper benefits, and facilitation payments in any form. This includes the use of third parties, including agents and representatives. Crescent Steel also has adequate controls on giving and receiving gifts and gratuities to and from customers, suppliers, public officials, or relatives or associates of public officials. The giving or receiving of gifts or hospitality is prohibited in all circumstances that may be regarded as compromising personal judgement or the judgement of others, or conflicts in any way with Crescent Steel’s purpose, values, and behaviors.

Service to Society

We are committed to being active as responsible corporate citizens. We believe in “giving something back” by addressing gaps in targeted areas including education, healthcare, public safety, environmental protection, and stewardship – with a particular focus on education. As such a majority of our giving is allocated to primary and secondary schooling for less privileged children.

We believe that individual entities when working together can create powerful synergies and help to improve quality of life in the areas where they operate. We actively strive to promote issues of education, health, and environment.

Health, Safety and Environment

At Crescent Steel, compliance with workplace health and safety standards is of critical importance across all our locations. We are committed to actively managing health and safety risks associated with our business and are working towards improving our procedures to reduce, remove or control the risk of fire, accidents or injuries to employees and visitors. All activities at all our campuses are required to conform to international standards for health and safety certified by ISO 45001 and ISO 14001.

We also ensure that our products are shipped in a safe manner complying with all safety standards and legal requirements.

Shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the Company’s state of affairs. Information is communicated to the shareholders in the annual report, interim quarterly reports and through information portal of Pakistan Stock Exchange as and when required. The Board encourages shareholder participation at the Annual General Meetings to ensure a high level of accountability. The Company’s financial

Equal Opportunity, Diversity, and Anti-Harassment

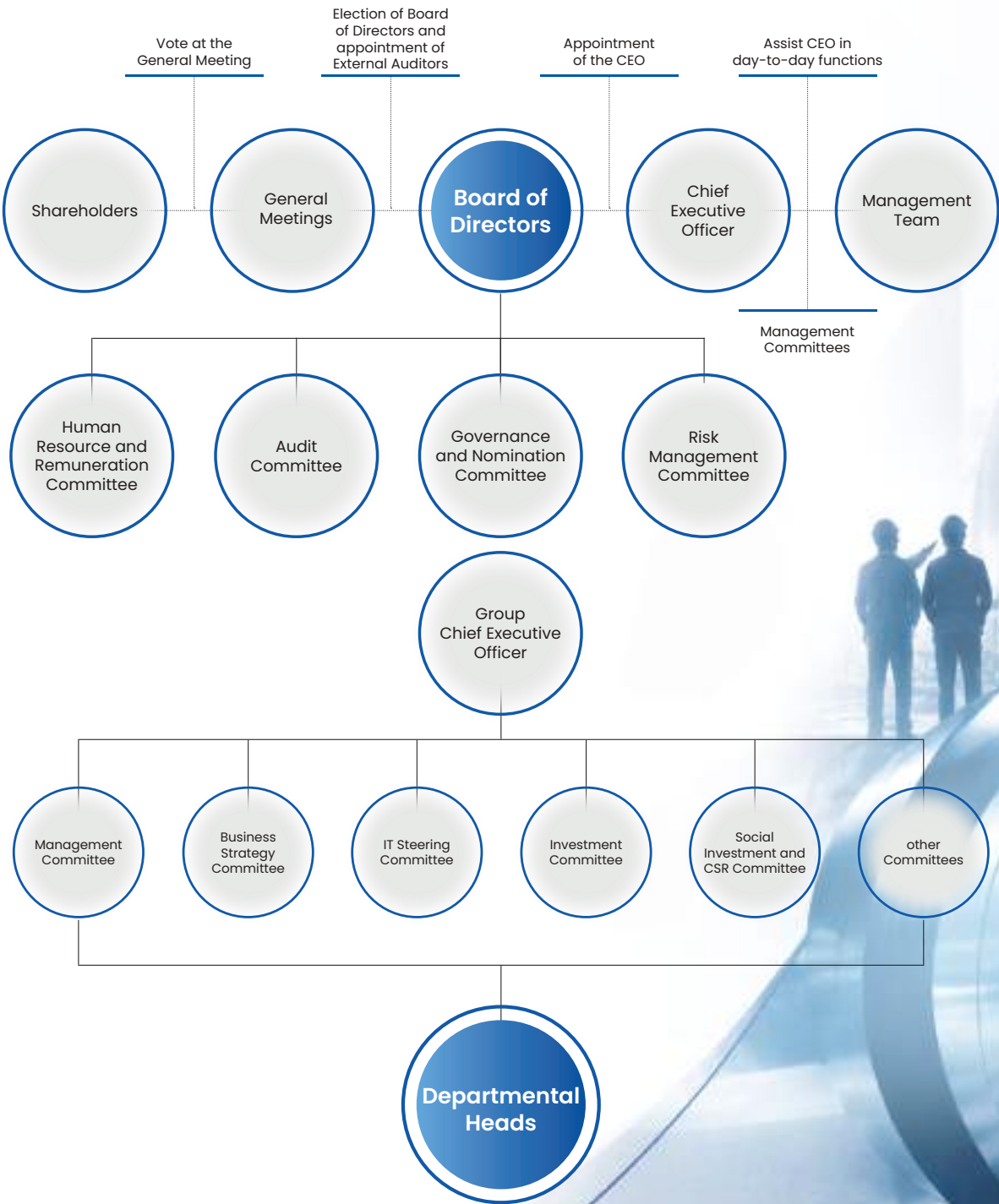
At Crescent Steel, we are committed to building a work environment where every individual is valued, respected, and empowered to contribute to their full potential. We believe diversity is a strength that fuels innovation, and inclusion is fundamental to building a culture of collaboration and shared success.

We provide equal opportunity in all aspects of employment, ensuring that decisions related to hiring, promotion, and career development are based on merit. We strive to create a workplace where differences in gender, ethnicity, age, disability, and background are embraced, and everyone feels a sense of belonging.

Our zero-tolerance policy towards any form of harassment or discrimination ensures that all employees can work in a safe and respectful environment, free from intimidation, harassment, or bias.

The Company has clear procedures in place for reporting incidents of harassment, and all reports are handled with strict confidentiality and thorough investigation. We believe that a respectful and safe workplace is essential to our business success and is integral to our commitment to our employees and stakeholders.

Our Governance Structure



BOARD AND ITS COMMITTEES

The Company has a unitary board structure consisting of eight directors (including the CEO) of which four are independent. Crescent Steel gives due consideration to the qualifications and expertise of individuals when deciding on the Board’s composition. This ensures that a vast range of expertise and experience is represented on the Board in the best interest of stakeholders and the Company.

The Board has formulated policies which it reviews on a periodic basis including risk management, procurement of fixed assets, goods and services, investments, borrowings, donations, charitable giving and contributions, whistleblowing, delegation of financial authority, transactions with related parties and transfer pricing, provision for slow moving stores and spares and impairment of assets, Board charter etc. and such policies are implemented and monitored through delegation of duties to four standing committees of the Board: The Audit, Risk Management, Human Resource and Remuneration, and Governance and Nomination Committees.

Role of the Board of Directors

The Board has fiduciary responsibility for the proper direction and control of the activities of the Company. This responsibility includes such areas of stewardship as the identification and control of the Company’s business risks, the integrity of management information systems and transparent reporting to shareholders. The Board accepts its primary responsibility for the overall control architecture of the Company; however, it recognises that the internal control system must be cost effective, and that no cost-effective system will preclude all errors or irregularities.

The system is based on written procedures, policies, guidelines, an organogram that provides an appropriate division of responsibility, a program of internal audit, manning of all key functions by qualified personnel and constant skills development.

Remuneration of Board of Directors and Chairman

All directors of the Company are Non-Executive except for the Chief Executive Officer (CEO). The CEO is paid a fixed salary as determined by the Board; the performance of CEO is evaluated against approved criteria by the HR & R Committee and recommended to the Board for approval. All the other directors are paid the Director’s fee for attending Board meetings which is also fixed considering applicable laws and regulations. The Chairman of the Board is paid honorarium for his services to the Company as approved by the Board.

Code of Conduct

The Board has adopted a code of conduct for its members, executives, and staff, specifying the business standards and ethical considerations in conducting its business. The code includes:

- Corporate governance
- Relationship with employees, customers, and regulators
- Confidentiality of information
- Trading in Company’s shares
- Environmental responsibilities

Board Committees

The Board has constituted the following committees:

- Audit Committee
- Risk Management Committee
- Human Resource and Remuneration Committee
- Governance and Nomination Committee

All board committees operate under an approved charter. Through its committees, the Board provides proactive oversight in key areas of business and the performance of the Company. The Board regularly reviews the respective charters of these committees.

Audit Committee

The Committee comprises of four members who all are Non – Executive Directors, including two Independent Directors, as Chairman and a member.

The terms of reference of the Audit Committee include the following:

- To provide the Board of Directors (“the Board”) with an independent and objective evaluation of the operations, policies, procedures and controls implemented within the Company.
- To provide supplemental assistance and resources to the internal audit department of the Company in order for them to provide the Management and the Board of the Company with an independent, objective evaluation of their operations, policies, procedures and controls.
- To provide the Board with an oversight of the internal audit department in the Company to assure that an effective internal audit function is in place, which includes a risk based annual and long range audit plan, a reporting mechanism and a quality control plan.
- To provide assistance to the Board in fulfilling their oversight responsibility relating to integrity of the financial statements and financial reporting.
- To review and evaluate procedures established to comply with laws and regulations and to monitor compliance thereof.
- To assess the Company’s risk management process including risk related to Financial Statements and Financial Reporting.
- To recommend the appointment of Internal and External Auditor for the Board’s approval.

Risk Management Committee

The Committee comprises three members who all are Non-Executive Directors, including two Independent Directors. The Committee has been constituted to address and improve risk oversight and risk management within the Company.

The terms of reference of the Risk Management Committee include the following:

- Oversee and recommend the risk management policies and procedures of the Company.
- Review and recommend changes as needed to ensure that the Company has in place at all times a Risk Management policy which addresses the strategic, operational, financial and compliance risks.
- Implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Company’s business risks.
- Set reporting guidelines for management to report to the Committee on the effectiveness of the Company’s management of its business risks.
- Review the Company and its subsidiaries’ risk profiles and evaluate the measures taken to mitigate the business risks (Risk Register).

Human Resource and Remuneration Committee

The Committee comprises of four members who are all Non-Executive Directors, including two Independent Directors. The Committee has been constituted to address and improve the area of Human Resource Development. The main aim of the committee is to assist the Board and guide the Management in the formulation of market driven HR policies regarding performance management, HR staffing, compensation and benefits, that are compliant with the laws and regulations.

The terms of reference of the Human Resource and Remuneration Committee include the following:

- Recommending human resource management policies to the Board.
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits) of the CEO, CFO, Company Secretary and Head of Internal Audit.
- Ensure a proper system of succession planning for top management is in place and the adequacy of the same in the rest of the organisation.
- Review the organisational structure and recommend changes, if any, to increase the effectiveness and efficiency of reporting lines and the division of authority and responsibility.
- Review the effectiveness of the recruitment and recommend changes, if any.
- Guide management in development/revision of all employees benefits, policies and rewards.
- Oversee employee development by monitoring HR aspects of organisational learning and development.
- Ensure that the performance management system is achieving its objectives of fairly rewarding employees’ performance and is in line with company objectives.

Governance and Nomination Committee

The Committee comprises three Non-Executive Directors including two Independent Directors and Executive Director (CEO) of the Board. The role of the Committee is to assist the Board in the discharge of its function as well as compliance with the Company’s governing principles. The Committee takes a leadership role in shaping the Company’s governing principles in order to keep them in line with International best practices.

The terms of reference of the Governance and Nomination Committee include the following:

- Monitoring compliance with the Code of Corporate Governance (SECP’s and Company’s Governing Principles) other than those areas which fall under the oversight of the Audit Committee.
- Advising Directors on Governance principles periodically and changes in the requirements of the Code of Corporate Governance whenever required.
- Reviewing that the key functions of the Company and assignment/responsibilities of main functionaries are consistent with the business objectives.
- Advising the CEO on the adequacy of available skills and expertise for achieving the business objectives.
- Examining the need for additional Board Committees and recommending changes/modifications in the structure/functions of the existing Board Committees.
- Evaluating the performance of the Board and its committees.
- Providing governance and oversight of the identification, assessment, and management of sustainability risks and opportunities, including environmental, social, and governance (ESG) considerations.
- Monitoring the development and implementation of policies that foster a safe, inclusive, and equitable workplace for all employees.
- Reviewing and providing guidance on the company’s approach to addressing principal and emerging sustainability risks, including climate-related risks, and the financial and operational impacts of these risks. Ensure management implements appropriate mitigation strategies.
- Reviewing on Annual Basis Register of persons who have access to inside information and monitor compliance with Access to Inside Information Regulations, 2016.

DIRECTOR
ATTENDANCE

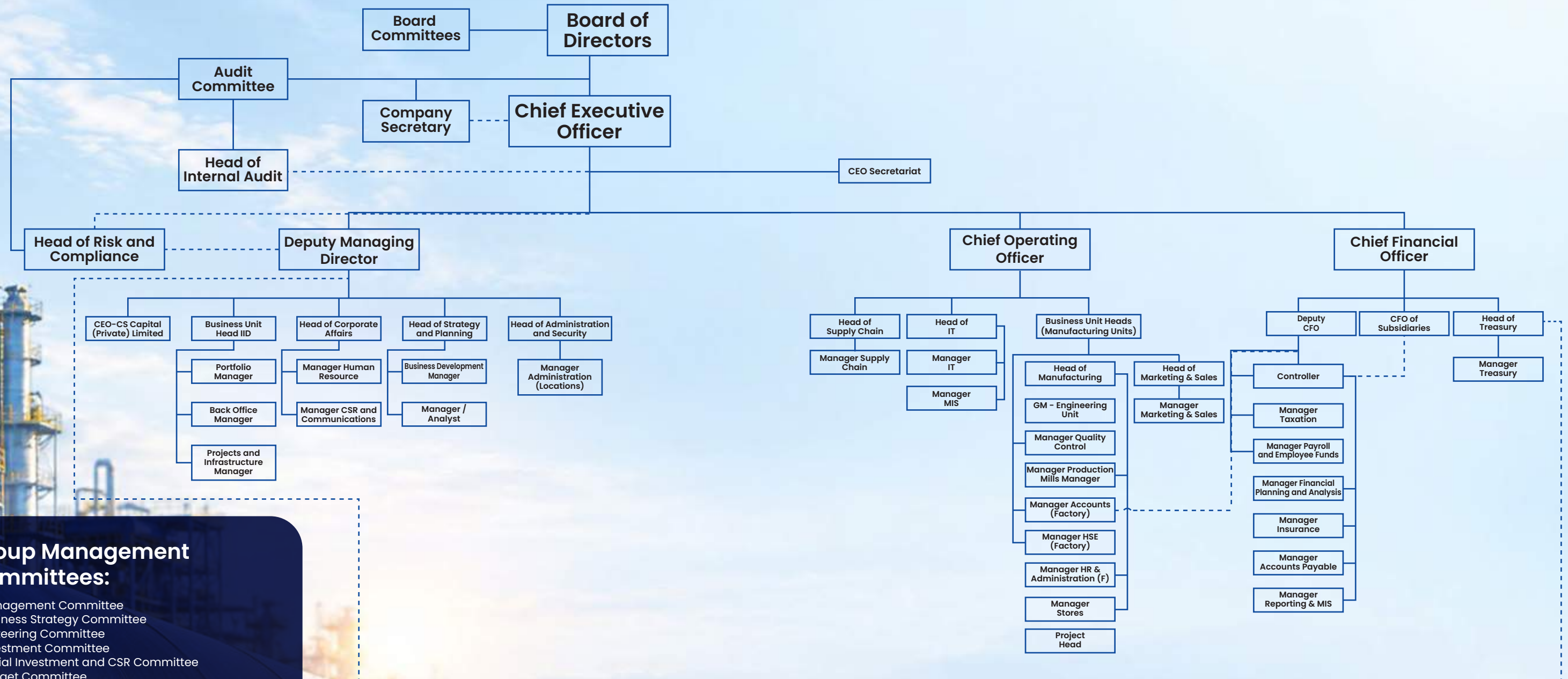
Attendance in the Meetings	Board Meeting		Audit Committee		Human Resource and Remuneration Committee		Governance and Nomination Committee		Risk Management Committee	
	Required	Attended	Required	Attended	Required	Attended	Required	Attended	Required	Attended
Non-Executive Directors										
Mr. Ahmad Waqar	7	6	-	-	3	2	1	1	-	-
Mr. Ahmad Shafi	7	5	4	4	3	1	-	-	-	-
Mr. Muhammad Kamran Saleem	7	3	-	-	-	-	1	1	1	1
Mr. Nadeem Maqbool	7	7	4	4	3	3	-	-	-	-
Ms. Nausheen Ahmad	7	7	-	-	3	3	1	1	-	-
Mr. Nihal Cassim	7	5	4	3	-	-	-	-	1	-
Mr. S. M. Ehtishamullah	7	7	4	4	-	-	-	-	1	1
Chief Executive Officer										
Mr. Ahsan M. Saleem	7	7	-	-	-	-	1	1	-	-

WHERE PURPOSE CARRIES US

Our values, people and capabilities form the foundation that moves Crescent forward.



MANAGEMENT STRUCTURE OF THE COMPANY



Group Management Committees:

- Management Committee
- Business Strategy Committee
- IT Steering Committee
- Investment Committee
- Social Investment and CSR Committee
- Budget Committee
- Tender Committee
- Capital Assets Committee
- Quality Council
- Website Committee

Board Committees:

- Governance and Nomination Committee
- Audit Committee
- Human Resource and Remuneration Committee
- Risk Management Committee

MANAGEMENT COMMITTEES

Management Committees

Ahsan M. Saleem	Chairperson
Abdullah A. Saleem	Member
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Mushtaque Ahmad	Member

The Committee devises long-term policies and vision for the Company with the sole objective of providing the best returns to shareholders by optimally allocating existing resources. The Committee is also responsible for reviewing the Company’s operations on a regular basis, establishing and ensuring adequacy of internal controls and, monitoring compliance of key policies. The Management Committee meets on a quarterly basis. Terms of reference of the committee include the following:

- To prepare, approve and keep an updated long-term plan,
- Provide guidelines to the Business Strategy Committee for medium and short-term tactics,
- Discuss new ideas, new business lines, new product lines, new markets, and / or refer new opportunities and feasible ideas to another committee for refinement,
- Analyze current market situation with a view to maintain sustainable competitive advantage,
- To discuss in detail the plans of the Group and accordingly adjust the policies of the Company to avoid any conflict, and
- Analyze group investment opportunities and refer to the investment committee, if required.

Business Strategy Committee

Ahsan M. Saleem	Chairperson
Abdullah A. Saleem	Member
Abdul Rouf	Member
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Mushtaque Ahmad	Member
Azeem Sarwar	Secretary

The Committee is responsible for formulation of business strategy, review of risks and their mitigation plan. Further, the Committee is also responsible for staying abreast of developments and trends in the Industry to assist the Board in planning for future capital-intensive investments and growth of the Company. The Committee meets at least twice a year. The terms of reference include the following:

- To prepare, approve and recommend to the Board a framework for business strategy,
- Develop and approve medium term plan(s) to meet interim objectives and milestones for any long-term project approved by the Executive Committee,
- Review the progress of different new projects of the Company,
- Approve short term goals, both qualitative and quantitative, for different segments of the Company,
- Review periodically the targets achieved and revise the operational targets, if required,
- Review allocation of resources to different segments such as investments, core business, etc., and
- Gather information of the competitors’ business and prepare an updated SWOT analysis of the Company, to be submitted to the Executive Committee.

IT Steering Committee

Ahsan M. Saleem	Chairperson
Abdullah A. Saleem	Member
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Osama Mansoor	Secretary

The Committee monitors the implementation of IT Strategy on a regular basis. It ensures that Crescent Steel stays current with the evolving new technologies and Information System Processes. The Committee prepares a long-term IT plan, which includes fostering an IT Culture at all levels. Terms of reference of the committee include the following:

- To guide the IT Department and Management in preparing the IT Strategy of the Company in a cost-effective manner,
- Monitor the implementation of the IT Strategy on a regular basis,
- Ensure that Crescent Steel stays current with the evolving new technologies and the latest Information System Processes as applicable to the business and growth of the company,
- Provide the basis for preparing long-term IT plans while not losing sight of the immediate goals and objectives,
- Facilitate the promotion of an IT Culture in the Company at all levels. This has been done by traditional training interventions including company-wide workshops at all levels, and
- Assist the Board to ensure that the IT vision provided by the Board is manifested in the IT Strategy and its subsequent implementation.

Investment Committee

Ahsan M. Saleem	Chairperson
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Mustafa Lakhani	Secretary

The Committee helps in maintaining a balanced portfolio of investments and maximize returns while keeping risk at a desirable low level. Terms of reference of the committee include the following:

- To determine the sector wise weight of the portfolio based on market conditions,
- Assess and monitor the risk associated with the portfolio, and
- Review the performance of the investments and take decisions relating to scrip wise entry and exit

Social Investment and CSR Committee

Abdullah A. Saleem	Chairperson
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Mushtaque Ahmad	Member
Muhammad Wajeh Uddin Usmani	Secretary

The Committee reviews the distribution of charitable contribution in line with Company’s policy for donations, charities and contributions. Terms of reference of the committee include the following:

- To review and recommend any changes to the Company’s policy relating to Corporate Social Responsibility for the approval of BOD,
- Review and recommend the distribution of charitable contribution in line with the Corporate Social Responsibility policy,
- Review and monitor CSR activities, and
- Measure social investments to evaluate their impact.

Other Committees

In addition to the above committees, the Company has also constituted the following committees which work in their respective domains as per approved terms of reference:

- Budget Committee
- Tender Committee
- Quality Council
- Capital Assets Committee
- Website Committee



REVIEW REPORT BY THE CHAIRMAN

I am pleased to present this report to the shareholders of Crescent Steel and Allied Products Limited on the overall performance of the Board and its effectiveness in achieving the Company's objectives.

This Annual Report provides information on our financial performance and non-financial metrics during the year.

Board Performance

Crescent Steel has implemented a strong governance framework that supports effective and prudent management which is regarded as instrumental in achieving long-term success.

The Board strives to ensure that the management remains agile in responding to the constantly evolving operating environment,

especially when faced with crisis and long-term challenges. The Board actively analyses the Company's operating environment and provides meaningful guidance and advice to support the management to deal with and overcome difficult situations and evolving global and national challenges.

The Board of Directors approves the Company's strategic plan and ensures alignment with its long-term vision. The Board maintains a clear outlook on the Company's evolution over the next three to five years, staying informed about financial performance and goal achievement. The Board provides timely oversight and direction, monitors management performance and focuses on key risk areas.

As Chairman, I will continue to lead the Board, promote a culture of openness and constructive debate where all perspectives are considered, and ensure the Board engages with a diverse range of senior management. I remain committed to ensuring the Company adheres to all relevant codes and regulations, while guiding the management team in making decisions that create value for the shareholders in the short, medium, and long term.

The Board of Directors has reviewed the Annual Report and Financial Statements, and are pleased to confirm that in its view, the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and comprehensive.

The Board of directors met seven times during the year to review the overall performance, appraise financial results, evaluate the corporate strategy and approve annual budget. In addition, the overall effectiveness of the role played by the Board in achieving the company's objectives remains regularly under consideration. Meeting agendas and supporting papers were received in a timely manner for the Board meetings.

Evaluation of the Board and its Committees

After the end of each fiscal year, the Board evaluates its effectiveness and performance through a self-assessment process collated by the Governance and Nomination Committee. Since 2013, the Board has regularly performed these evaluations. A self-assessment of the Board performance is carried out after the annual meeting of the Board. The recent assessment of the Board and its committees was deemed highly satisfactory, with noted areas for improvement and corresponding action plans developed. The next evaluation is planned in FY 2026.

The overall assessment is based on an evaluation of the following integral components:

- Vision, mission and values
- Engagement in strategic planning
- Formulation of policies
- Monitoring the organisation's business activities
- Adequacy of financial resources management
- Providing effective fiscal oversight
- Acting as a responsible employer
- Relationship between Board and Staff
- Organization's public image and our societal impact
- Review of the CEO's performance
- Board structure and dynamics

Board Composition and Diversity

The Company has a diverse and competent Board of Directors having adequate number of independent and non-executive directors, including a female director. The directors strongly believe in Company's vision and mission with the ultimate goal of serving the interests of stakeholders.

Our persistent dedication to the Company's core values; Integrity, Ownership, Customer Focus, Continuous Improvement, and Community Care, cultivates a positive and productive work environment for the employees. We are committed to attracting top talent from diverse backgrounds to drive growth and innovation. Across the organisation, there is a shared effort to take pride in our work, grounded in the belief that the Company will always maintain its trustworthiness and uncompromising standards.

Board Committees and their contribution

The Board and its committees have diligently fulfilled their duties and responsibilities, playing a key role in guiding the Company in strategic matters. The terms of reference (TORs) for these committees have been set by the Board in line with best corporate practices and the requirements of the Code of Corporate Governance. These TORs are regularly reviewed to ensure compliance with laws and regulations, as well as to maintain high standards of corporate governance. The Governance and Nomination Committee evaluated the skills and experience of Board members and provided recommendations regarding the composition of other Board committees, which were duly considered by the Board.

The Board has tasked the Governance and Nomination Committee to oversee additional responsibilities of sustainability related matters. The sub-committee shall monitor and review sustainability-related risks and opportunities of the Company, ensure Diversity, Equity and Inclusion (DE&I) practices at various board committees, oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures.

The Company outsourced Internal Audit function that employs a risk-based audit approach. Internal Audit reports are quarterly submitted to the Board Audit Committee, where areas for improvement are discussed and monitored to ensure continuous development. The Audit Committee is chaired by Mr. Nihal Cassim, an independent director.

The Human Resource and Remuneration Committee (HR&R) has ensured that the Human Resource policies (i.e. performance management, staffing, compensation and benefits) are market driven and aligned with the Company's performance, shareholders' interests and long-term success of the Company. The HR&R Committee reviewed and recommended remunerations for key positions as required by the Code of Corporate Governance (COCG). The HR&R Committee also reviewed the CEO's self-assessment document and conducted a joint evaluation for review by the Board.

The Risk Management Committee has been constituted to assist the Board in identifying various risks associated with the Company's businesses and its operations and developing appropriate strategies for the same.

Governance and Control Environment

The Board acknowledges the importance of robust corporate governance and has implemented a strong framework to ensure effective and prudent business management to achieve the Company's long-term success. This framework also ensures accountability while safeguarding and enhancing stakeholder value.

To uphold these principles, the Board has adopted a code of conduct for its members, executives and staff, outlining business standards and ethical guidelines. This commitment is reflected through the establishment of a strong control environment, adherence to best corporate governance practices, and the promotion of ethical and fair behavior throughout Crescent Steel.

I believe that the strategic direction of the Company for the next three years is on a sound footing. The processes adopted in developing and reviewing the overall corporate strategy for the attainment of the Company's objectives are appropriate in the current circumstances where it ensures readiness for upcoming business opportunities.

In conclusion, on behalf of the Board, I wish to acknowledge the contribution of all our stakeholders, including shareholders, employees, customers, suppliers, lenders and others. I strongly believe in the strategic direction of the

Ahmad Waqar
Chairman
July 31, 2026

DIRECTORS' REPORT

The Directors of the Company are pleased to submit their report, together with audited financial statements of the Company for the year ended June 30, 2026.

Operating Results

The financial results of the Company are summarized below:

	2026	2025
	----Rupees in '000'----	
Profit before taxation – continuing operations	1,747,909	2,084,932
Taxation charge	(592,953)	(564,943)
Net profit after taxation – continuing operations	1,154,956	1,519,989
Net profit/(loss) from discontinued operations	136,455	(176,710)
Net profit for the year	1,291,411	1,343,279
Other comprehensive (loss)/income for the year	(51,375)	346,945
	1,240,036	1,690,224
Unappropriated profit brought forward	3,305,326	2,274,979
Available for appropriation	4,545,362	3,965,203
Appropriations:		
– Final dividend 2024 @ 35%	–	(271,714)
– First interim dividend 2025 @ 20%	–	(155,265)
– Second interim dividend 2025 @ 30%	–	(232,898)
– Transfer to general reserves	(3,000,000)	–
– Final dividend 2025 @ 25%	(194,081)	–
– First interim dividend 2026 @ 20%	(155,265)	–
	1,196,016	3,305,326
Subsequent event:		
– Final dividend 2025 @ 25%	–	194,081
– Final dividend 2026 @ 35%	271,714	–
– Transfer to general reserves	700,000	3,000,000
Basic and diluted earnings per share	Rs. 16.63	Rs. 17.30
Basic and diluted – earnings per share from continuing operations	Rs. 14.88	Rs. 19.58

Statement on Corporate and Financial Reporting Framework

- These unconsolidated financial statements, prepared by the management of the Company, present fairly, its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of unconsolidated financial statements.
- The system of internal controls is sound in design and has been effectively implemented. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls shall continue as an ongoing process with the objective to strengthen controls and to improve the system.
- There are no significant doubts on the Company’s ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance, 2019.
- Details of significant changes in the Company’s operations during the current year as compared to last year and significant plans and decisions for the future prospects of profits are stated in the Chief Executive’s Review as endorsed by the Board of Directors.

- Key operating and financial data for last six years in summarized form is annexed.
- Information about taxes and levies is given in the notes to the financial statements.
- The number of employees as of June 30, 2026 stood at 401 (2025: 406).
- Value of Investment of the following funds based on the latest audited/unaudited accounts are as follows:

Name of Fund	Value of Investment	Period of Latest Audited Accounts
Gratuity Fund	Rs. 311.39 million	31 December 2024
Pension Fund	Rs. 515.99 million	31 December 2021
Provident Fund	Rs. 286.72 million	31 December 2021
CCP Provident Fund	Rs. 44.67 million	30 June 2025

- During the year seven (7) meetings of the Board of Directors, four (4) meetings of the Audit Committee were held, three (3) meetings of the Human Resource and Remuneration Committee, and one (1) meeting of both Governance and Nomination Committee and Risk Management Committee were convened. Attendance of each director is attached separately.

Impact of Company’s Business on the Environment and Corporate Social Responsibility

The Company considers social, environmental, and ethical matters in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we live and forms our customer base. Moreover, we strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who work with us as well as of the communities where we operate. The impact of Company’s business on the environment and Corporate Social Responsibilities, including its approach to health and safety, human resources, social, environmental and other related issues are presented in the ‘Sustainability Report’, which forms a part of this Annual Report.

Pattern of Shareholding and Shares Traded

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

During the year, Mr. Ahsan M. Saleem (Chief Executive Officer) and spouse of Mr. Nadeem Maqbool (Independent Director) acquired 1,446,333 and 1,281 shares of the company respectively. This information was also disclosed to Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan in accordance with the requirements of PSX Rule Book and the Securities Act, 2015.

Directors

Details of the composition of the Board of Directors and their committees are provided in the Statement of Compliance with the Code of Corporate Governance.

No casual vacancies occurred in the Board during the current year. The present Board including the Chief Executive Officer will hold office till January 30, 2027.

Executives

For the purposes of various clauses of the PSX Rule Book, the Board has defined that, in addition to CEO, CFO, Head of Internal Audit and Company Secretary, functional heads of all departments of the Company shall be considered as “Executives”. This has been reviewed and found satisfactory keeping in view the management structure of the Company.

Performance Evaluation of Board of Directors and its Committees

The Governance and Nomination Committee assessed the performance of the Board of Directors and its Committees according to the established mechanism of self-assessment.

Performance evaluations were approved by the Board on the recommendations of the Governance and Nomination Committee.

CEO’s Performance Evaluation

During the year, the Human Resource and Remuneration Committee of the Board carried out the CEO’s performance evaluation, which was approved by the Board.

The evaluation was reviewed against the following criteria:

- Leadership
- Policy and strategy
- People Management
- Business Processes/Excellence
- Governance and Compliance
- Financial Performance
- Impact on Society

Remuneration of Directors

The Chairman and other directors are entitled to remuneration in terms of Section 170 of the Companies Act, 2017. The scale of remunerations is determined by the Board as provided in the Articles of Association of the Company.

Details of remuneration paid to Chairman, Chief Executive and non-executive directors (including independent directors) are disclosed in note 48 to the enclosed unconsolidated financial statements.

Role of Chairman and Chief Executive Officer

The Chairman and the Chief Executive Officer have separate and distinct roles. The Chairman has all the powers vested under the Code of Corporate Governance and presides over the Board meetings. The principal role of the Chairman is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board and is a direct liaison between the Board and the management of the Company through the Chief Executive Officer. The Chairman is independent from management and free from any interest and any business or other relationship which could conflict with the Chairman’s independent judgement.

The Chief Executive Officer performs his duties in accordance with the related laws. The Board recommends and oversees implementation of the business strategies, and is responsible for overall control, operations and perpetuation of the enterprise.

Unconsolidated Financial Statements

As required under regulation 25 of Code of Corporate Governance 2019, the Chief Executive Officer and Chief Financial Officer presented the unconsolidated financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors. The Board, after consideration, based on the recommendations of the Audit Committee, approved and authorized the Financial Statements for issuance and circulation.

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which this Statement of Financial position relates and the date of Directors’ Report.

Auditors

The auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, are due to retire in the forthcoming Annual General Meeting of the Company and being eligible, have offered themselves for reappointment. The Audit Committee and the Board have recommended their appointment as external auditors for the next financial year, for shareholders’ consideration and approval at the upcoming annual general meeting.

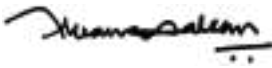
Outlook

In the post US-Iran war scenario, the domestic operating environment is expected to improve with increased political and economic stability and greater ease of doing business; however, development expenditure shall remain subdued, and this will directly impact on our prospects in the oil and gas transmission pipeline sector. In contrast the water sector remains active and our participation in the K-IV Project has created space for us in this sector, especially given that larger projects are emulating the specifications adopted for the K-IV Project. In the coming years we expect that the water sector will pivot to API steel pipes with external and internal linings. Global commodity markets continue to be rocked by the ongoing conflict in the Middle East. However, recovery is expected to be just as fast when stability prevails. The engineering sector is especially vulnerable to such challenges as critical raw materials, consumables and spares are all imported, and the sector is deeply linked with infrastructure developments which require fiscal space.

There is continuing line pipe demand in the oil, gas and water segments for which bidding and awards are expected to take place over the next six months and Alhamdulillah Crescent Steel is well positioned to capture this wallet.

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

For and on behalf of the Board of Directors.



Ahsan M. Saleem
Chief Executive Officer

July 31, 2026



Nadeem Maqbool
Director

ڈائریکٹرز

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی تشکیل کی تفصیلات 'کوڈ آف کارپوریٹ گورنس کی تعمیل کے بیان میں فراہم کی گئی ہیں۔

موجودہ سال کے دوران بورڈ میں کوئی اتفاقیہ خالی آسامی پیدا نہیں ہوئی۔ موجودہ بورڈ، بشمول چیف ایگزیکٹو آفیسر، 30 جنوری 2027 تک اپنے عہدوں پر فائز رہے گا۔

ایگزیکٹوز

پی ایس ایکس (PSX) رول بک کی مختلف شفقوں کے مقاصد کے لیے، بورڈ نے یہ طے کیا ہے کہ سی ای او (CEO)، سی ایف او (CFO)، ہیڈ آف انٹرنل آڈٹ اور کمپنی سیکریٹری کے علاوہ، کمپنی کے تمام شعبہ جات کے سربراہان کو بھی "ایگزیکٹوز" (Executives) تصور کیا جائے گا۔ کمپنی کے انتظامی ڈھانچے کو مد نظر رکھتے ہوئے اس کا جائزہ لیا گیا اور اسے اطمینان بخش پایا گیا۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ

گورنس اینڈ نامینیشن کمیٹی نے خود تشخیص کے طے شدہ طریقہ کار کے مطابق بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لیا۔

کارکردگی کے جائزوں کی منظوری بورڈ نے گورنس اینڈ نامینیشن کمیٹی کی سفارشات کی روشنی میں دی۔

سی ای او کی کارکردگی کا جائزہ

سال کے دوران، بورڈ کی ہیومن ریسورس اینڈ ریہونریشن کمیٹی نے سی ای او کی کارکردگی کا جائزہ لیا، جس کی بورڈ نے منظوری دی۔

اس جائزے کا عمل درج ذیل معیارات کی بنیاد پر مکمل کیا گیا:

- قیادت
- پالیسی اور حکمت عملی
- افراد ی قوت کا انتظام
- کاروباری عمل/اعلی کارکردگی
- گورنس اور تعمیل
- مالیاتی کارکردگی
- معاشرے پر اثرات

ڈائریکٹرز کے معاوضے

چیئر مین اور دیگر ڈائریکٹر کمینیز ایکٹ، 2017 کی دفعہ 170 کے تحت معاوضہ حاصل کرنے کے حقدار ہیں۔ معاوضوں کا پیمانہ بورڈ کی جانب سے طے کیا جاتا ہے جیسا کہ کمپنی کے 'آریٹیکلز آف ایجو سی ایشن'

میں بیان کیا گیا ہے۔

چیئر مین، چیف ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز (بشمول آزاد ڈائریکٹرز) کو ادا کیے گئے معاوضوں کی تفصیلات منسلک غیر یکجا مالیاتی گوشواروں کے نوٹ نمبر 48 میں دی کی گئی ہیں۔

چیئر مین اور چیف ایگزیکٹو آفیسر کا کردار

چیئر مین اور چیف ایگزیکٹو آفیسر کے کردار علیحدہ اور واضح ہیں۔ چیئر مین کے پاس 'کوڈ آف کارپوریٹ گورنس' کے تحت تفویض کردہ تمام اختیارات موجود ہوتے ہیں اور وہ بورڈ کے اجلاسوں کی صدارت کرتے ہیں۔ چیئر مین کا بنیادی کردار کمپنی کے بورڈ آف ڈائریکٹرز کا انتظام سنبھالنا اور انہیں قیادت فراہم کرنا ہے۔ چیئر مین بورڈ کے سامنے جوابدہ ہوتے ہیں اور چیف ایگزیکٹو آفیسر کے ذریعے بورڈ اور کمپنی کی انتظامیہ کے درمیان براہ راست رابطے کا ذریعہ ہوتے ہیں۔ چیئر مین انتظامیہ سے آزاد ہوتے ہیں اور کسی ایسے مفاد یا کاروباری ودیگر تعلقات سے پاک ہوتے ہیں جو ان کے آزادانہ فیصلے میں رکاوٹ یا تضاد کا باعث بن سکیں۔

چیف ایگزیکٹو آفیسر متعلقہ قوانین کے مطابق اپنے فرائض سرانجام دیتے ہیں۔ بورڈ کا رو باری حکمت عملیوں کے نفاذ کی سفارش اور نگرانی کرتا ہے، اور ادارے کے مجموعی کنٹرول، آپریشنز اور بقا و تسلسل کا ذمہ دار ہوتا ہے۔

غیر یکجا مالیاتی گوشوارے

کوڈ آف کارپوریٹ گورنس 2019 کی ریگولیشن 25 کے تحت، چیف ایگزیکٹو آفیسر اور چیف فنانسل آفیسر نے اپنے دستخطوں کے ساتھ غیر یکجا مالیاتی گوشوارے بورڈ کے سامنے غور و خوض اور منظوری کے لیے پیش کیے۔ بورڈ نے آڈٹ کمیٹی کی سفارشات کی روشنی میں غور و خوض کے بعد ان مالیاتی گوشواروں کی منظوری دی اور انہیں جاری کرنے اور تقسیم کرنے کی اجازت دی۔

اس مالی گوشواروں کے بیان سے متعلقہ مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی اہم تبدیلی واقع نہیں ہوئی۔

آڈیٹرز

کمپنی کے آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس)، کمپنی کے آئندہ سالانہ اجلاس عام میں ریٹائر ہونے والے ہیں اور اہل ہونے کی بنا پر، انہوں نے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی اور بورڈ نے آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کے غور و خوض اور منظوری کے لیے، اگلے مالی سال کے لیے انہیں بطور بیرونی آڈیٹر مقرر کرنے کی سفارش کی ہے۔

مستقبل کا منظر نامہ

امریکہ اور ایران کے درمیان کشیدگی کے بعد کے حالات میں، سیاسی ومعاشی استحکام میں اضافے اور کاروبار میں آسانی کے باعث ملکی کاروباری ماحول میں بہتری متوقع ہے؛ تاہم، ترقیاتی اخراجات کی رفتار دھیمی رہے گی، جس کا براہ راست اثر تیل اور گیس کی ترسیلی پائپ لائن کے شعبے میں ہمارے امکانات پر پڑے گا۔ اس کے برعکس، پانی کا شعبہ متحرک ہے اور K-IV منصوبے میں ہماری شرکت نے اس شعبے میں ہمارے لیے گنجائش پیدا کی ہے، خاص طور پر اس لیے کہ بڑے منصوبے بھی K-IV منصوبے کے لیے اپنائی گئی خصوصیات کی پیروی کر رہے ہیں۔ آنے والے سالوں میں ہمیں توقع ہے کہ پانی کا شعبہ بیرونی اور اندرونی لائٹنگ والے API سسٹم پائپوں کے استعمال کی طرف منتقل ہو جائے گا۔ مشرق وسطیٰ میں جاری تنازعے کی وجہ سے عالمی اجناس کی منڈیاں مسلسل اتار چڑھاؤ کا شکار ہیں۔ تاہم، استحکام آنے پر بحالی کا عمل بھی اتنا ہی تیز ہونے کی توقع ہے۔ انجینئرنگ کا شعبہ ایسے چیلنجوں سے خاص طور پر متاثر ہو سکتا ہے کیونکہ اہم خام مال، استعمال ہونے والا سامان اور اسپئیر پارٹس سب درآمد کیے جاتے ہیں، اور یہ شعبہ بنیادی ڈھانچے کی ترقی سے گہرا تعلق رکھتا ہے جس کے لیے مالی گنجائش درکار ہوتی ہے۔

تیل، گیس اور پانی کے شعبوں میں لائن پائپ کی طلب مسلسل موجود ہے جس کے لیے اگلے چھ ماہ کے دوران بولی اور ٹھیکوں کی الاٹمنٹ متوقع ہے، اور الحمد للہ، کریبینٹ اسسٹیل اس مارکیٹ کا حصہ حاصل کرنے کے لیے بہترین پوزیشن میں ہے۔

میں تمام اسٹیک ہولڈرز کا ان کی سرپرستی پر شکریہ ادا کرنا چاہتا ہوں اور ان کی مسلسل حمایت کا منتظر ہوں۔

برائے ومنجانب بورڈ آف ڈائریکٹرز

Naumiq

ندیم مقبول

ڈائریکٹر

ہبشہ سلیم

احسان ایم سلیم

چیف ایگزیکٹو آفیسر

31 جولائی 2026

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ مالی سال اختتامیہ 30 جون 2026 کی سالانہ رپورٹ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کر رہے ہیں۔

کاروباری نتائج

کمپنی کے مالی نتائج کا خلاصہ ذیل میں پیش خدمت ہے۔

	2026	2025
	روپے'000 میں	
منافع قبل از ٹیکس - جاری کاروباری افعال	1,747,909	2,084,932
ٹیکس کی کٹوتی	(592,953)	(564,943)
صافی منافع بعد از ٹیکس - جاری کاروباری افعال	1,154,956	1,519,989
صافی نقصان معطل کاروباری افعال سے	136,455	(176,710)
صافی منافع برائے سال	1,291,411	1,343,279
دوران سال دیگر مجموعی جامع آمدن	(51,375)	346,945
گزشتہ غیر تقسیم منافع	1,240,036	1,690,224
دستیاب برائے تقسیم	3,305,326	2,274,979
حتمی ڈیویڈنڈ 2024 - @ 35%	4,545,362	3,965,203
پہلا عبوری ڈیویڈنڈ 2025 - @ 20%	-	(271,714)
دوسرا عبوری ڈیویڈنڈ 2025 - @ 30%	-	(155,265)
جنرل ریزروز میں منتقلی	(3,000,000)	-
حتمی ڈیویڈنڈ 2025 - @ 25%	(194,081)	-
پہلا عبوری ڈیویڈنڈ 2026 - @ 20%	(155,265)	-
	1,196,016	3,305,326
ما بعد واقعات:		
حتمی ڈیویڈنڈ 2025 - @ 25%	-	194,081
حتمی ڈیویڈنڈ 2026 - @ 35%	271,714	-
جنرل ریزروز میں منتقلی	700,000	3,000,000
بنیادی تحلیل شدہ آمدن فی حصص	Rs. 16.63	Rs. 17.30
بنیادی تحلیل شدہ آمدن فی حصص - جاری کاروباری افعال	Rs. 14.88	Rs. 19.58

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق بیان

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ زیر نظر غیر یکجا مالیاتی گوشوارے کمپنی کے امور کی صورت حال، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی کی کتب برائے حسابات کا مناسب ریکارڈ رکھا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
- غیر یکجا مالیاتی گوشواروں کی تیاری میں پاکستان میں رائج 'انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز' (IFRS) کی پیروی کی گئی ہے۔
- انٹرل کنٹرولز کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے۔ اس نظام کی نگرانی 'انٹرل آڈٹ' اور نگرانی کے دیگر طریقہ کار کے ذریعے مسلسل کی جاتی ہے۔ انٹرل کنٹرولز کی نگرانی کا عمل ایک مسلسل عمل کے طور پر جاری رہے گا جس کا مقصد کنٹرولز کو مضبوط بنانا اور نظام کو بہتر بنانا ہے۔
- کمپنی کی بطور 'گوئنگ کنسرن جاری رکھنے کی صلاحیت کے بارے میں کوئی نمایاں خدشات موجود نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں جیسا کہ، 'کوڈ آف کارپوریٹ گورننس' 2019 میں تفصیل سے بیان کیا گیا ہے، سے کسی بھی نمایاں انحراف نہیں کیا گیا ہے۔
- گزشتہ سال کے مقابلے میں رواں سال کے دوران کمپنی کے امور کار میں ہونے والی نمایاں تبدیلیوں، اور مستقبل میں منافع کے امکانات سے متعلق اہم منصوبوں اور فیصلوں کی تفصیلات اچیف ایگزیکٹو کے جائزے میں بیان کی گئی ہیں، جس کی بورڈ آف ڈائریکٹرز نے توثیق کی ہے۔
- گزشتہ چھ سالوں کے اہم آپریشنل اور مالیاتی اعداد و شمار کا خلاصہ منسلک ہے۔
- ٹیکسوں اور لیویز (محصولات) سے متعلق معلومات مالیاتی گوشواروں کے نوٹس میں فراہم کی گئی ہیں۔
- 30 جون 2026 کو ملازمین کی تعداد 401 (2025: 406) تھی۔
- تازہ ترین آڈٹ شدہ/غیر آڈٹ شدہ حسابات کی بنیاد پر درج ذیل فنڈز میں کی گئی سرمایہ کاری کی مالیت حسب ذیل ہے:

فنڈ کا نام	سرمایہ کاری کی قدر	جدید ترین آڈٹ شدہ اکاؤنٹس کی مدت
گریجویٹی فنڈ	311.39 ملین روپے	31 دسمبر 2024
پنشن فنڈ	515.99 ملین روپے	31 دسمبر 2021
پراویڈنٹ فنڈ	286.72 ملین روپے	31 دسمبر 2021
سی سی پی پراویڈنٹ فنڈ	44.67 ملین روپے	30 جون 2025

- اس سال کے دوران بورڈ آف ڈائریکٹرز کے سات (7) اجلاس اور آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے؛ نیز ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے تین (3) اجلاس، اور گورننس اینڈ نامینیشن کمیٹی اور رسک مینجمنٹ کمیٹی، دونوں کے ایک ایک (1) اجلاس کا انعقاد کیا گیا۔ ہر ڈائریکٹر کی حاضری کی تفصیلات الگ سے منسلک ہیں۔

کمپنی کے کاروبار کے ماحول پر اثرات اور کارپوریٹ سماجی ذمہ داریاں

کمپنی مجموعی کاروباری ماحول کے تناظر میں سماجی، ماحولیاتی اور اخلاقی امور کو مد نظر رکھتی ہے۔ کمپنی تمام اسٹیک ہولڈرز، اور خاص طور پر اس کمیونٹی کے بہترین مفاد میں کام کرنے کے لیے پرعزم ہے جس میں ہم رہتے ہیں اور جو ہمارے صارفین پر مشتمل ہے۔ مزید برآں، ہم صحت، حفاظت اور ماحولیات (HSE) کے اعلیٰ ترین معیارات کو برقرار رکھنے پر پختہ یقین رکھتے ہیں تاکہ اپنے ساتھ کام کرنے والے افراد اور ان علاقوں/کمیونٹیز، جہاں ہم کام کرتے ہیں، کے لوگوں کی فلاح و بہبود کو یقینی بنایا جاسکے۔ ماحول پر کمپنی کے کاروبار کے اثرات اور کارپوریٹ سماجی ذمہ داریوں، بشمول صحت و حفاظت، انسانی وسائل، سماجی، ماحولیاتی اور دیگر متعلقہ امور کے حوالے سے ہمارے نقطہ نظر کی تفصیلات 'Sustainability Report' میں پیش کی گئی ہیں، جو اس سالانہ رپورٹ کا حصہ ہے۔

شیر ہولڈنگ کا طریقہ کار اور شیرز کی خرید و فروخت

شیر ہولڈنگ کی ترتیب اور اس سے متعلق اضافی معلومات علیحدہ طور پر منسلک کی گئی ہیں۔

سال کے دوران، جناب احسان ایم سلیم (چیف ایگزیکٹو آفیسر) اور جناب ندیم مقبول (آزاد ڈائریکٹر) کی اہلیہ نے بالترتیب کمپنی کے 1,446,333 اور 1,281 شیرز حاصل کیے۔ اس معلومات کو پاکستان اسٹاک ایکسچینج (PSX) اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کو PSX رول بک اور سیکیورٹیز ایکٹ 2015 کے تقاضوں کے عین مطابق فراہم کی گئی تھیں۔

MECHANISM FOR PROVIDING INFORMATION AND RECOMMENDATION TO THE BOARD

Information regarding any matter of concern or any recommendation is put forward by the CEO to the Board Chairman or to the respective committees of the Board.

Formal Reporting Line

The current operational structure of the Company consists of shared services such as Finance, Human Resources, Information Technology, Supply Chain, etc. and Corporate Divisions, each of which is headed by a Business Unit Head (BUH).

The BUHs act as CEOs for the respective units and are responsible for the day-to-day management and performance of their division. Board Committees have access to BUHs to obtain any information they require pertaining to their respective division.

Further information regarding any matter of concern or recommendation is also put forward by the CEO to the respective committees of the Board.

Employees

Our employees are encouraged to express their views and share their suggestions with the management and the Board. We have established several formal and informal avenues for our people through which they can share feedback and ideas regarding the business and the Company as a place of work. Physical suggestion boxes have been placed at all corporate offices and factory locations and a virtual suggestion box with direct access to the CEO is available on our internal SharePoint portal. In addition to this, we organise an annual Open House with the CEO where employees may drop in to meet the CEO one on one to express their concerns and share their feedback directly with him. These meetings are aimed at capturing free and firsthand suggestions that are useful in refining operations and in improving the work environment.

The formal mechanisms in place provide our people with avenues to share suggestions and raise grievances and concerns on matters relating to the Company. Suggestions and grievances are reviewed and monitored directly by the CEO or the Head of Corporate Affairs. In case the matter is of a significant nature, the same is addressed in the meetings of the Management Committee, the relevant Board Committee or Board of Directors.

The Company also has a whistleblowing Policy to enable employees to raise serious concerns to the management regarding the business or Company, anonymously, without fear of repercussions.

Shareholders

Every year the Annual General Meeting of shareholders is called in accordance with the requirements of the Companies Act, 2017. This meeting is attended by the CEO, Chairman, Board of Directors and the Company Secretary. The interactive session between the Company's management and shareholders allows the shareholders to ask questions on financial, economic, and social matters and provide recommendations. The CEO responds to all such queries and takes necessary actions accordingly.

Moreover, the Company has provided contact details of relevant personnel who should be contacted for general and specific queries on its website: <https://crescent.com.pk/contact-us>

Managing Conflict Of Interest

The Company, in compliance with the Code of Corporate Governance, annually circulates and obtains a signed copy of the Code of Conduct from all its employees and directors. The Code of Conduct covers matters relating to conflict of interest. Further, the directors are annually reminded of the insider trading circular issued by the Securities and Exchange Commission of Pakistan to avoid dealing in shares while they are in possession of "insider information".

As per the provisions of the Companies Act, 2017, every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested director(s) do not participate in the discussion, nor do they vote on such matters.

All transactions with related parties are made under agreed terms / contractual arrangement basis and complete details are provided to the Board Audit Committee and then Board for their approval. Moreover, Independence form is circulated to all the directors to confirm their directorship in other entities in order to determine the relationship of related party with such entity based on common directorship. Further all the transactions with the related parties are fully disclosed in the annual financial statements of the Company.

Monitoring and Evaluation

We have consciously chosen not to introduce an independent monitoring process to evaluate performance on sustainability objectives because our sustainability objectives and corporate strategies are essentially the same. The way we manage our business helps to ensure performance on sustainability objectives is monitored through various systems already in place. These systems monitor performance at a Corporate, BUH, team and at an individual level.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee (the Committee) is comprised of four Non-Executive Directors, out of which two are independent directors. Further, two of the members of the committee qualify as financially literate. Details of the Directors are set out in the Board of Directors section of this report. The Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Internal Auditors and the External Auditors attended the Committee meetings by invitation. The Head of Internal Audit is the secretary of the Committee. Senior Management Officers are invited to attend the Committee's meetings as and when the business of the Committee requires their presence. The Committee meets with the Internal Auditors and the External Auditors with and without the presence of the CEO, CFO and Head of Internal Audit.

The Committee has concluded its annual review of the conduct and operations of the Company during the financial year ended June 30, 2026, and reports that:

- Four meetings of the Committee were held during the financial year ended June 30, 2026, in which 3 meetings were presided by the Chairman, Audit Committee and 1 meeting was presided by the non-executive director who qualifies as financial literate.
- The Committee reviewed the quarterly, half-yearly and annual financial statements of the Company and recommended them for approval of the Board. It has reviewed the preliminary announcement of results prior to their publication.
- The Board has issued a "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019" which was duly reviewed by the external auditors of the Company.
- Understanding and compliance with Company Code of Business Practice and Ethics has been affirmed by the members of the Board, the Management and employees of the Company, individually. Equitable treatment of shareholders has also been ensured.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of Unconsolidated and Consolidated financial statements of the Company and Group for the financial year ended June 30, 2026, which present fairly the state of affairs, results of operations, cash flows and change in equity of the Company and Group.
- The CEO and the CFO have endorsed the unconsolidated and consolidated financial statements of the Company along with the Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of the internal control system of the Company.
- Accounting estimates are based on reasonable and prudent judgment.
- Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017, and the external reporting is consistent with Management processes and adequate for shareholder needs.
- The Committee has reviewed all the related party transactions and recommended the same for approval of the Board.
- Annual Report contains fair, balanced and understandable information which is necessary for the shareholders to assess the Company's position and performance, business model and strategy.
- No cases of complaints regarding accounting, internal controls, audit matters or whistleblowing events were received by the Committee.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding the assets of the Company and the shareholder's wealth at all levels within the Company.
- The Committee ensured that their statutory obligations and requirements of best practices of governance have been met through a toolkit developed by the management.

- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of the Company, along with maintenance of confidentiality of all business information.
- Chairman, Audit Committee was available at the AGM to answer questions on the Committee's activities or any other matters that are within the scope of the Committee's responsibilities.
- Coordination was available between the External and Internal Auditors in order to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

Internal Audit

- The Committee has effectively monitored the internal control framework. The internal audit function has been outsourced to BDO Ebrahim and Co., Chartered Accountants who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- Internal auditors independently reviewed the risks and control processes operated by the management. The Internal Audit function has carried out its duties under the charter approved by the Committee. It carried out independent audits in accordance with an internal audit plan which was approved by the Committee before the start of the financial year.
- The internal audit plan provided a high degree of financial and business segment wise coverage and devoted significant effort to the review of the risk management framework surrounding the major business risks.
- Internal audit reports include recommendations to improve internal controls together with agreed management action plans to resolve the issues raised. Internal audit follows up the implementation of recommendations and reports progress to senior management and the Committee.
- The Committee has reviewed the findings of the internal audits completed during the year, taking appropriate actions or bringing the matters to the Board's attention where required.
- The effectiveness of the internal audit function was reviewed and discussed by the Committee on an annual basis. Based on the Committee's review of the performance of the internal audit function, the committee has recommended to the Board the appointment of BDO Ebrahim & Co., Chartered Accountants for the financial year 2026-27.

External Audit

- The statutory Auditors of the Company, A.F. Ferguson & Co., Chartered Accountants, have completed their Audit engagement of the "Unconsolidated Financial Statements", the "Consolidated Financial Statements" and the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019" for the financial year ended June 30, 2026.
- The Auditors have been allowed direct access to the Committee, and the effectiveness, independence and objectivity of the Auditors has thereby been ensured.
- The Committee has reviewed and discussed with the external auditors and management all the key audit matters and other issues identified during the external audit along with the methods used to address the same. Moreover, during the year Management letter for year ended June 30, 2025, was received within 45 days of the date of the Auditors' Report on financial statements as required under the PSX Rule Book; and the Committee reviewed and discussed the Management letter with external auditors and the management.
- The performance, cost and independence of the external auditor is reviewed annually by the Committee.

Based on the Committee's review of the performance of external auditors, the Committee has recommended the Board reappointment of A. F. Ferguson & Co., Chartered Accountants, as statutory auditors for the year 2026-27 at the forthcoming Annual General Meeting.

By order of the Audit Committee



Nihal Cassim

Chairman, Audit Committee
July 30, 2026

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019

Crescent Steel and Allied Products Limited

For the year ended June 30, 2026

Crescent Steel and Allied Products Limited (hereinafter referred to as “the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) in the following manner:

1. The Board is comprised of eight (8) Directors including the Chief Executive Officer (a deemed director, as per Section 188 of the Companies Act, 2017):

Male Directors	7
Female Director	1

2. The composition of the Board is as follows:

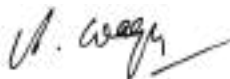
Categories	Number of Directors	Names of Directors
Independent Directors	4	Mr. Muhammad Kamran Saleem Mr. Nadeem Maqbool Ms. Nausheen Ahmad Mr. Nihal Cassim
Non-Executive Directors	7	Mr. Ahmad Waqar Mr. Ahmad Shafi Mr. Muhammad Kamran Saleem Mr. Nadeem Maqbool Ms. Nausheen Ahmad Mr. Nihal Cassim Mr. S.M. Ehtishamullah
Female Director	1	Ms. Nausheen Ahmad
Executive Director	1	Mr. Ahsan M. Saleem

3. All directors have confirmed that they do not serve as a director on more than seven (7) listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies, along with their date of approval and / or updates are maintained by the Company;
6. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and the Regulations;
7. All meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
9. Three (3) Directors of the Company have a minimum of 14 years of education and 15 years of experience as directors of a listed Company. Five (5) directors of the Company have completed certification under the DTP;
10. The Board has approved appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. Board committees are structured as follows:

Committees	Members
Audit Committee	Mr. Nihal Cassim (Chairman) Mr. Ahmad Shafi Mr. Nadeem Maqbool Mr. S. M. Ehtishamullah
HR and Remuneration Committee	Mr. Nadeem Maqbool (Chairman) Mr. Ahmad Shafi Mr. Ahmad Waqar Ms. Nausheen Ahmad
Governance and Nomination Committee	Mr. Ahmad Waqar (Chairman) Mr. Ahsan M. Saleem Mr. Kamran Saleem Ms. Nausheen Ahmad
Risk Management Committee	Mr. S. M. Ehtishamullah (Chairman) Mr. Muhammad Kamran Saleem Mr. Nihal Cassim

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The number of meetings held for each committee during the year were as follows:
- Audit Committee meeting held four (4) times during the year once every quarter; prior to approval of interim and final results of the Company and as required by the Code.
- HR and Remuneration Committee held three (3) times during the year as required by the Code.
- Governance and Nomination Committee held once (1) during the year.
- Risk Management Committee held once (1) during the year.
15. The Board has outsourced the internal audit function to qualified and experienced resources, conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that: they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. There is no non-compliance with other requirements of the Regulations.


Ahmad Waqar
Chairman

July 31, 2026


Ahsan M. Saleem
Chief Executive Officer

WHERE INVESTMENT CARRIES VALUE

Investment in technology and evolving solutions
strengthens business and creates enduring
value for stakeholders.



STAKEHOLDER ENGAGEMENT



Stakeholders play an essential role in Crescent Steel’s continued success, especially in determining opportunities to collaborate towards common goals.

We seek to align corporate actions with stakeholder expectations. To achieve this, we collect feedback through both formal and informal channels.

Shareholders and investors provide financial capital to run the business; our employees drive and manage the business; our suppliers provide necessary products and services for our business, and our customers are the source of revenue for our business. Similarly, financial institutions, regulators, auditors, and other strategic partners are essential stakeholders and managing their expectations is important for our future as a sustainable business.

We strive to identify opportunities and risks early on and offer various platforms for dialogue with stakeholders. These interactions typically occur at our Head Office in Karachi and other through other forums across Pakistan.

While engagement with our employees, suppliers, customers, shareholders, and investors is stronger, we recognise that we need to strengthen engagement with other stakeholders that include the communities where we operate and, government and regulatory authorities.

Stakeholders Needs and Expectations

Understanding and addressing the needs and expectations of our stakeholders is a sustainability imperative.

We work to strengthen our engagement across key stakeholder groups and maintain regular and honest communication with these stakeholder groups. Addressing the needs of these interconnected groups helps us ensure commercial success and strengthens our ability to deliver on sustainability priorities.

Here are some ways we engage with key stakeholder groups to meet their needs and expectations:



Stakeholder Group	Areas Identified	Our Response
4. Suppliers	• Growth through sharing information and expertise • Improvement of formal and informal mechanisms to assess supplier-business relationships • Improving HSE practices for a sustainable supply chain	• Regular evaluations of all suppliers for better business conduct • Environmental assessments ensure trust and quality between the business and its suppliers
5. Local Community Self-assessed through informal consultations	• The need for heavy investments in the education, health and societal sectors	• Supported various community partners such as TCF, Indus Hospital, Patient Aid Foundation, The Health Foundation, Karachi Relief Trust, SOS Village and WWF. • Provided scholarship support to 4 students bringing total scholars to 53, of which 17 are children of employees • Contributed 1,299 hours in time towards various causes. • 46 employees donated total of 23,000 ml of blood to the Indus Hospital Blood Centre. • Planted 1,000 mangroves at WWF wetland center

¹ Formal consultations only took place with employees, customers and suppliers; formal consultation with investors and the local community segment was not sought. The assessment is based on discussions with investors, the brokerage community and partner NGOs that we work with.

Internal Stakeholders

We work hard to establish a safe, diverse and inclusive working environment for all our employees and third-party contractors working on our site. Safety and equal opportunity are not just a priority; they form an integral part of our approach to sustainability. We continue to focus on and monitor our safety performance and reinforce safe behaviors and our Mission Zero goal at all our offices and manufacturing sites. Our goal is to maintain a strong and vibrant organisational culture that supports the expertise of our people, enabling and developing high-performance teams. This is covered in more detail in the Human Capital section of this report (Page 124).



External Stakeholders

Customers

The company is recognised among Pakistan’s leading engineering firms, specializing in the manufacture of large-diameter line pipes. Its primary objective is to support clients in enhancing the efficiency of oil, gas, and water transmission pipeline systems, while also advocating sustainable infrastructure development, with particular emphasis on port projects.

To keep pace with growing customer demand, we have enhanced our manufacturing capacity. This strategic expansion, combined with our API licensing, enabled us to secure a manufacturing order for the K-IV project. With the execution of K-IV water project, the Company made a significant strategic entry into the water sector. Building on this achievement, the Company has successfully completed few additional projects in the segment, further strengthening its track record and enhancing stakeholder confidence.

We maintain ongoing collaborations with key stakeholders to cultivate a market for flow-efficient and protective internal line pipe coatings. The rationale behind this initiative is compelling: internal coatings improve gas flow efficiency, leading to reduced energy consumption at a given flow capacity and the use of smaller pipe diameters, resulting in reduced material usage.

Customer satisfaction remains our top priority. We actively seek and value customer feedback and expectations, which drive us to continuously enhance our product offerings and address quality and service concerns. We employ a variety of communication channels to engage with our customers and gain insights into their needs and

Market Visits
(Continuous)

Our marketing team frequently interacts with customers to ensure that we keep abreast of the latest development and market trends. We also work with supply chain and project teams to ensure we are aligned with customer needs and better able to manage expectations.

Customer Offering and
Support Desk (Continuous)

The Quality Control Department also serves as a helpdesk ensuring that customized offerings are being delivered and any product related issues are addressed on time.

Customer Satisfaction
Feedback (Continuous)

Feedback is sought to ensure that the products are according to the needs and specifications of customers. Surveys about our products are regularly conducted formally and informally. They help us in assessing our customer-focus performance through feedback on products.

Suppliers

Our supply chain is integral to our sustainable procurement management strategy. We hold our supply chain partners to high standards that align with our principles and values. We actively support their growth by sharing information and expertise. Our relationships with key suppliers extend to collaboration in planning, logistics, and the introduction of new products and services.

While we prioritize local suppliers whenever possible, we also maintain robust ties with foreign suppliers for key raw materials essential to meeting customer demands. All our critical suppliers adhere to ISO certification standards, in line with our policy.

Our supply chain is categorized into two segments: critical and non-critical. Our supplier management system includes well-defined protocols for supplier induction, evaluation, and re-evaluation. These protocols underscore our commitment to sustainable and safe practices.

To ensure sustainability across our supply chain, we engage new suppliers through both formal and informal channels, assessing their business viability, conduct, as well as health, safety, and environmental practices. In cases where assessments reveal potential risks, we establish revised procurement protocols to address these concerns.

Suppliers Screened Using
Environmental Criteria

We evaluate 100% of our suppliers through desktop research and our vendor questionnaire form with regular onsite visits and inspections for key raw material suppliers.

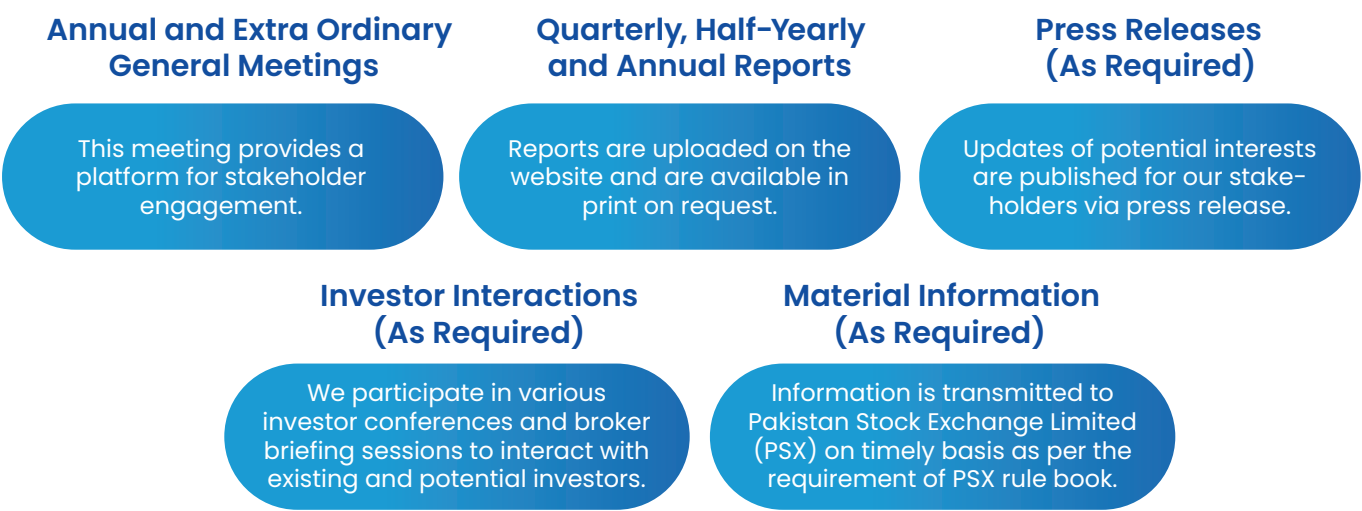
Significant
Environmental Impacts
in the Supply Chain

Our foreign suppliers are in different countries and are subject to environmental impact assessments. They are certified by ISO and other credible international certification companies.

Shareholders and Investors

We take seriously the immense responsibilities associated with making complex choices and responsibly evaluate the impact of all our actions, as we try to meet the expectations of our stakeholders. We approach these challenges with confidence, knowing that our guiding principles and values enable sound decision-making today, and every day.

Our financial performance and outlook are discussed in detail in the Message from the Chief Executive Officer and in relevant sections of this report.



Community

We adhere to self-assessment guidelines to measure the impacts of our community investments, conducting regular reviews.

Our evolving commitment to communities now encompasses increased engagement with people and our employees.

We actively contribute to various gas infrastructure and energy development projects, striving to share the substantial economic benefits. This includes providing employment opportunities and collaborating with local suppliers.

Recognising the potential adverse impacts of our operations on communities, we work to minimize and offset them whenever possible. Details of our initiatives and contributions for fiscal year 2026 are available in the Social and Relationship Capital section of this report (refer page no. 146).

All our units have both formal and informal community engagement programs. Additionally, we prioritize hiring from local communities whenever feasible, aligning with business requirements. We acknowledge the need for improvement in gathering community feedback to better understand their needs.

Importantly, none of our operations have significant actual or potential negative impacts on local communities.

Regulators and Government Bodies

Regulators and government bodies are key drivers for future business sustainability, specifically in terms of the engineering sector businesses that we operate that need special trade protection as we compete against international suppliers.

Engineering Development Board, Board of Investment and Federal Board of Revenue

We remain engaged with the Engineering Development Board (EDB), the Ministry of Industries and Production, the Ministry of Petroleum, and the Tariff Anomaly Committee. We share our concerns and proposals for the implementation of effective cascading duties and import substitution policies. These measures can promote local industry growth, reduce production costs, ensure access to quality goods and services at reasonable prices, and protect domestic producers from unfair competition, ultimately safeguarding consumer interests.

Engagement Activities

Various engagement activities were organised throughout the year. These include ongoing formal and informal office rituals, formal CSR activities with community partners and other internal events. Our people also volunteer to conduct impact assessment visits to select community partners. These activities also form a part of how we engage the people who work with us. These are covered in detail in this report.

Employee and Community Engagement

Stakeholders – Community and Employees

Activity	
Mango Fiesta	July 2025
Independence Day	August 2025
Employee Wellbeing and Mental Health Awareness Week	October 2025
Session on the impact of diet on your mood, energy, and mental clarity.	October 2025
Emotional First Aid Workshop	October 2025
Cycling!	October 2025
Breast Cancer Awareness Session by Indus Hospital and Health Network	October 2025
Mangrove Plantation	November 2025
Green Workshop by WWF	November 2025
Annual Cricket Tournament	January 2026
Excursion Trip to Charna Island	February 2026
Crescent Cares Week	February 2026
Visit to ChildLife Foundation	February 2026
Session on Crescent Matches	February 2026
Visit to Milestone Charitable Foundation	February 2026
Fund Raising Carnival	February 2026
Blood Drive – Indus Hospital	February 2026
Iftar Distribution Drive – Hope and Relief for All	February 2026
Ration Distribution Drive – WWF	February 2026
Earth Hour	March 2026
Earth Day	March 2026



ECONOMIC PERFORMANCE

Economic Value Creation

Our economic performance is deeply intertwined with the well-being of the communities we operate in. We recognise that our impact goes beyond financial returns; it is defined by how we source, whom we partner with, and whom we employ. By prioritizing local procurement, supporting domestic service providers, and fostering a diverse and inclusive workforce across our manufacturing operations, we create shared value that strengthens the social fabric of the regions we call home.

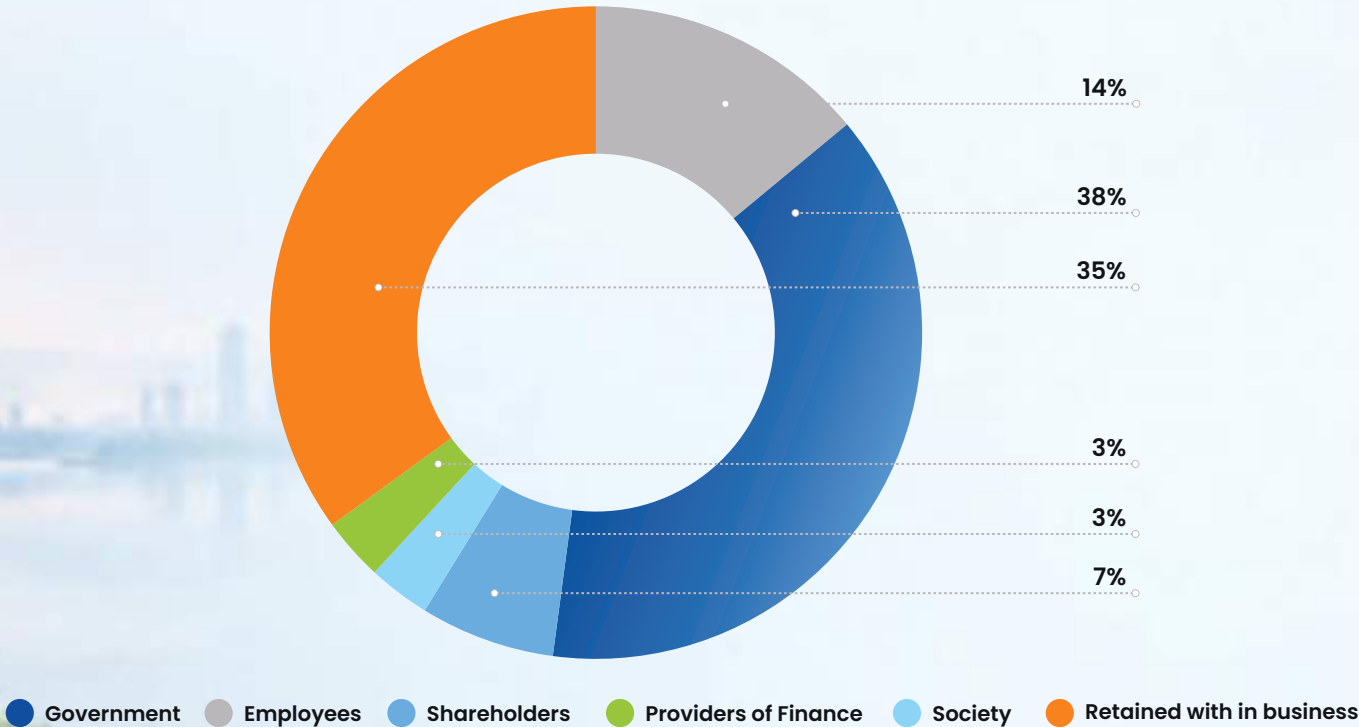
At the same time, we remain committed to making thoughtful, measured decisions that balance opportunity with responsibility. We take calculated risks where they align with our long-term vision for sustainable growth, ensuring that our commercial activities contribute not only to our own resilience but also to the environmental and social systems that sustain us. Our goal is to build enduring economic value that benefits all stakeholders, today and for generations to come.



Economic Value Generated and Distributed

	2026	2025	2024	2023	2022
Economic value generated	(Rs. in '000)				
Total Revenues	10,971,777	7,668,972	11,886,198	6,045,371	8,241,184
Bought-in-material and services	(5,732,253)	(4,699,408)	(5,831,181)	(3,238,649)	(6,587,632)
Value generated	5,239,524	2,969,564	6,055,017	2,806,722	1,653,552
Economic value distributed					
Employees					
Salaries, wage, and other benefits	732,170	694,924	668,893	517,396	525,810
Value per Share	9.43	8.95	8.62	6.66	6.77
Government					
Income tax, sales tax, customs duties, WWF and WPPF	2,000,670	1,612,627	2,716,415	1,037,766	1,630,649
Value per Share	25.77	20.77	34.99	13.37	21.00
Shareholders					
Value per Share	4.50	8.50	2.0	-	-
Provider of Finance					
Finance cost	161,307	288,950	497,442	364,779	251,742
Value per Share	2.08	3.72	6.41	4.70	32.43
Society					
Donations towards education, health, and the environment	162,663	112,359	92,483	27,488	59,014
Value per Share	2.10	1.45	1.19	0.35	7.60
Economic value retained					
Depreciation, amortization and retained earnings	1,833,272	1,924,519	859,293	(813,663)	1,037,232
Value distributed per share	43.88	43.39	53.21	25.09	31.78
Value generated per share	67.49	38.25	78.00	36.15	21.30

In 2026, Crescent Steel did not receive any direct or indirect financial assistance from the government except for certain tax concessions as per applicable laws.
The figures are based on consolidated results



Reporting on Tax

Contribution to National Exchequer and Economy

We ensure the sustainable and responsible management of our business through compliance with all obligations imposed on us as well as those we choose to impose on ourselves. Detailed financial and operational performance is covered in this annual report; a summary of the economic value generated and distributed is given below.

- During the year, our revenues reached Rs. 10.97 billion [FY25: Rs. 7.67 billion]. Of this, Rs. 5.73 billion [FY25: Rs. 4.70 billion] represented payments to suppliers, resulting in a net value addition of 47.8% or Rs. 5.24 billion [FY25: 38.7% or Rs. 2.97 billion]. This growth reflects enhanced operational efficiency and improved contribution to the national value chain.
- We distributed a significant part of the value we created through the payment of taxes and levies to provincial and federal governments and, for the year these stood at Rs. 2.0 billion [FY25: Rs. 1.6 billion]. Our profit before tax, account for 26.4 % total sales after tax.
- We have defined benefits and contribution plans for our employees and during the year we distributed Rs. 732.2 million or 14.0% of net wealth created, in wages and benefits to our average workforce of 404 employees [FY25: 695 million or 23% of net wealth in wages and benefits to our workforce averaging 419 employees].
- We distributed Rs. 162.7 million in the form of community investments [FY25: Rs. 112.4 million] and, Rs. 161.3 million to providers of finance as interest payments [FY25: Rs. 289.0 million]; these being allowable expenses, helped us save Rs. 43.55 million in taxes.
- Consolidated net sales stood at Rs. 7,936 million in FY26, reflecting a 25% increase compared to Rs. 6,346 million in FY25. Gross profit also improved to Rs. 2,014 million, translating into a margin of 25% versus 24% in the previous year. This growth underscores stronger operational performance and enhanced value creation despite market challenges

Approach to Tax

Our operations generate revenue through taxes and levies for the Pakistan government. These payments are used by the government to fund essential public and welfare services like education, roads and bridges, healthcare, cash support programs such as the Ehsaas/BISP programs and more.

Taxes are a vital source of revenue for all governments and a major outflow for businesses – when planned and managed effectively, it leads to significant cost savings. Our current tax plan is designed to optimize available tax credits. We consistently advocate for tax regulations that foster advantages for local businesses. Our tax approach is an integral component of our finance strategy which has a two-part focus: remaining compliant with all relevant tax laws and regulations and, optimising tax rate. Our finance function house a separate tax team that reports directly to the CFO who is closely involved in all tax planning and optimisation.

Our internal audit function reviews to reviewing our tax practices and reports periodically to the board audit committee. We also enlist the expertise of tax consultants to provide guidance, deal with tax authorities and when necessary, we engage legal professionals. Our tax obligations encompass various business transactions, including income taxes, sales taxes and customs duties.

Tax Governance, Control, and Risk Management

Key people on the finance team attend tax-focused seminars annually to update understanding of taxation. All our transactions are systematically handled through the ERP system, with tax rates integrated and promptly updated to reflect any changes. Risk registers are formulated to pinpoint potential risks at the managerial level for each Business Unit and Department. These registers undergo evaluation at the Executive Team level and are subsequently approved and governed by the Board Risk Management Committee.

An external auditor assesses our general tax compliance status, and we prepare Group Tax Financial Statements annually to supplement our returns. We maintain a comprehensive whistle-blower policy that serves as a channel for reporting any instances of misconduct, including those related to taxation.

Stakeholder Engagement and Management of Concerns Related to Tax

Engaging in discussions with tax authorities to obtain clarifications on taxation matters. Convening meetings to address unresolved tax cases. CSAPL actively promotes tax policies by collaborating with the Pakistan Engineering Board, and various other platforms. This includes presenting recommendations to the budget committee to bolster local manufacturers. The company website features an email address for registering complaints regarding any concerns from stakeholders including external stakeholders.

Tax Jurisdiction

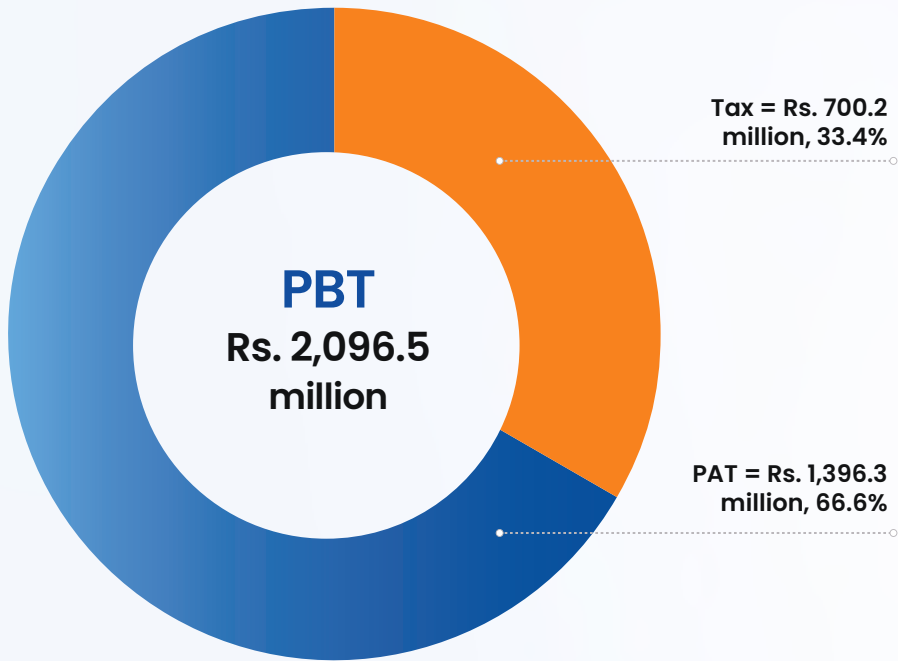
We are not exposed to any tax jurisdiction other than Pakistan and do not hold any business interests abroad. Our tax and other payments to the government are illustrated below:



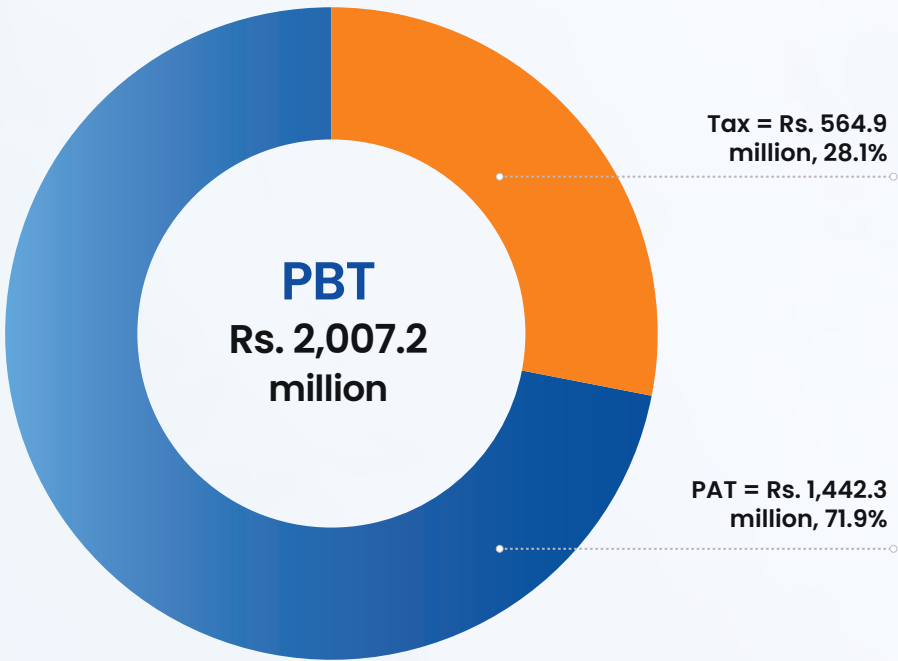
Overview of Tax and other Payments to the Government:

Effective Tax Rate

The below graph represents the effective tax rate applicable on the Company for the year on the income earned by the Company. The difference of effective tax rate i.e 33.4% (2025: 28.1%) from absolute tax rate i.e. 39% is due to income stream of the Company from IID Division, where majority income is taxable under FTR, which ultimately reduces effective tax rate to 33.4% (2025: 28.1%) at company level.



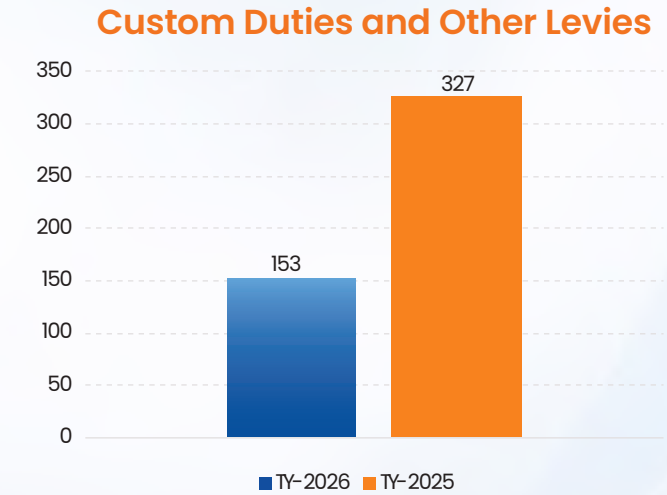
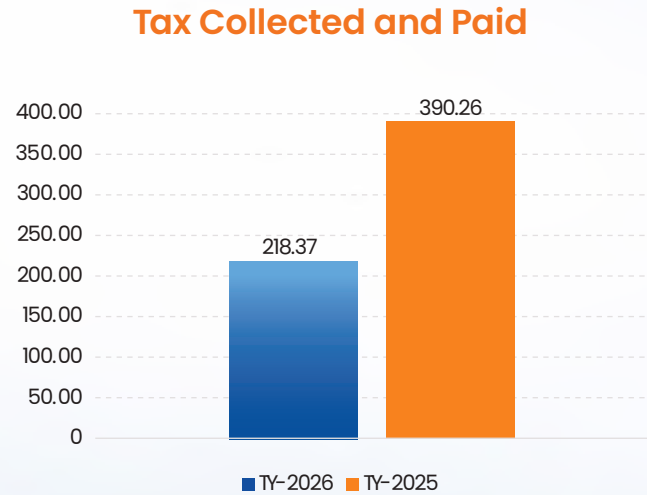
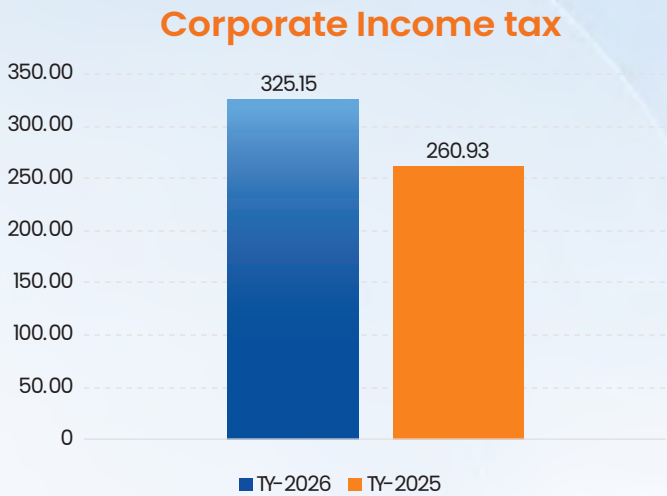
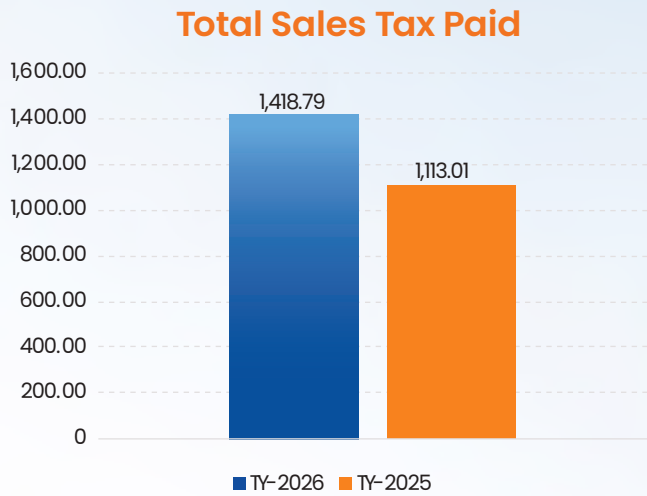
2026



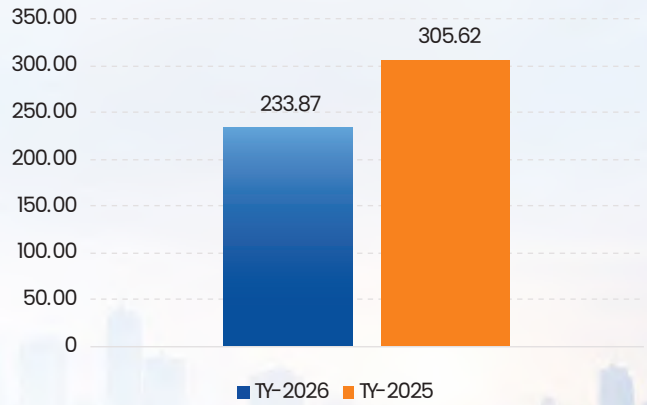
2025

The charts above represent consolidated numbers except for TY-2025, where the numbers are based on unconsolidated result, as we reported loss in consolidated financial statements, therefore, in order to ensure transparency in effective tax rate, we used the numbers reported in unconsolidated financial statements.

All figures are in PKR, million



Withholding tax Deducted and Submitted to Government



WHERE PARTNERSHIPS CARRY **FURTHER**

Collaboration connects expertise, resources
and ambition to achieve greater impact.



HUMAN CAPITAL

We are committed to a fair, inclusive workplace where people are heard, assessed fairly, and enabled to contribute their best.

Pakistan's demographic profile – nearly 70% of the population under 30 – makes human capital an increasingly strategic driver of enterprise value. As a family-managed enterprise operating with lean teams, we compete on how deliberately we identify, develop, and retain talent in roles critical to our operations, blending strong values with a performance-driven culture.

Our HR strategy is supported by clear policies, regular employee satisfaction surveys, and an independent internal audit of HR practices and implementation.

We prioritize and support the needs of our employees by providing:



Our human resource function is regularly reviewed by an independent internal audit unit to identify and address any policy or implementation gaps.



Goals and Objectives for 2027– 2029

Goal / Objective	Supporting Initiatives / Actions	Results
Enhance Employee Engagement Levels	Achieve an Employee Satisfaction Index (ESI) of 4 and increase participation to 90%.	ESI: 3.86 (FY25: 3.81), Participation: 76% (FY25: 74%)
	Conduct focus groups to address key issues from the Employee Opinion Survey and Open House Sessions.	No major issues identified – no focus group was held.
	Leverage generative AI in daily use to automate tasks, reduce TAT and consolidate HR Ops;	AI policy drafted, AI power users are to be identified with a scope to establish.
	Leverage microlearning techniques to enhance participation in internal training and employee engagement programs. Measure and report impact by Q2FY27	More than 20 engagement activities covering sports, arts and culture, social security, strengthening law enforcement. 28 engagement partners including 11 training institutes and community partners.
Create a High-Performance Culture	Enhance the implementation and effectiveness of the performance management system.	Strengthened the Performance Management System (PMS) through improved appraisal processes and timelines, with 100% of eligible employees reviewed for their performance in FY26.
	Establish mentorship and coaching frameworks to encourage self-directed learning and leadership development.	Strengthened leadership development and knowledge sharing through one-on-one coaching, mentoring, knowledge-sharing sessions, young manager coaching, and structured programmes for emerging leaders.
	Strengthen key operational areas by acquiring and retaining top talent in mid-management roles.	Strengthened critical functions through targeted talent recruitment and retention, achieving 93% overall retention of employees in critical roles.
	100% retention of the employees who are identified as future leaders or black belt during Organizational Talent Reviews.	Achieved 100% retention of identified high-potential and future-leader employees during FY26.
	Embed a culture of trust and fairness through transparent performance evaluations with clear, measurable criteria and regular feedback loops.	Reinforced transparency in performance evaluations through structured appraisals, measurable objectives, self-assessments, and bi-annual feedback, enabling a consistent and transparent development framework for employees.
Foster an Inclusive and Enabling Workplace Culture	Maintain pay equity across gender, ensuring equal pay for men and women in comparable roles and job grades.	The average gender pay gap was 53.19% among management roles at Head Office.
	Reduce the average age of the organisation by recruiting younger talent and fostering generational diversity.	Supported generational diversity by attracting early-career talent through targeted Summer Internship and Management Training Programmes. Maintained a relatively young and diverse workforce, with more than 50% of employees aged 30–50.
	Facilitate knowledge transfer through mentorship programs, encouraging collaboration between younger employees and experienced team members.	Promoted knowledge sharing across generations through on-the-job learning, mentoring and collaboration, with designated mentors and buddies supporting Management Trainees and new employees.
	Leverage data from the Human Resource Information System (HRIS) and explore advanced HRIS solutions to enhance decision-making and streamline HR operations.	Advanced HR digitalization through the Kuick App, automating selected physical documentation as a step toward broader HR process automation.
	Develop Power BI and interactive dashboards.	Developed a Power BI HR dashboard to improve reporting, data visibility, and informed decision-making.
	Introduce analytics-driven recruitment, training, and engagement processes to monitor trends, predict outcomes, and inform strategy.	Increased the use of data and analytics in recruitment, workforce planning, training and engagement decisions.
	Implement competency-based interviews and assessment tools to improve the accuracy of hiring decisions and enhance talent acquisition.	Strengthened recruitment quality through structured assessments, competency-based evaluation, behavioural interviews, MS Excel testing, and enhanced HR screening practices.

WE AIM TO ACHIEVE



High Performance Human Capital



Competitive Remuneration



Simplified HR



HR Agility



Community Involvement



Enhanced Employee Engagement



Happy Workplace



Compliance And Product Responsibility

Employee Engagement

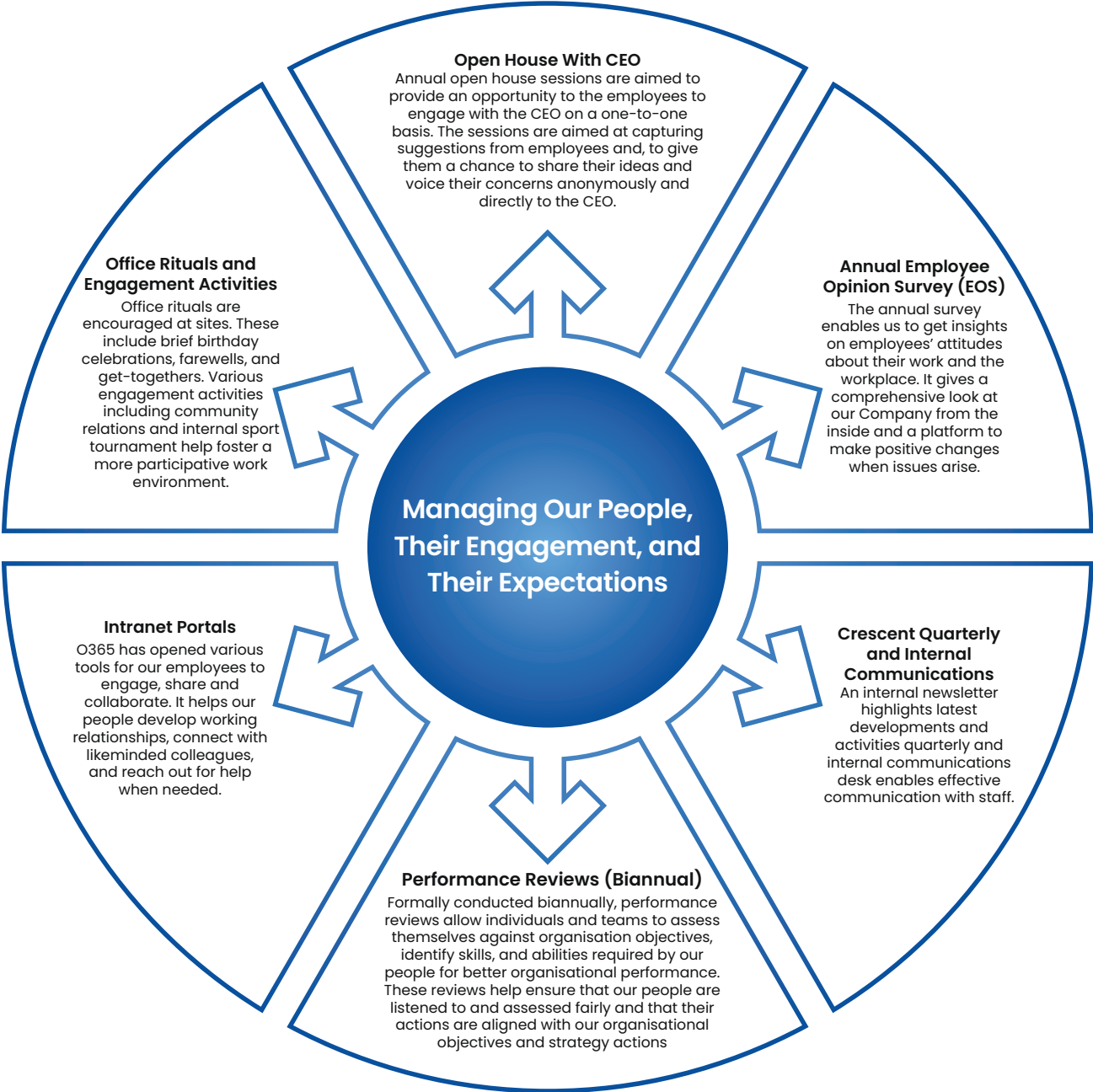
Our people are the driving force behind everything we achieve. Their commitment is what enables us to deliver consistent, high-quality performance, even in the face of cyclical downturns, uncertainty or change.

In FY26, our Employee Opinion Survey, the primary channel for tracking engagement, saw consistent participation at 76% (FY25: 74%), with overall engagement score improving marginally to 3.86/5. Vision, strategy, and work environment remain consistent strengths; training and development was flagged as the area to improve, against which we delivered 1,658 training hours in FY26.

Feedback flows through formal leadership engagement sessions, digital suggestion box portal and a whistleblowing policy (routed directly to Internal Audit, HR, or the CEO, with confidentiality protected) and is embedded across HR touchpoints – hiring, performance, HSE, and surveys. To translate feedback into meaningful action, we conduct follow-up focus groups and action plans as needed.

Through our discretionary CSR initiatives and partnerships regular opportunities are provided for employees to step outside their daily routines and volunteer to make a positive impact; employees, particularly high-potential managers, are engaged regularly to participate in external events of various types with the intent to build their career lattice.

Some formal methods of employee engagement include:



Transparent communication is a key part of our employee engagement strategy.

We prioritize keeping our employees informed, engaged, and involved. Through a combination of communication tools, feedback mechanisms, and open leadership access, we strive to nurture a transparent and inclusive workplace.

Internal Communication Tools
Our Communications Desk and SharePoint Portal serve as reliable sources for key updates – including policies, events, company calendar, birthdays, and even the daily menu. These platforms ensure that employees have easy access to timely information.

Connecting Over Shared Spaces
Daily lunch and dining facilities across office and manufacturing sites foster informal interactions, encourage interdepartmental collaboration, and reinforce our company values through everyday connections.

Feedback Channels
We maintain physical and digital suggestion boxes at all locations, encouraging employees to safely share their ideas, concerns, and recommendations. These insights are especially valuable in improving workplace facilities, IT services, and HR processes.

CEO Open House
This initiative allows employees to meet directly with the CEO for one-on-one conversations. It's a trusted space to voice concerns, share ideas, or ask questions. One powerful example of its impact is our Employee Children's Scholarship Program, which originated from employee feedback during one such session.

Labor Management Relations and Grievance Mechanism

Worker-grade employees make up 78% of our manufacturing workforce and building trust and maintaining open communication with this group is essential for smooth operations and a positive workplace culture. Joint committees of workers, supervisors, and managers set and track target and resolve concerns in collaboration and in an environment that seeks to build trust and understanding.

The company provides health and social security coverage, benefits, transportation, food, and housing facilities where applicable, prioritizing worker well-being and fair practices.

Workers can raise health, safety, or workplace concerns directly with supervisors or managers, knowing these issues will be addressed fairly and promptly.

There are no collective bargaining agreements or labor unions associated with our Company.

Diversity and Inclusion



Female labor-force participation in Pakistan stands at just 24%, leaving significant talent untapped. With this context in mind, increasing female representation, especially in management level roles, is an ongoing priority for us.

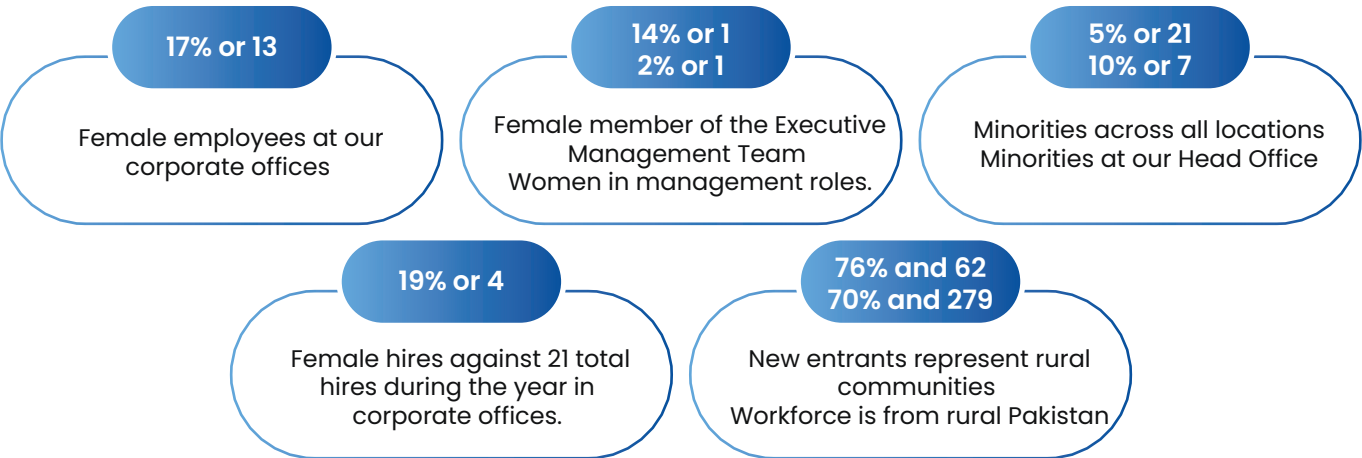
As on June 30th 2026, women made up 17% of our corporate office employees, 14% of the executive team roles and 2% of our management roles.

The talent pipeline remains a key constraint: for current corporate office openings, only about 20% of the applicant pool is female; for the manufacturing facility this stands at nearly 0%.

Minorities make up 5% of our workforce, above the national demographic representation. 76% of new hires this year came from rural communities, reflecting our 70% rural workforce base overall.

We believe that a diverse workforce is a valuable asset that drives creativity and innovation and remain committed to creating a workplace where every individual's unique backgrounds, perspectives, and experiences

are not just welcomed but celebrated. Other ways that we contribute to DEI goals are through our philanthropic interventions which are covered in detail in the Social and Relationship Capital section(refer to page no.146) of this report.



Gender Pay Gap Statement Under Circular 10 of 2024

Following is gender pay gap calculated for the year ended June 30, 2026:

Mean Gender Pay Gap			Median Gender Pay Gap		
	Head Office	Other than Head Office		Head Office	Other than Head Office
Management	53.19	100.00	Management	45.58	100.00
Workers	100.00	100.00	Workers	100.00	100.00

Disclaimer:
For Workers (all locations) and Management outside Head Office, there are currently no female employees; therefore, the calculated pay gap outputs 100% under the prescribed methodology due to the absence of a female comparator and should be interpreted primarily as a representation indicator. At Head Office, female representation within Management is limited, which skews the mean/median outputs.

The Company is committed to equal remuneration for equivalent roles and is focused on increasing female representation across employment categories.

Equal Opportunity Employment – FY26

During FY26, the ratio of Median Entry-level Wage compared to Local Minimum Wage for Workers stood at 1.03:1 across all locations of operations. 1.03 : 1

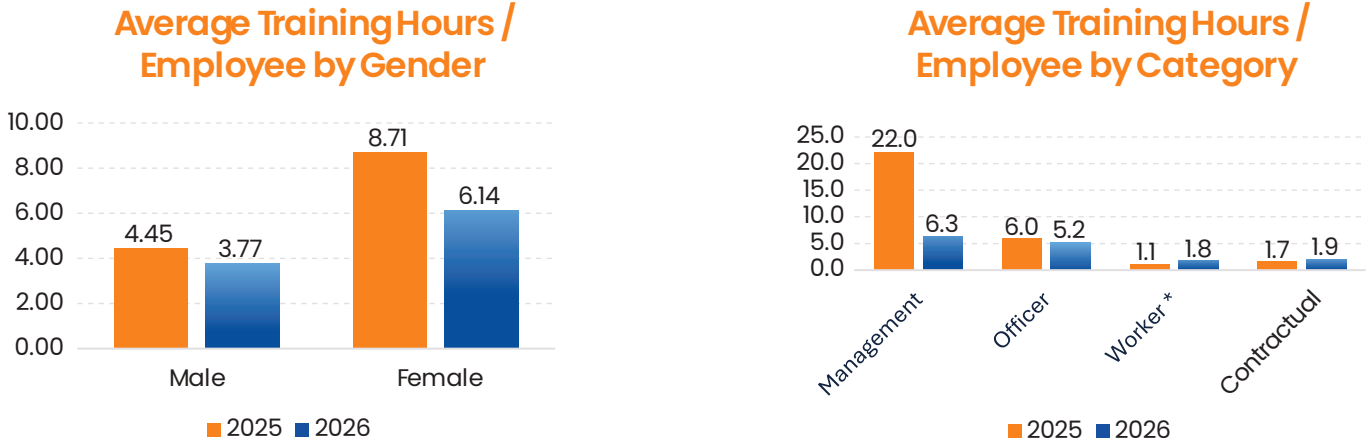
RATIOS	MALE	FEMALE
Ratio of Median Wage of Management without Variable Allowances : Minimum Wage	2.95 : 1	2.13 : 1
Ratio of Median Wage of Management with Variable Allowances : Minimum Wage	3.30 : 1	2.62 : 1
Ratio of Median Wage of All Workers without Overtime : Minimum Wage	1.16 : 1	N/A*
Ratio of Median Wage of All Workers with Overtime : Minimum Wage	1.39 : 1	N/A*
Ratio of Median Wage of All Staff without Variable : Minimum Wage	1.29 : 1	2.13 : 1
Ratio of Median Wage of All Staff with Variable: Minimum Wage	1.59 : 1	2.62 : 1
Senior Operational Management – Local Residency		
% of Senior Operational Management employees (incl. functional heads) who are residents of local areas/regions	100.0%	

* There are no female employees in the workers category.

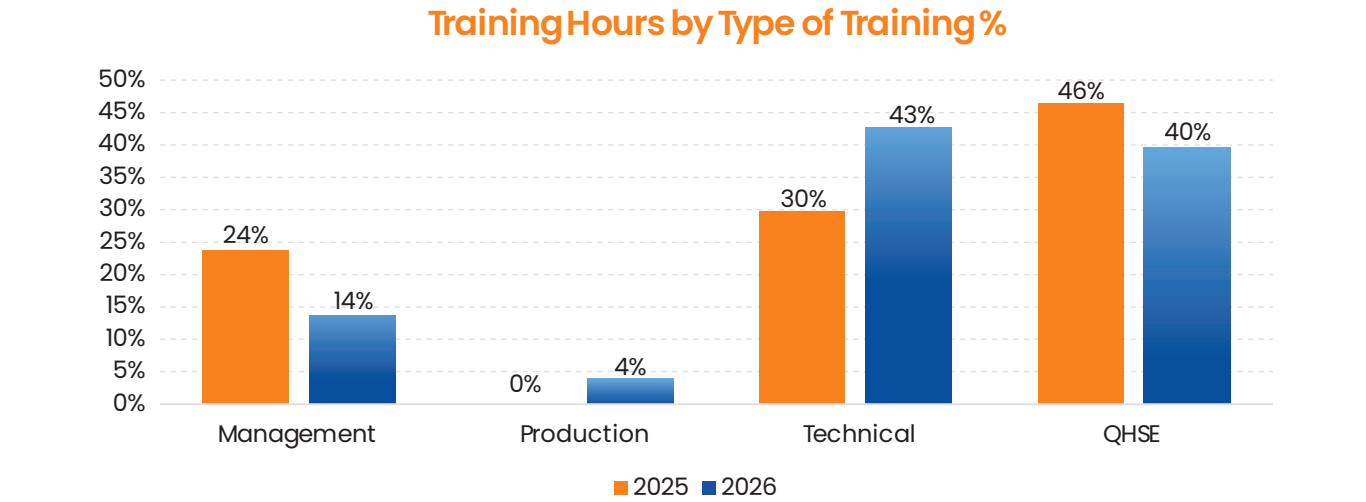
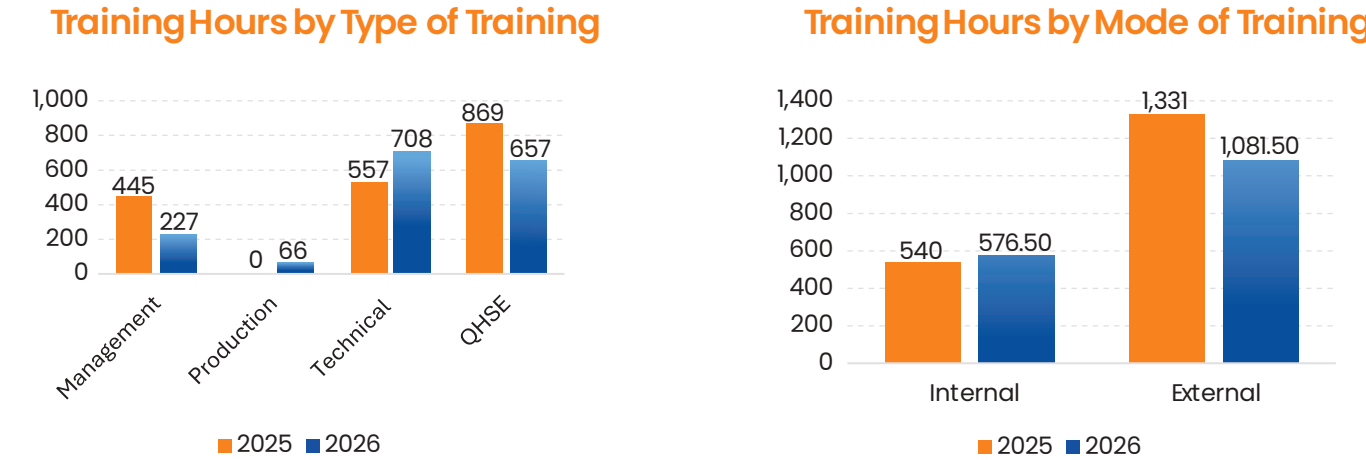
Employee Development

We run structured on-the-job training for engineers at our line pipe units, and for select management hires, supply chain and marketing and sales at our Head Office.

During the fiscal year we invested Rs. 2.3 million, or 0.12% of profits before tax [FY25: Rs. 2.99 million, 0.16% of profit before tax] in training through various programs including through ICAP, NED, PICG, Pakistan Nuclear Regulatory Authority, and SGS Pakistan. Average formal training per management employee as 13.74 hours, down from 22 hours in FY25.



Note: * On-the-job training (OJT) for workers is not separately tracked. The figures pertain only to workers who participated in formal training programmes conducted during the fiscal year to address specific operational and safety needs, including HSE, PPE awareness, firefighting, first aid, and other relevant areas.

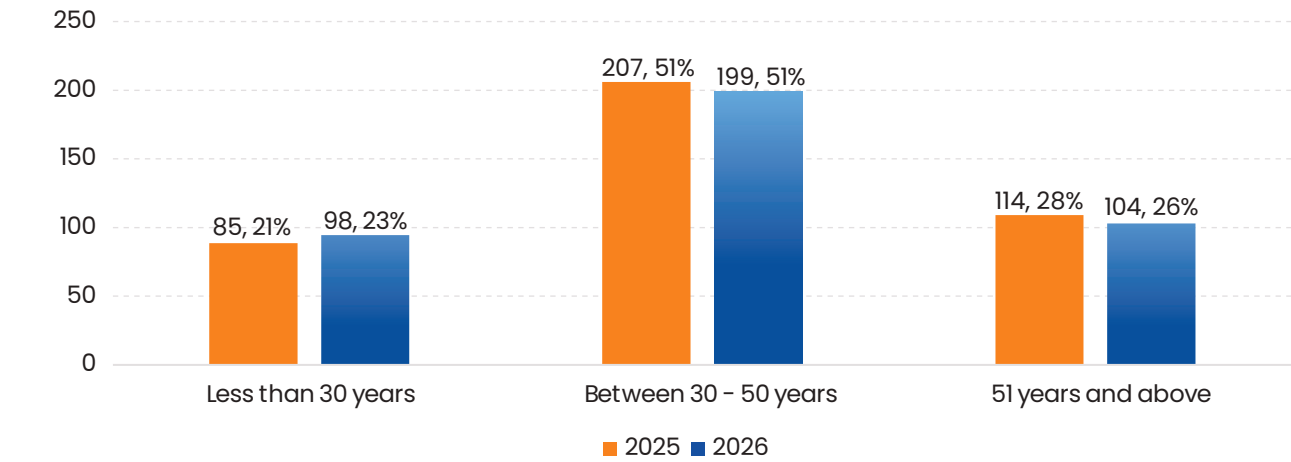


Employee Demographics

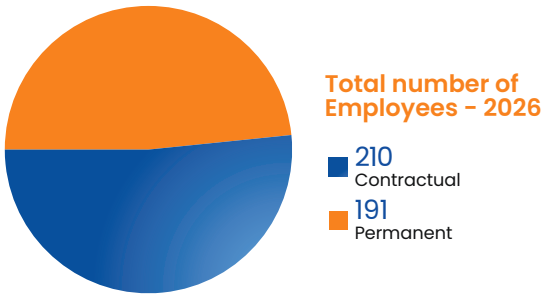
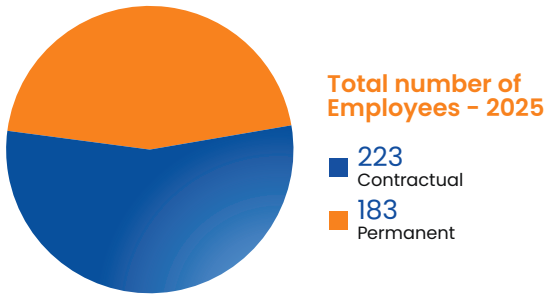
As an employer we play a role in supporting livelihoods, creating opportunities, and enhancing growth prospects for our people. Here is a look at our demographic break-up:

Total Workforce - Region Wise		
	2026	2025
Bhone	10	10
Jaranwala	32	38
Karachi	72	69
Lahore	4	4
Nooriabad	233	242
Dalowal	48	41
Islamabad	2	2
Total	401	406

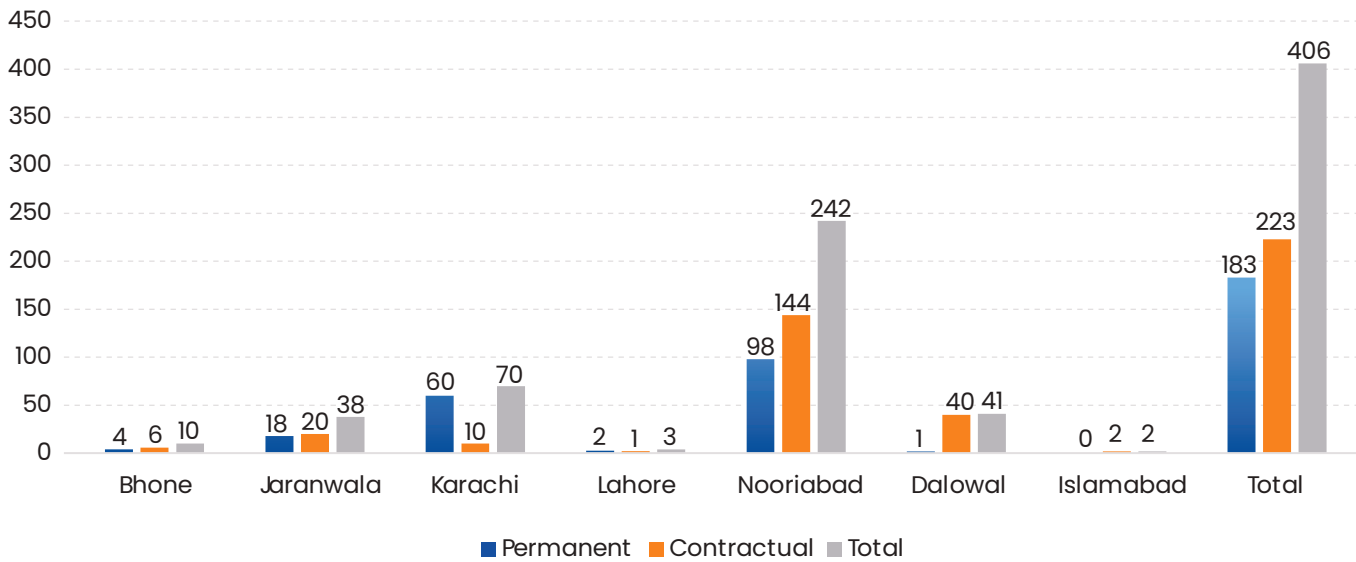
Employees by Age



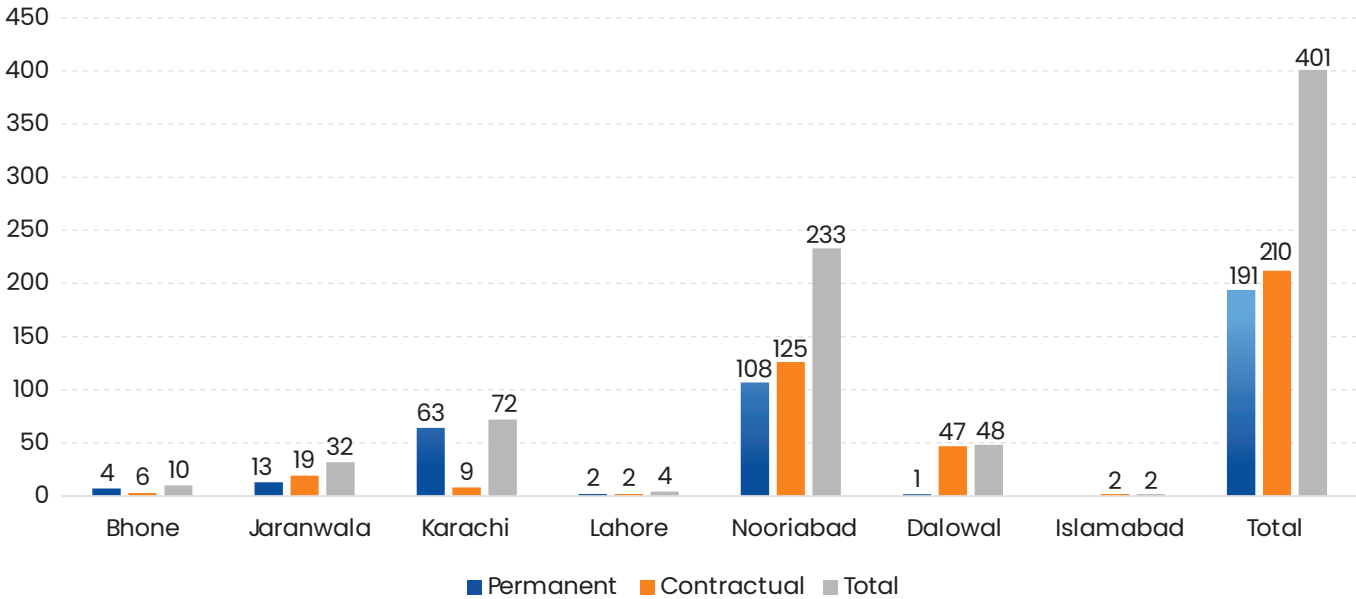
Average age of Employees – By Employee Category



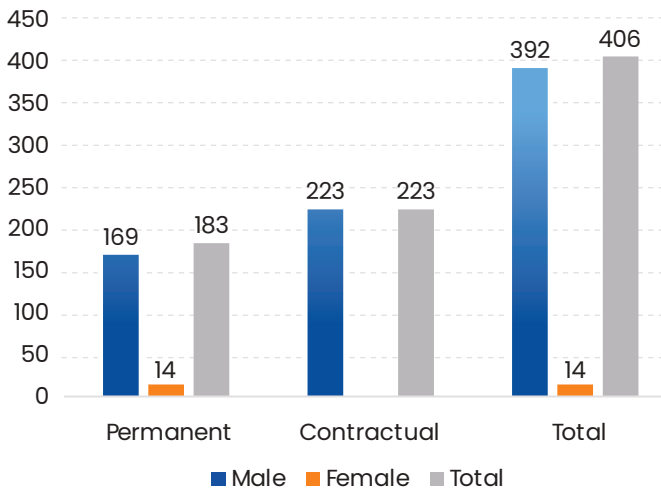
Total Number of Employees by Employment Contract and Region – 2025



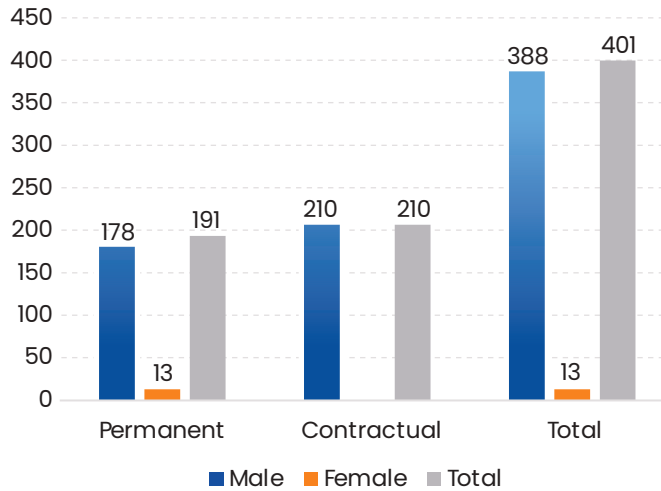
Total Number of Employees by Employment Contract and Region – 2026



Total Number of Employees by Employment Contract and Gender – 2025



Total Number of Employees by Employment Contract and Gender – 2026



Turnover Information

Overall Workforce

Factor	Opening No. of Employees (Jul 1)	Incoming employees	Outgoing employees	Closing No. of Employees (June 30)	Average No. of Employees	Outgoing Rate	Incoming Rate	Turnover Rate
By Age								
Less than 30 years	85	52	39	98	92	42.62%	56.83%	-14.21%
Between 30 – 50 years	207	58	66	199	203	32.51%	28.57%	3.94%
50 years and above	114	13	23	104	109	21.10%	11.93%	9.17%
Total	406	123	128	401	404	31.72%	30.48%	1.24%
By Gender								
Male	392	119	123	388	390	31.54%	30.51%	1.03%
Female	14	4	5	13	14	37.04%	29.63%	7.41%
Total	406	123	128	401	404	31.72%	30.48%	1.24%
By Location								
Head office (Karachi)	70	21	19	72	71	26.76%	29.58%	-2.82%
Nooriabad	241	77	85	233	237	35.86%	32.49%	3.38%
Jaranwala	38	9	15	32	35	42.86%	25.71%	17.14%
Dalawal	41	16	9	48	45	20.22%	35.96%	-15.73%
Bhone	10	0	0	10	10	0.00%	0.00%	0.00%
Lahore	4	0	0	4	4	0.00%	0.00%	0.00%
Islamabad	2	0	0	2	2	0.00%	00.00%	0.00%
Total	406	123	128	401	404	31.72%	30.48%	1.24%

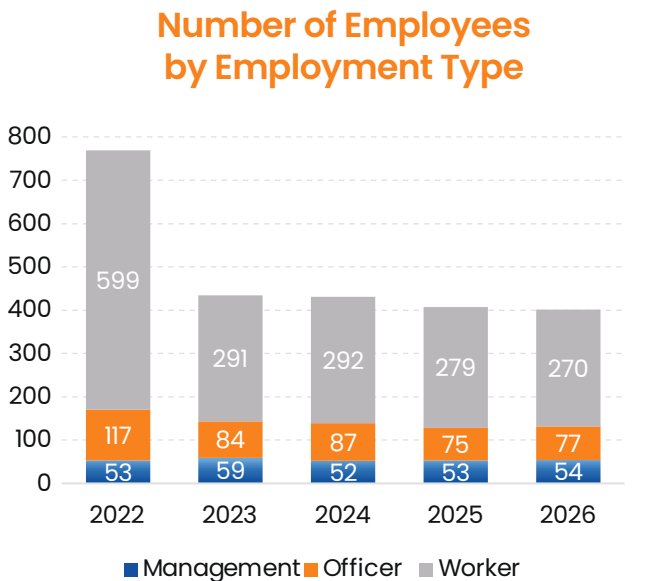
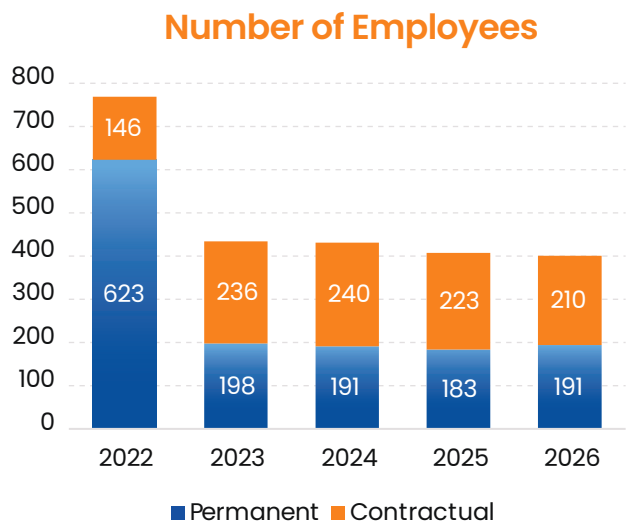
Permanent Staff

Factor	Opening No. of Employees (Jul 1)	Incoming employees	Outgoing employees	Closing No. of Employees (June 30)	Average No. of Employees	Outgoing Rate	Incoming Rate	Turnover Rate
By Age								
Less than 30 years	30	24	14	40	35	40.00%	68.57%	-28.57%
Between 30 – 50 years	99	12	11	10	10	11.06%	12.06%	-1.01%
50 years and above	54	1	4	0	0	7.62%	1.90%	5.71%
Total	183	37	29	191	187	15.51%	19.79%	-4.28%
By Gender								
Male	169	33	24	178	174	13.83%	19.02%	-5.19%
Female	14	4	5	13	14	37.04%	29.63%	7.41%
Total	183	37	29	191	187	15.51%	19.79%	-4.28%
By Location								
Head office (Karachi)	60	20	17	63	62	27.64%	32.52%	-4.88%
Nooriabad	98	17	7	108	103	6.80%	16.50%	-9.71%
Jaranwala	18	0	5	13	16	32.26%	0.00%	32.26%
Dalawal	1	0	0	1	1	0.00%	0.00%	0.00%
Bhone	4	0	0	4	4	0.00%	0.00%	0.00%
Lahore	2	0	0	2	2	0.00%	0.00%	0.00%
Islamabad	0	0	0	0	0	-	-	-
Total	183	37	29	191	187	15.51%	19.79%	-4.28%

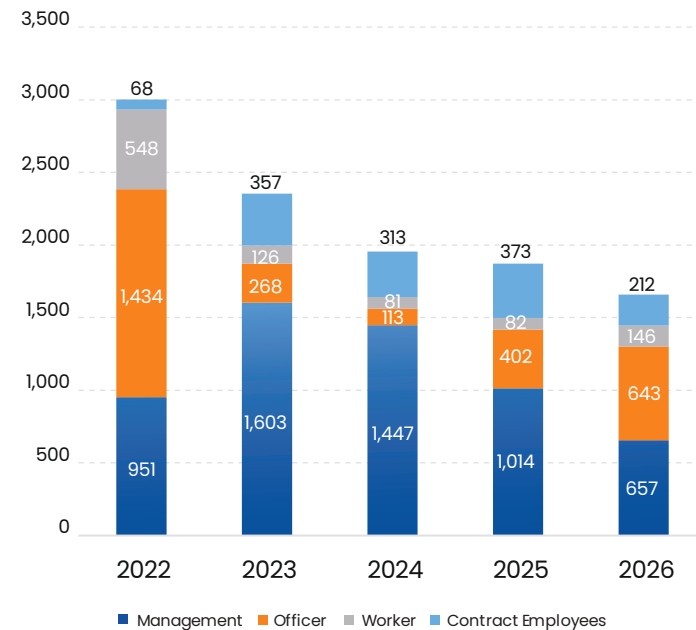
Contractual Staff

Factor	Opening No. of Employees (Jul 1)	Incoming employees	Outgoing employees	Closing No. of Employees (June 30)	Average No. of Employees	Outgoing Rate	Incoming Rate	Turnover Rate
By Age								
Less than 30 years	55	28	25	58	57	44.25%	49.56%	-5.31%
Between 30 – 50 years	108	46	55	99	104	53.14%	44.44%	8.70%
50 years and above	60	12	19	53	57	33.63%	21.24%	12.39%
Total	223	86	99	210	217	45.73%	39.72%	6%
By Gender								
Male	223	86	99	210	217	45.73%	39.72%	6%
Female	0	0	0	0	0	-	-	-
Total	223	86	99	210	217	45.73%	39.72%	6%
By Location								
Head office (Karachi)	10	1	2	9	10	21.05%	10.53%	10.53%
Nooriabad	143	60	78	125	134	58.21%	44.78%	13.43%
Jaranwala	20	9	10	19	20	51.28%	46.15%	5.13%
Dalawal	40	16	9	47	44	20.69%	36.78%	-16.09%
Bhone	6	0	0	6	6	0.00%	0.00%	0.00%
Lahore	2	0	0	2	2	0.00%	0.00%	0.00%
Islamabad	2	0	0	2	2	0.00%	0.00%	0.00%
Total	223	86	99	210	217	45.73%	39.72%	6.00%

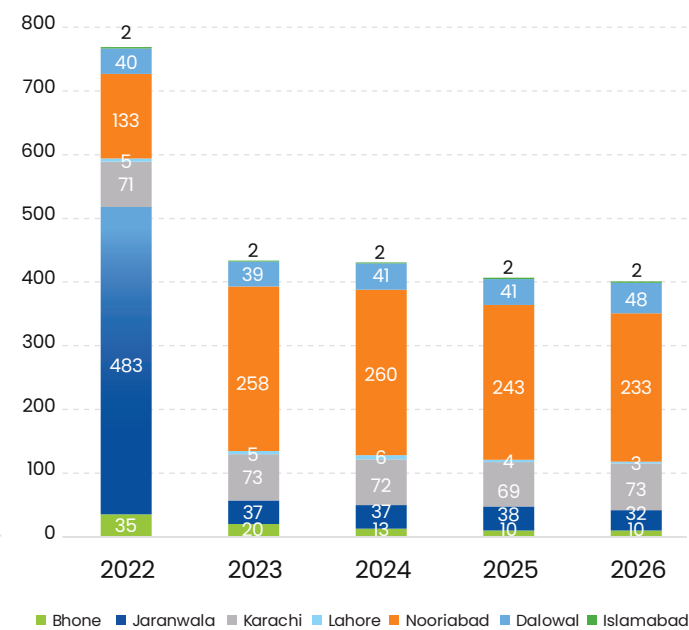
Workforce Information



Training Hours by Employment Type



Work Force by Region



Employee Satisfaction

76%

of employees are satisfied working for Crescent
[FY25: 77%]

85%

of employees are committed to their jobs
[FY25: 83%]

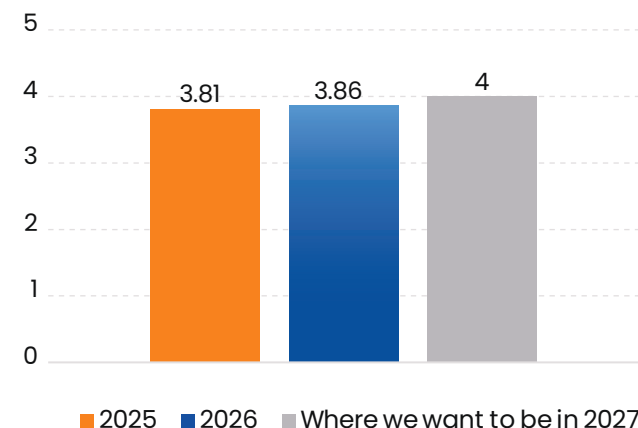
79%

of employees are satisfied with the guidance and coaching provided to execute the job.
[FY25: 74%]

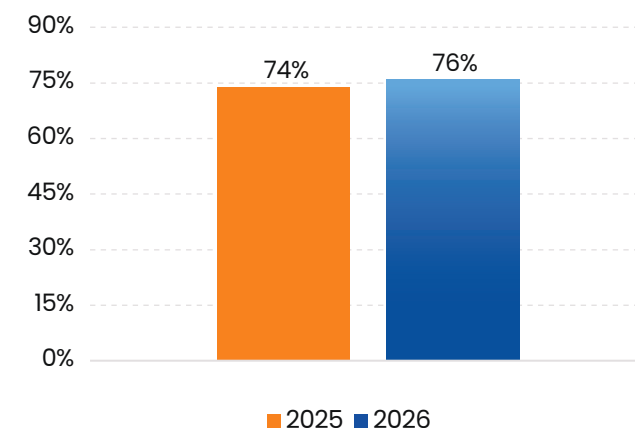
82%

of employees are satisfied that Crescent is sensitive to the safety needs of employees and provides appropriate work tools
[FY25: 83%]

Employee Satisfaction Index



Survey Participation Level



Engagement and Development

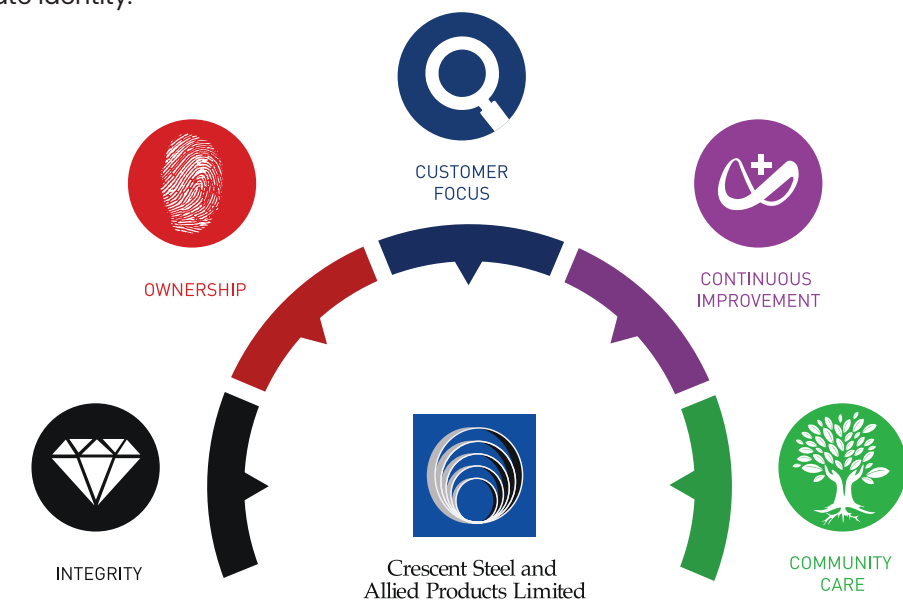
This section highlights our key employee engagement and development programs.

Recognising Value Behaviors

Our values are not just words on a wall — they are the core of how we work, decide, and grow together. They guide every interaction; from the way we welcome new colleagues to how we deliver for our customers.

We seek these values in every hire and embed them into performance management, ensuring they are practiced, not just stated. Acting with integrity, taking ownership, putting customers first, striving to improve and caring for others — these guide our everyday actions.

To keep our values strong, we hold value-awareness sessions and highlight employees who live them through their work and actions. By recognising and rewarding value behaviors, we keep our employees engaged and aligned with our corporate identity.



Talent and Performance Management

Our learning philosophy follows the 70:20:10 model:

Learning Philosophy



- On-the-job and real-life experiences that build practical skills |
- Coaching, mentoring, and knowledge sharing from peers and leaders |
- Formal training programs and certifications |

HR develops an annual training plan each budgeting cycle from formal training needs assessment form that draws from performance reviews, talent reviews and day-to-day interactions with teams, spanning production, management, quality/HSE, and technical tracks.

All formal training is evaluated through a feedback form to gauge its effectiveness.

Recurring external programs include:

- Data Analytics by ICAP
- Self-Effectiveness Program/Core Values Refresher by Carnelian
- Developing Future Leaders at LUMS for new Managers
- Management Development Program at LUMS for Senior Managers
- Executive Programs at INSEAD or equivalent for Senior Executives and Senior Managers transitioning to executive roles (MAP, TGM and AMP)
- Certified Directors Program by LUMS or PICG
- Train the Trainer by Carnelian
- Harvard Manage Mentor Program by ICAP
- Lead Auditor Training by SGS Academy or an equivalent certifying body
- Radiation Protection by PNRA
- Management Training Program by AOTS, Japan and EFP, Pakistan

Each year, **Organisation Talent Reviews**, chaired by the CEO, assess management and mid-management employees across five tiers, from Black Belt (future leader) to Black Sheep (poor performer). High-potential employees follow a structured timebound development track, generally spanning 3-5 years; underperformers enter a six-month Performance Improvement Plan. Select high performers are also offered lateral rotations to broaden experience.

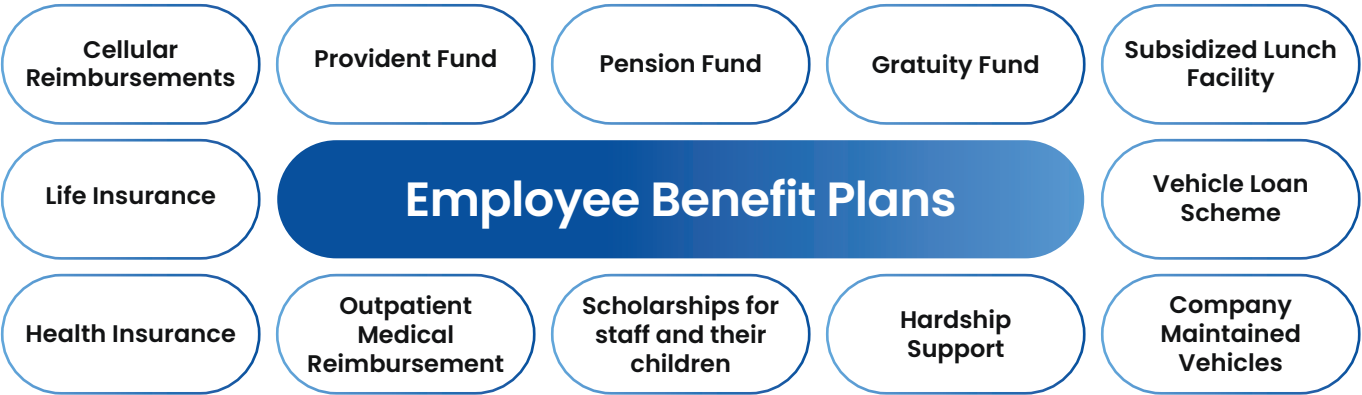
Formal performance reviews run twice yearly against agreed goals, feeding decisions on training, compensation, transfers, and promotion, supported by ongoing feedback and manager office hours.

We also run Trainee Engineer and Management Trainee programs with quarterly cross-functional rotations, three-year statutory apprenticeships (electrical, welding, production, mechanical), and a Summer Internship program at Head Office and Nooriabad. In FY26, four Trainee Engineers were hired, and one Trainee Engineer from FY25 batch promoted to Assistant Engineer; we also hosted 16 interns across various functions at Head Office and Nooriabad.

Relatively low annual intake and low attrition – where other channels, such as career fairs and large-scale engagement with prospective hires, are less feasible.

Compensation and Benefit Schemes

We offer competitive compensation, benefits, and incentive programs. Our benefits form a key part of the overall compensation package, adding substantial value beyond salary. Alongside guaranteed and performance-based pay, we provide a comprehensive range of employee benefits, including:



The Company operates a Provident Fund on a contribution basis, matching employee contributions at 8.33% of basic salary for up to five years of service and 10% for service beyond five years. Benefit funds, including both gratuity and pension, are contributed towards by the company at the rates of 8.33% and 20% of the employee’s basic salary, respectively. The company also contributes 5% of its pre-tax profits to the Worker Profit Participation Fund (WPPF).

Benefit entitlements vary by job level and employment type; the table below shows how these benefits extend to our employees.

Employee Benefits	
Life Insurance	√
Defined Contribution Plan (Provident Fund)	o
Defined Benefit Plan (Gratuity and Pension)	*
Disability Coverage	√
Maternity Leave	√
Subsidized Lunch	√
Health Care	o
Health Insurance	o
Company Maintained Cars / Mobiles	μ
Club Subscription Reimbursements	μ
Company Sponsored Vehicles (Car / Motorcycle)	Ω
Scholarship awards for children of employees	Ω
Scholarships for Employees	Ω
Hardship Assistance	Ω
Stock Ownership	v

- √ = to all employees
- μ = to our executives and management as per business need
- o = to permanent employees
- Ω = on application, to eligible employees across all job tiers
- * = to management employees (i.e. excluding workers)
- v = generally, not available

Community Engagement

Our employees continue to remain connected with our discretionary CSR work and regularly contribute time and donations to causes we support. We keep them informed and actively involved in both company-led initiatives and about causes we support through various formal engagement initiatives that include the Crescent Matches Program. Crescent Cares Week and various other activities across sports, arts, conservation and more. This is covered in more detail in the Social and Relationship Capital section in this report (refer page no.146).



Crescent Scholars

Launched in 2013, our scholarship program supports the tertiary and intermediate education of employees’ children and is now in its thirteenth year and has so far supported 19 students, including 17 employee children.

We also offer scholarships to candidates with exceptional academic and community performance to top-tier degree programs abroad. In addition, employees who have been with us for at least three years and wish to pursue higher education while working with us are eligible for sponsorship.

Details of scholarships provided to the children of employees are as follows:

Children of Employees	Academic Level	Program and Institute Name
Syed Muhammad Mufeez (2013 – 2017)	Undergraduate	BE – Chemical Engineering from NED University; currently working as Security and Market Safety Lead at Philip Morris International
Abdul Rehman (2014 – 2018)	Undergraduate	BS – Electrical Engineering from Habib University; and completed his Master's in Electronics Engineering (Embedded Systems) at the Politecnico di Torino University, Italy in 2026. Currently working as Electronic Design Engineer at ITEM S.r.l.
Muhammad Taha Zaidi (2014 – 2018)	Undergraduate	BBA from IBA, followed by a Master of Management in Data Analytics from the University of Windsor, Ontario. Currently working as Senior Analyst at Just Energy
Ahmed Ali (2015 – 2019)	Undergraduate	BSc – Computer Sciences from FAST; currently working as Senior Software Engineer at Hunger Station Riyadh.
Muhammad Ans (2014 – 2018)	Undergraduate	BE – Mechanical Engineering from the International Islamic University; currently working as Deputy Manager Engineering at Millat Tractors Limited
Khizran Kulsoom Zaidi (2016 – 2018)	Postgraduate	MSc – Human Resources from Karachi University; currently working as a System Support Analyst at National Institute of Cardiovascular Diseases
Syed Muhammad Bilal (2017 – 2021)	Undergraduate	BS – Computer Science from DHA Suffa University; currently working as Software Engineer at Cronysoft
Sidra Sikandar Ali (2018 – 2019)	Postgraduate	MS – Hydro Science and Engineering from Dresden University of Technology; currently working as Associate Scientist at Procter and Gamble
Suleman Saad Thaniana (2019)	Undergraduate	BS – Electrical Engineering and Computer Science from Massachusetts Institute of Technology (MIT); currently working at Apple Inc, USA as Design Verification Engineer (we partially sponsored his first-year education after which Suleman was on a fully funded scholarship from MIT)
Nimra Yamin (2019 –2023)	Undergraduate	BS – Economics and Finance from NED University.
Munazza Zafar (2017 – 2025)	Intermediate	Intermediate – Pre-Medical from Islamabad Model College
	Undergraduate	BS – International Relations from Quaid-e-Azam University, recently graduated and currently seeking employment.
Sidra Muhammad Ali (2018 – 2025)	Intermediate	Intermediate – Pre-Medical from Trinity Methodist Girls' Higher Secondary School
	Undergraduate	PharmD from Hamdard University, currently working as Pharmacist at Rabia Moon Memorial Institute of Neurosciences
Muhammad Safiullah (2021 – 2022)	Intermediate	Intermediate – Pre-Medical from Government Islamic Science College; currently pursuing Bachelors in Islamic Studies from Islamabad International University
Yasir Rafique (2024–2028)	Undergraduate	BS, Computer Science candidate at University of Sindh, currently in his fifth semester
Syed Muhammad Suleman (2024 – 2028)	Undergraduate	BS, Software Engineering candidate at Karachi University, currently in his fifth semester
Murk (2024 – 2025)	Intermediate	Intermediate from Sunrise English Grammar Higher Secondary School
Mustafa Kayani(2024–2028)	Undergraduate	BBA candidate at SZABIST, currently in his fourth semester
Other Scholars		
Mariam Asaad (2016 – 2017)	Postgraduate	MS – Education from Harvard Graduate School of Education; working as a Co-Founder, Director Learning at LiveGenie. Mariam returned the scholarship award back to the fund allowing it to roll over to others.
Muhammad Waqar Mustaqeem (2015 – 2018)	Undergraduate	BSc – Actuarial Sciences from London School of Economics and Political Sciences; currently working as Vice President Insurance and AM EMEA at MUFG

OCCUPATIONAL HEALTH AND SAFETY



We have resolved to redouble our safety efforts to avoid accidents or incidents which could result in serious harm. With reporting channels that encourage employees to flag unsafe conditions openly, we aim to build a safety-first culture – reflected in a growing number of preventive reports that let us act to address unsafe conditions before incidents occur.

Our Mission Zero (zero harm incidents and accidents) campaign continues to shift focus from lagging to leading indicators with an emphasis on major risks. We have also strengthened engagement and encourage employees to participate more meaningfully in this critical agenda.

We have a designated quality, health, and safety representative at each location. our line pipe manufacturing and coating facility continues to maintain a robust quality management system based on API Specification Q1 standard specifications, supplemented by an integrated Health, Safety, and Environment (HSE) based on the requirements of ISO 14001 and ISO 45001.

Hazard identification, risk assessments and environmental impact analysis are a standard practice; workers are provided with personal protective equipment and go through regular health check-ups. HSE actions governed by joint management-worker committees. Each employee is required to ensure compliance with HSE policies, procedures, and instructions at their respective stations.

11 cross-functional teams cover 100% of the pipe and coating unit workforce and directly engage 30% of the unit’s total workforce in HSE management and governance.

4 cross-functional teams cover 100% of the Head Office workforce and directly engage 19% of the total workforce in HSE management and governance.

FY26 recorded zero work-related fatalities however, incidents of injuries saw an uptick – one major accident occurred at the ICML resulting in multiple finger amputations of a worker’s right hand.

This was attributed to non-compliance with applicable health and safety regulations and voluntary codes.

A fire incident in an adjacent property spread to our scrap storage yard, causing damage to various scrap materials at our site. The strong and quick emergency response and availability of fire fighting infrastructure (Water, extinguishers, PPEs, trained staff) mitigated serious damages at both the external incident site as well as at our yard.

Prevention Actions were Undertaken Following the Incident

We strengthened engineering controls across the organisation by conducting targeted refresher safety talks, installing machine guards to prevent unintended access to rotating parts, and placing physical barriers to restrict unauthorized movement in operational areas. Firefighting systems were reinforced, housekeeping practices improved through proper segregation and stacking of scrap, and stricter enforcement of PPE usage was ensured

There Was One Major Incident at Our Manufacturing Facilities in 2026.

Occupational Health and Safety Targets – 2026

For Business Unit – Steel		
Lost workday case	01 (at maximum)	For our Corporate offices, CS Energy and Shakarganj Engineering Unit, our target is zero cases of work-related accidents or injuries.
Restricted workday case	01 (at maximum)	
Medical treatment case	01 (at maximum)	
First aid	02 (at maximum)	
Near miss	02 (at maximum)	
Unsafe act/unsafe condition	02 (at maximum)	

Occupational Health and Safety: Business Unit – Steel Division

	2026	2025	2024	2023	2022
Number of injuries	12	8	9	4	-
-Medical treatment cases	12	6	9	4	-
-Restricted work cases	-	-	-	-	-
-Lost workday cases	22	10	14	19	-
Number of occupation diseases cases	-	-	-	-	-
Number of work-related fatalities	-	1	-	-	-
Lost Work Day Rate (per 200,000 hours)	6.15	2.61	3.44	6.01	-
Injury rate (IR) (per 200,000 hours)	3.35	2.09	2.21	1.27	0.5

Occupational Health and Safety: Head Office

	2026	2025	2024	2023	2022
Number of injuries	1	1	-	-	-
-Medical treatment cases	1	1	-	-	-
-Restricted work cases	-	-	-	-	-
-Lost workday cases	10	7	-	-	-
Number of occupation diseases cases	-	-	-	-	-
Number of work-related fatalities	-	-	-	-	-
Lost Work Day Rate (per 200,000 hours)*	12.23	8.92	-	-	-
Injury rate (IR) (per 200,000 hours)	1.22	1.27	-	-	-

Note: - Injury Rate (IR) is calculated based on total working hours
- Disclosures are not available for inoperative units

**The Lost Work Day Rate is greater than Lost Work Day Cases because total working hours at Head office are less than 200,000 hours.*

Health, Safety and Environment Policy

We strive proactively to prevent or minimize all possible causes of injury and ill health, prevent environmental pollution, minimize waste, conserve energy, enhance safety awareness, impart HSE training, prepare for emergencies by carrying out drills and manage environmental impacts arising from the workplace, products and services that can affect the surrounding communities and the environment at large.

Crescent Steel aims to give back to the environment and invests heavily in a better standard of living. While aiming to work responsibly, Crescent Steel tries to bridge effective business management along with reduced environmental footprints.

We consult employees on matters affecting their health and safety, encourage communication and consider HSE compliance a responsibility of everybody in the organisation.

We are also committed to complying with all legal, regulatory, and other HSE requirements to which we subscribe.



Building a Safety First Culture

The HSE management system ensures objectives and targets are reviewed for continuous improvement while the policy is disseminated to all relevant stakeholders. Regular initiatives related to occupational health and safety include:

- Annual internal and external audits of HSE
- Analysis of all incidents, accidents, Corrective Action Requests, and unsafe conditions
- Hazard Identification and Risk Assessment (HIRA)
- HSE operational instructions have been formulated in the local language
- Safety talks are carried out monthly
- Training and practical demonstrations are conducted regularly to increase awareness and understanding of fire and safety procedures
- Emergency drills are conducted at least twice a year Employees are urged to report unsafe work conditions and non-compliance with our HSE procedures
- Safe water: Water filtration systems have been installed at our sites and drinking water at our campuses are tested periodically
- Pathology tests are conducted annually, e.g. Blood tests, Vision test, and Sputum tests for Tuberculosis, Respiratory test, Audiometry tests, Typhoid vaccination, Chest X-ray, HIV, and Hepatitis A and B tests
- Dosimeters and radiation alarms have been provided to the employees working in the radiography department to monitor the radiation levels
- Frequent testing of environmental parameters, noise level, and particulate emission is monitored annually
- Provision of Personal Protective Equipment (PPE)
- HSE awareness through Crescent Quarterly
- Workers on welding, radiography and stripping operations are regularly examined
- Welders, radiography and stripping workers are also provided with milk to counter the effects of exposure to metal fumes

Asset Integrity

As a manufacturer of line pipe for oil, gas, and water transmission infrastructure, asset integrity is core to both operational safety and product reliability. The Company maintains certifications for API Q1, ISO 45001, and ISO 14001 standard specifications that mandate preventive maintenance, risk-based inspections, and structured incident response.

Capacity Building

During FY26 a total of 31 HSE and technical training sessions ran across the plant site (18) and Head Office (13), totaling 1,100+ man-hours, covering: HSE refreshers, QMS Refreshers, First Aid & CPR, Firefighting & Emergency Response, Emergency Preparedness, Environmental Aspect Impact Analysis, Incident Investigation & Reporting, HIRA & Control Measures, Waste Management, Pollution Management, Excel Skills, Vendor Evaluation, Systems Refreshers and Radiation Safety Procedure.

Capacity building measures depend on roles; new hires, transfers, supervisors, promoted staff, and contractors and visitors, all receive an initial HSE orientation with management personnel receiving additional training to lead HSE initiatives. Line managers ensure refresher courses and competency checks against role-specific training



SOCIAL AND RELATIONSHIP CAPITAL



At Crescent Steel, Corporate Social Responsibility (CSR) is a strategic, management-driven approach that integrates our business, environmental, and community initiatives to create lasting value for all stakeholders.

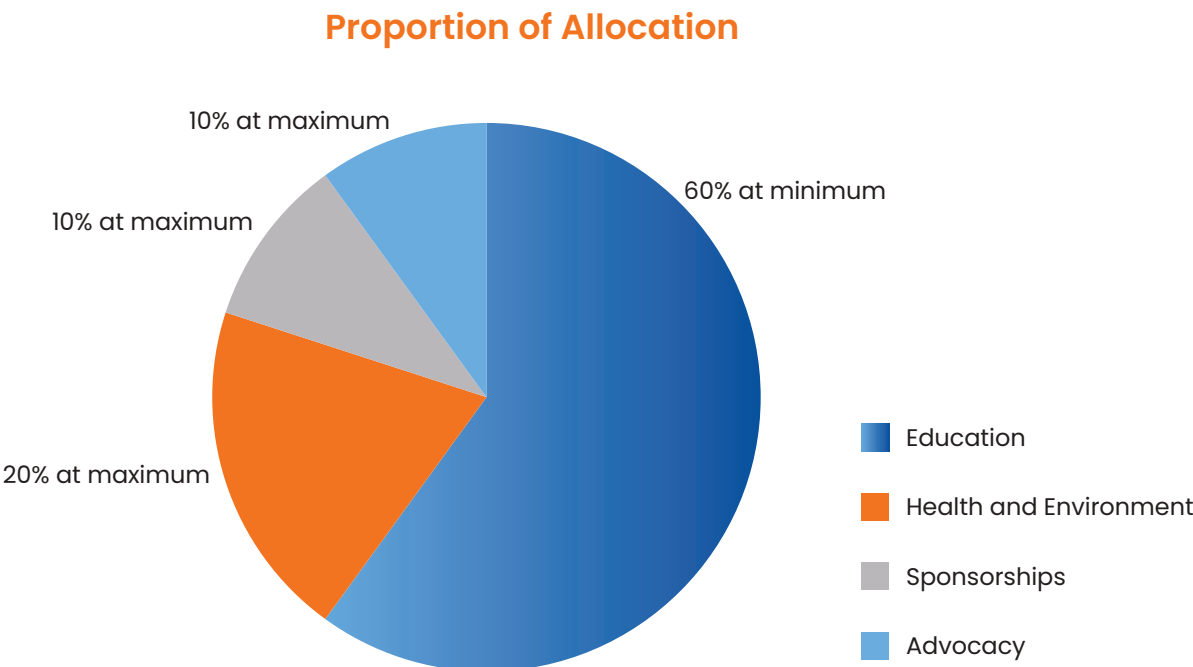
Our Approach to Community Development and Discretionary CSR

Our impact reaches beyond our business and into the lives of the people and communities connected to us.

We approach CSR in four perspectives: our economic, legal, ethical, and philanthropic or discretionary responsibilities to our stakeholders.

This approach strengthens our competitive advantage and helps us build strong, mutually beneficial partnerships with stakeholders, in addition to realizing gains from cost and risk reduction, legitimacy and reputation benefits and, in recognising the complex but interrelated nature of the relationship between CSR and financial performance. This section focuses primarily on discretionary CSR – other aspects of our CSR performance are covered in detail in other sections of this report.

Our philanthropic CSR policy allocates between 2% to 5% of our annual profits before tax towards donations for select social causes we support. The proportion of allocation generally follows the following guidelines:



Our Goals and Strategy

Moving from Corporate Philanthropy to a Business-Inclusive Model

In Pakistan today, over 25 million children remain out of school – a number that underscores why education remains at the heart of our commitment.

We see Corporate Social Responsibility as an integral part of how we do business. Our philanthropic efforts open doors to areas where our core operations may never directly reach, allowing us to create impact where it is needed most.

Our investments range from K-12 education to higher education support in engineering, technology, and the liberal arts.

Beyond education, we prioritize strategic investments across our value chain, overseen by our Social Investment Committee, and aligned with Pakistan’s development priorities and the UN Sustainable Development Goals.

Our Goals

Over the next three years, we will focus on:

- Expanding access to education, particularly through our TCF school network alongside supporting tertiary education
- Supporting causes working towards healthcare access, societal issues and environmental advocacy.
- Mapping our contributions across the value chain, creating value for shareholders, employees, and communities alike.
- Structured Engagement: Launching targeted programs like scholarships and employee endowments to empower key stakeholders.
- Impact Measurement: Regular reviews of our social investments to assess their long-term benefits.
- Cultivating a Giving Culture: Encouraging employee and community volunteering to strengthen our culture of social responsibility and giving back.

Through these efforts, we remain committed to building resilient communities, ensuring inclusive growth, and driving shared value creation for Crescent Steel and our stakeholders.

Social Investment Committee

Appointed by the CEO, the Social Investment Committee directs and manages our discretionary contributions, ensuring they are purposeful, measurable, and aligned with long-term strategy.

The committee’s oversight includes:

1. Policy Enhancement: Reviewing and refining the Company’s Corporate Social Responsibility policy, ensuring it remains relevant and impactful.
2. Strategic Distribution: Recommending the allocation of charitable contributions in alignment with CSR goals to create maximum social impact.
3. Continuous Monitoring: Overseeing and evaluating ongoing CSR initiatives to ensure they deliver meaningful outcomes.
4. Impact Measurement: Assessing the tangible benefits of our social investments to amplify the long-term value for communities.

Community Development

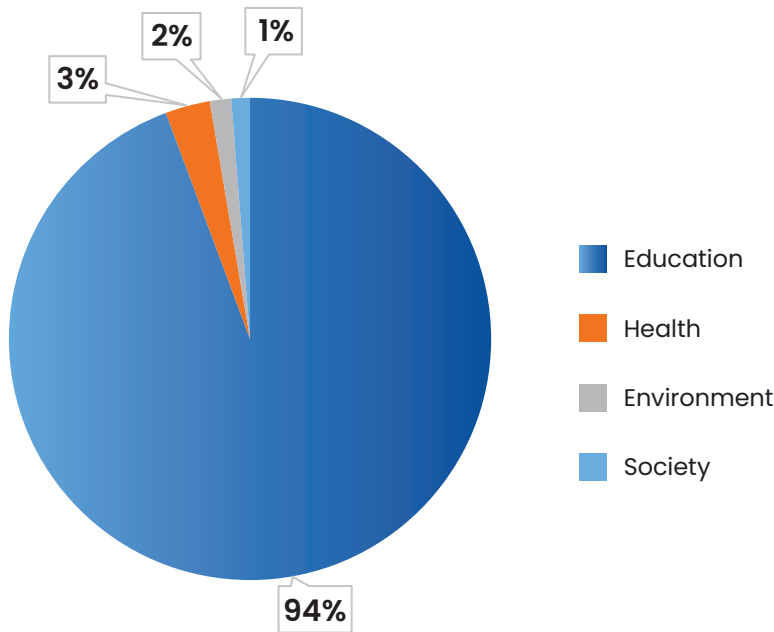
At the core of our corporate strategy is a genuine commitment to supporting and uplifting the communities where we operate. We follow self-assessment-based guidelines to evaluate the impact of our community investments, ensuring they create meaningful and lasting value. Our approach is built on the following key pillars that guide every initiative we take forward.



Our Contributions During The Year

FY26 cash donations rose 42% year-on-year to 9.31% of PBT to PKR 162,663,000. The increase reflects the phased disbursement of multi-year commitments (TCF campus construction and the Habib University Endowed Scholarship) landing in the same fiscal year.

Contribution in Cash – 2026



Contributi ons (RS)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
In Cash	162,663,000	114,474,400	102,824,650	27,495,000	58,963,920	13,214,236	1,627,500	2,500,500	45,937,502	100,813,125	80,978,119
In Kind	837,479	702,311	192,396	121,904	74,091	70,781	58,608	111,111	153,213	73,319	227,004
In Time	466,740	453,595	788,235	292,971	298,690	134,642	101,584	210,657	537,012	212,436	229,572
Total	163,063,719	115,630,306	103,805,281	27,909,875	59,336,701	13,419,659	1,787,692	2,822,268	46,627,727	101,098,880	81,434,695
Cash Donations as a Percentage of PBT (%)	Cash Donations as a Percentage of PBT										
	9.31	6.00	4.07	11.74	18.71	3.10	-	10	5	7	6



FY26 Cash Donations by Segment				
Segment	FY26 (Rs.)	FY26 %	FY25 (Rs.)	FY25 %
Education	153,436,400	94.33%	102,224,000	89.30%
Health	4,877,600	3.00%	4,234,400	3.70%
Environment	2,325,000	1.43%	1,300,000	1.14%
Society	2,024,000	1.24%	6,716,000	5.87%
Total	162,663,000	100%	114,474,400	100%

Giving towards Education, Health and Environment remained broadly consistent with FY25, while allocation towards Societal giving decreased compared with prior year.

Our In-Time Contributions Include:

- Our CEO’s time as a Board member of
- The Citizens Foundation
 - Pakistan Centre for Philanthropy
 - COMMECS Education Trust

- Time of one Executive Team member for serving as a General Body Member of
- The Citizens Foundation

Our employees’ time for

- Volunteering to plant mangrove saplings in partnership with WWF
- Volunteering to distribute Ramadan food packs in partnership with Relief and Hope for All
- Volunteering to distribute ration in partnership with World Wide Fund for Nature – Pakistan (WWF)
- Volunteering for community visits and blood drive during Crescent Cares Week

Employee Volunteering Hours



Our In-Kind Contributions Include:

- Items donated for Crescent Cares Week
- Commute for community visits organised during Crescent Cares Week
- Food packs distributed in collaboration with Relief and Hope for All
- Ration packs distributed in collaboration with World Wide Fund for Nature – Pakistan (WWF)
- Excess food from our Head Office mess distributed to the underprivileged near the Head Office.

Our Impact This Year :

FY26 was a year of deepening long-term commitments alongside everyday giving. Our community investments helped strengthen access to quality education, supported healthcare for those who need it most, advanced environmental stewardship through plantation, and stood by vulnerable communities through legal aid, relief drives and welfare support. Behind these outcomes stood not just company giving, but the voluntary time, resources and generosity of our employees and board - channeled through the Company, CSAP Foundation, the CSAP Benevolent Fund, Crescent Matches and sponsorships.

Our community investments helped educate **2,835 students** through TCF's school network; funded 51 tertiary scholarships of which 31 are TCF children, 17 are children of employees and 3 children belong to other institutions; supported access life-saving healthcare, fed 210 individuals during Ramadan, funded 10 legal aid cases, and helped offset 94 MT CO2/yr through plantation initiatives.

Behind these outcomes, cash donations totaled **Rs. 162.7 million, or 9.31% of PBT — up 42% year-on-year**, driven by the phased disbursement of multi-year commitments (TCF campus construction, Habib University's new endowment) landing in the same fiscal year. The Habib University endowed scholarship pledge takes total FY27 commitments/pledges to Rs. 57.3 million (Habib University: Rs. 30 million; TCF Build Support: Rs. 27.3 million). We already maintain two endowment funds with TCF, aggregating Rs. 169.86 million as at FY26. These include an expendable endowment of Rs. 4.24 million, which supports post-matric scholarships for TCF students, and a non-expendable endowment of Rs. 165.62 million.

²Includes giving from CSAP Benevolent Fund, CSAP Foundation, fees surrendered by Board members and funded endowments maintained with TCF.

Please refer to the following table for a tabulated view of our impact this year:

Sector	Community Partner	Wallet	Areas	Contribution And Impact
Education	The Citizens Foundation (TCF)	CSAP	School Support – Operational Expenses (OPEX)	Rs. 65,000,000 as operational support for 10 schools / 15 units (15 of the 28 schooling units we helped build). The contribution supported the education of 2,835 students.
		CSAP Surrendered Board Fees		Meeting fee of Rs. 540,000 surrendered by a member of our Board of Directors was contributed as operational support towards CSAPL Campus I.
		CSAP	School Support – Build	Contributed a total of Rs. 54,600,000 towards the construction of following two TCF campuses: - Rs. 27,300,000 towards the construction of a TCF primary campus in Ibrahim Hyderi, Ali Akhbar Shah Goth, Korangi, Karachi, with a planned capacity of 180 children per shift. - Rs. 27,300,000 towards the construction of a TCF secondary unit in Maskeen Pora, Chiniot, with a planned capacity of 180 children per shift.
				We maintained both expendable and non-expendable endowment funds with TCF to support post-matric scholarships for TCF students. Through the expendable endowment, 27 TCF alumni from CSAPL-supported campuses received tertiary scholarships. In addition, CSAPL awarded 4 tertiary scholarships to TCF alumni, bringing the total tertiary scholarship support to 31 students.
	Multiple Institutes (SZABIST, KUBS and University of Sindh)	CSAP Expendable Endowment at TCF	Tertiary Scholarship Support	Launched in 2013, our scholarship programme supports the tertiary and intermediate education of employees' children and is now in its thirteenth year. During the year, Rs. 152,660 was contributed towards active scholars.
	Multiple Institutes (SZABIST, KUBS and University of Sindh)	CSAP Foundation	Scholarship for Employees' Children	Launched in 2013, our scholarship programme supports the tertiary and intermediate education of employees' children and is now in its thirteenth year. During the year, Rs. 152,660 was contributed towards active scholars.

Sector	Community Partner	Wallet	Areas	Contribution And Impact
	Indus Valley School of Arts and Architecture (IVS)	CSAP	Tertiary Scholarship	Contributed Rs. 728,000 as final tranche of donation towards a named scholarship pledge for one student for the entire degree program. This concludes our pledge of Rs. 2,800,000, which has been concluded with the last disbursement in January 2026. The scholar is currently enrolled in the Fine Arts program.
	Habib University	CSAP	Tertiary Scholarship	Contributed Rs. 1,800,000 towards a named scholarship to support TCF alumni for her entire degree program in BS (Computer Science). Originally, we pledged Rs. 6,000,000 in FY22 for a single student's education. This commitment was later expanded to Rs. 13,800,000 to cover TCF students. The payment for both students has been completed in FY26.
		Crescent Steel Endowed Scholarship Fund with Habib University	Tertiary Scholarship	Partnered with Habib University and established a Crescent Steel Endowed Scholarship of PKR 120 million pledged over four years, with an annual contribution of PKR 30 million. Through this, we aim to support at least eight TCF students at Habib University by the fourth year. The first contribution of PKR 30 million was made in FY26.
Health	Patients' Aid Foundation	CSAP	Health Care Access	Contributed Rs. 2,000,000 to Patients' Aid Foundation to support in its mission to provide access to free, quality healthcare to underserved communities.
		CSAP	Stroke Initiative	During the year, we contributed Rs. 1 million to support PAF in its mission to provide healthcare facilities for stroke recovery patients.
	The Health Foundation	CSAP	Hepatitis B and C Elimination	Contributed Rs. 500,000 towards the purchase of Hepatitis B and C vaccinations for the Hepatitis Free Community Project.
	Indus Hospital	CSAP	Health Care Access	Contributed Rs. 1,000,000 to the Indus Hospital and Health Network to support its general expenses
		CSAP	Blood Donation	During Crescent Cares Week, 46 employees and staff from neighboring offices collectively donated 23,000 ml of blood, supporting life-saving healthcare needs.
Environment	World Wide Fund for Nature-Pakistan (WWF Pakistan)	CSAP	Mangrove Plantation and Community Visit	Contributed Rs. 1,300,000 for the mangrove plantation activity and excursion trip to Sonmiani. We planted 1,000 mangroves which will reduce our carbon footprint by 5.91 MT annually.
	The Horticultural Society of Pakistan (HSP)	CSAP	Environmental Conservation and Urban Greening	In FY26, we supported the 75th Pakistan Annual Flower Show through a Bronze Sponsorship of PKR 500,000. The event brought together diverse floral displays while promoting public awareness of environmental conservation and urban greening.

Sector	Community Partner	Wallet	Areas	Contribution And Impact
Society	Karachi Relief Trust	CSAP	Flood Relief and Emergency Support	We supported KRT's relief response to families affected by flash floods in Khyber Pakhtunkhwa (KPK) through a donation of Rs. 525,000 towards 15 shelter tents and 1,000
	Legal Aid Society	CSAP	Legal Aid and Literacy	Supported Legal Aid Society with a total contribution of Rs. 1,005,000, enabling 10 survivor legal representation cases and 10 legal literacy sessions – out of these LAS managed to arrange five literacy sessions in FY26 that were held in TCF communities to provide legal literacy to 88 women. The remaining five sessions will be done in FY27.
	Tehzeeb Foundation	CSAP	Arts, Culture and National Identity	We supported the 15th Tehzeeb Festival 2025 through a sponsorship of PKR 500,000, contributing to the celebration and promotion of Pakistan's classical arts and music.
	Relief and Hope for All	CSAP	Community Support and Relief Initiatives	Our employees volunteered 102 hours during Ramadan to share iftar meals in collaboration with Relief and Hope for All. Through the drive, we were able to feed approximately 210 individuals at old age homes and orphanages.
	World Wide Fund for Nature-Pakistan (WWF Pakistan)	CSAP		Our employees volunteered 50 hours during Ramadan to distribute ration to 217 households in Kakapir and Somar Goth (fishermen communities) in collaboration with WWF.
	CSAP	CSAP Benevolent Fund	Social Security and Employee Welfare	During the year, we disbursed Rs. 1,044,719 through the Benevolent Fund to provide hardship support for employees and their families; primarily to support livelihood needs and medical expenses
	Citizens Police Liaison Committee (CPLC)	CSAP	Strengthening law enforcement and policing	Contributed Rs. 1,000,000 in OPEX support to CPLC (Central: Rs. 720,000; South: Rs. 280,000).

Coming Together to Give Back – Crescent Cares Week

Our annual employee giving-back initiative featured our flagship blood drive with the Indus Hospital Blood Bank at Head Office and Nooriabad (23,000 ml donated), a newly introduced Fundraising Carnival, and a preloved items auction, activities, games and Master Chef Crescent.

Employee-led fundraising generated Rs. 236,083, distributed across TCF (60%), Indus Hospital (20%), Patients' Aid Foundation (10%), and SOS Village (10%).



Impact generated through this initiative is captured below:



Crescent Matches

Crescent Matches amplifies employee donations through Company matching. Funds raised were distributed 25.92% to TCF (education), 72.41% to Indus Hospital, Shaukat Khanum, SIUT, and LRBT (health), and 1.66% to SOS Village (society). Participation stood at 14 employees [FY25: 13], with employee collections of Rs. 1,050,930 [FY25: Rs. 664,000] matched by Rs. 665,200 in Company contributions [FY25: Rs. 666,000] at a ratio of 1:0.63.

Environmental Contributions

During the year, the Company planted 8,185 trees and 1,000 mangrove saplings, creating awareness and promoting conservation of Pakistan's marine environment. This is covered in more detail in the Natural Capital section(refer page no.162) of this report.



Supporting The Citizens Foundation Educate Pakistan

Education continues to be a key focus of our philanthropic efforts. Our partnership with The Citizens Foundation (TCF) has now spanned more than 3 decades. Since the establishment of Crescent Steel Campus I in 1997, we have helped build 12 campuses, where TCF operates 28 schooling units; 21 primary and 7 secondary. We continue to fund the operational expenses of 15 schooling units, ensuring consistent access to quality education for 2,835 children.

To date, 6,194 primary school students and 2,116 secondary school students have graduated from schools built by us – marking an 8% increase in total graduates compared to last year. Among the secondary school graduates, 365 have been awarded intermediate scholarships through TCF, while 31 students have been awarded tertiary scholarships, either arranged by TCF or funded through our expendable endowment or scholarship fund.

In the past year alone, 121 students graduated from our secondary schools. Combined enrolment in these schools is 4,680 students, a majority of whom reside in some of the most underserved and impoverished communities in the country; 50% of these students are female.

TCF's vision to remove barriers of class and privilege and to make Pakistani citizens "Agents of Positive Change," is truly inspirational and we have had the pleasure of witnessing this profound impact firsthand.

Today, students from TCF are making their marks in diverse fields. Among them are Kainat Ansari, a Harvard graduate, Sadia Ali Chandio, currently serving as a Police Officer; Asad Sajid, a Fulbright U.S. Scholar; and Muhammad Adnan, working as a Nursing Assistant at Aga Khan University.

This is alongside scores of TCF graduates who have rejoined as educators and many more who continue to play a positive role in their communities as agents of positive change.

We are excited to see TCF students lead in every area and work hard to make Pakistan stronger for future generations.



Our Contributions to TCF's Footprint

S No.	School Name	Location	Units	Student Strength	Operational Capacity	Operational Utilization
1	Crescent Steel Campus-I Primary Morning	Ibrahim Goth	1	201	180	112%
2	Crescent Steel Campus-I Primary Afternoon	Ibrahim Goth	1	200	180	111%
3	Crescent Steel Campus-II Primary Morning	Ali Akbar Shah Goth	2	362	360	101%
4	Crescent Steel Campus-II Primary Afternoon	Ali Akbar Shah Goth	2	368	360	102%
5	Crescent Steel Campus-III Secondary Morning	Umer Maingal Goth	3	473	468	101%
6	Crescent Steel Campus-IV Primary Morning	Jaranwala-I	2	349	360	97%
7	Crescent Steel Campus-IV Primary Afternoon	Jaranwala-I	1	167	180	93%
8	Crescent Steel Campus-V Primary Morning	Chak-378, Jaranwala-II	2	355	360	99%
9	Crescent Steel Campus-V Primary Afternoon	Chak-378, Jaranwala-II	1	171	180	95%
10	Crescent Steel Campus-VI Primary Morning	Allah Bux Himayati Goth Pipri-2	1	226	210	108%
11	Crescent Steel Campus-VI Primary Afternoon	Allah Bux Himayati Goth Pipri-2	1	226	210	108%
12	Crescent Steel Campus-VII Primary Morning	Jaranwala-III	1	157	180	87%
13	Crescent Steel Campus-VII Primary Afternoon	Jaranwala-III	1	64	90	71%
14	Crescent Steel Campus-VIII Primary Morning	Chiniot-I, Maskeen Pura		189	180	105%
15	Crescent Steel Campus-VIII Primary Afternoon	Maskeen Pora Doctor Road P/O Khas NearBan Chiniot	1	155	210	74%
16	Crescent Steel Campus-IX Primary Morning	Chak-378, Jaranwala-II	2	367	360	102%
17	Crescent Steel Campus-IX Primary Afternoon	Chak-378, Jaranwala-II	1	44	90	49%
18	Crescent Steel Campus-X Secondary Morning	Shakarganj Mills Bhone P/O Khas Tehi & Disst Jhang	1	154	180	86%
19	Crescent Steel Campus-XI Secondary Morning	Jaranwala-I	2	308	360	86%
20	Interloop Crescent Steel Campus Secondary Morning*	Jhol Road, Tando Adam, Sanghar	1	144	144	100%
			28	4,680	4,842	97%

Campuses We Helped Build					
Campus	District	Location	Campuses	Primary Units	Secondary Units
Crescent Steel Campus IV, V, VII, IX and XI	Faisalabad	Jaranwala	5	11	2
Crescent Steel Campus VIII	Chiniot	Chiniot	1	2	-
Crescent Steel Campus X	Jhang	Bhone	1	-	1
Interloop Crescent Steel Campus Secondary Morning*	Sanghar	Tando Adam	1	-	1
Crescent Steel Campus I, II, III and VI	Karachi	New Karachi Town	4	2	-
		Korangi Town		4	-
		North Karachi Town		-	3
		Malir Town		2	-
Total			12	21	7

**Unit jointly funded by CSAP and Interloop from surplus donations allocated for flood relief*

Campuses Supported by Us				
Campus	District	Location	Primary Units	Secondary Units
Crescent Steel Campus IV, V, VII, IX and XI	Faisalabad	Jaranwala	8	2
Crescent Steel Campus VIII	Chiniot	Chiniot	1	-
Crescent Steel Campus X	Jhang	Bhone	-	1
Crescent Steel Campus I, II and VI	Karachi	New Karachi Town	1	-
		Korangi Town	1	-
		Malir Town	1	-
Total			12	3

P = Primary, S = Secondary, M = Morning, A = Afternoon

We have helped build 12 campuses (scaled to 28 schooling units) with a student strength of 4,680 children – 50% of whom are girls – these schools employ a staff of 353 of which 315 constitute an all-female faculty. Over the course of our partnership with TCF, we have donated Rs. 692.31 million since 1995 at an average rate of Rs. 22.33 million per year.

Stories from TCF Schools Supported by Us

Beyond the schools we helped build and those we continue to support, we support TCF children through their school journey through to higher education and into professional life.

Among students from these schools, one graduated in Pharmacy from Dow University of Health Sciences in 2025 and has since joined a leading pharmaceutical company.

Four others have degrees in Electrical Engineering from GIKI, COMSATS and FAST, with the Company supporting their university education.

Asad Farooq from Crescent Steel Campus III is pursuing a Bachelor's degree in Computer Engineering at SSUET through a TCF tertiary scholarship, with a vision to use technology to create positive change and inspire others through education.



Mode Of Engagement	Inputs	Outcomes
Operational Support	Contributed Rs. 65 million towards school support for TCF campuses built by us and Rs. 0.65 million towards additional school support.	The investment was utilized in managing the operational expenditures of the school and student's fee subsidies. This has supported 2,835 students in 15 school units.
Support for additional school unit	Contributed Rs. 27.30 million towards building an additional unit at CSAPL Campus II, Ali Akbar Shah Goth, Korangi. Contributed Rs. 27.30 million towards building of an additional unit at Secondary Unit Campus VIII.	The funds will be utilized towards primary unit expansions at CSAPL Campus II and CSAPL Campus VIII, which will increase capacity by 180 students in each unit taking total student capacity to 360, and total school units built by us to 28.
Investing with TCF	An expendable endowment fund is being maintained with TCF to award post-matric scholarships to TCF students. The fund earned a profit of 14.79% in FY26 [FY25: 17.41%], taking the endowment size to Rs. 4,241,044 [FY25: Rs. 4,019,383], net of disbursements.	In addition to PKR 550,022 in income earned, PKR 328,000 was disbursed towards scholarship to support tertiary education for one TCF graduate from Crescent Steel – TCF campus, currently he is enrolled in Accounting and Finance program at SZABIST.
	The Non-Expendable Endowment Fund maintained with TCF earned a profit of 14.79% in FY26 [FY25: 17.41%] totaling the endowment size to Rs. 165,617,758 [FY25: 144,291,197].	We plan to build the endowment to fund operational support for school units built by us and/or to utilize it for a new school unit.
Governance Support	Our CEO, a founding director of TCF and another senior executive of our Company serve on the Board and provide key oversight on strategy and governance.	Time volunteered by our CEO and senior executive for Board and other meetings to set strategic directions, ensure transparency and good governance. The association also helps build trust among key stakeholder groups.
Multiplying our Impact	Rs. 176,300 [FY25: Rs. 296,500] were donated by employees to TCF through the Crescent Matches program.	Employee donations were matched at a ratio of 1:1.52 taking the total FY26 donations to PKR 444,900. (FY25 635,500).
Other Engagements	During Crescent Cares Week, students from TCF schools visited our Head Office and Nooriabad campuses and were provided a briefing on various operations of each department.	The visits and the career counselling session proved to be a learning experience for TCF students and our employees alike.

We regularly review activities, progress and the impact of our investment in TCF. Our employees regularly visit TCF schools and interact with the staff, community, and students.

Currently, TCF runs a network of 2,262 school units with a student strength of 316,221 children and employs an all-female teaching faculty of approximately 21,083. ~50% of TCF students are female.

OUR COMMUNITY PARTNERS



The Citizens Foundation

Builds and manages schools providing quality education in less privileged areas across Pakistan



World Wide Fund

Leads the environmental conservation and awareness agenda in Pakistan and across the globe



Shaukat Khanum Memorial Cancer Hospital and Research Centre

Provides quality healthcare and treatment to cancer patients



National University of Engineering and Technology

Works to promote social entrepreneurship amongst students



Indus Hospital and Health Network

Provides free of cost premium healthcare in Pakistan



The Health Foundation

Works towards a hepatitis free Pakistan



Habib University

Preeminent institution of higher learning



Patients Aid Foundation

Alleviating the burden on Jinnah Postgraduate Medical Centre (JPMC)



Relief and Hope for All

Works towards making food consistently available to everyone who needs it



Citizens Police Liaison Committee

A non-political statutory institution, working towards ending social crimes in Sindh



Milestone Charitable Trust

A non-profit organisation dedicated to the education, development, and rehabilitation of children with special needs.



SOS Village

Providing a loving home to children in need



Karachi Relief Trust

A non-profit volunteer-led organisation providing emergency relief and rehabilitation support to communities affected by disasters.



Indus Valley School of Arts and Architecture

Dedicated to producing exceptional artists, designers and architects



Legal Aid Society

A non-profit organisation working to improve access to justice for marginalized and underprivileged communities across Pakistan.



Horticultural Society of Pakistan

A voluntary organisation established in 1948 to promote horticulture, gardening, and environmental awareness in Pakistan.



Sindh Institute of Urology and Transplantation

Provides free of cost treatment of urological and nephrological ailments, oncological treatments, treatments of hepatic and gastrointestinal diseases and organ transplantation facilities to the general public



Layton Rahmatullah Benevolent Trust

Works with patients to provide comprehensive eye-care, ranging from simple refraction to the most advanced retinal surgery and corneal transplants



Tehzeeb Foundation

A non-profit organisation dedicated to the promotion and preservation of music, literature, and fine arts in Pakistan.

WHERE WATER CARRIES **LIFE**

Pipelines become lifelines, bringing water closer to communities, livelihoods and opportunity.



NATURAL CAPITAL

Resource Conservation for a Sustainable Future

Crescent Steel’s Commitment to the Environment

We are committed to reducing our footprint across operations and throughout our value chain, working closely with industry partners to address the challenges of climate change and contribute to global CO₂ reduction goals. We contribute by adopting smarter, more efficient technologies and by keeping the environmental impact of our day-to-day decisions in mind.

At our factory, water is primarily used for hydrotesting pipes, where we have implemented an effective system that enables the reuse of nearly all water—approximately 99.9% significantly reducing consumption and safeguarding natural capital. While hydrotesting is water intensive, 99.9% of the water is circulated back for reuse, and our core operations, particularly pipe manufacturing and coating, generate minimal direct GHG emissions and pose no significant environmental risks.

While the steel raw material we procure to manufacture our pipes as well as the coating raw materials have high GHG emissions; Scope III emissions fall outside our reporting boundary and reliable information is not available.

Managing the Impact of Operations on the Environment

We have policies and procedures across the value chain to reduce energy consumption and reduce our environmental footprint. Our efforts include:

- Our line pipes help transport hydrocarbons economically and safely across cities and communities. The pipes we produce are also used for safe, reliable and environmentally friendly transportation of potable water and wastewater systems.
- Supporting a sustainable supply chain, and supplier Code of Conduct including environmental risk minimisation.
- Compliance with Environmental Management system, ISO 14001, local regulations and global best practices.
- Efficient use of energy including enhancing clean energy options where possible.
- Responsible use of water including recycling where possible.
- Efficient use of material and minimising waste.
- Conducting better lifecycle evaluations to understand the impact of our products on the environment.
- These efforts help us in minimising our environmental footprint in operations and products and help maintain our license to operate.

GHG Emissions Intensity

Emissions Intensity Ratio		2026	2025	2024	2023
	Total Energy Consumption/ Sales (Continuing Operations)	0.0051	0.0083	0.0099	0.0111
	Total Emissions / Sales (Continuing operations)	0.0003	0.0006	0.0006	0.0008
	Emissions Intensity (Total Emissions (Continuing + Discontinued/ (Total Sales)	0.0003	0.0006	0.0006	0.0018

Emission intensity ratio should be read as tCO₂e / PKR '000.
Emissions Intensity calculated based on Total Sales is same as emission intensity calculated based on Sales on continuing operations for all years reported above except 2023, because Sales and emissions from discontinued operations for aforementioned years were immaterial.



Emission intensity provides a basis for measuring and comparing the environmental impact of different activities. At Crescent Steel, sales are used as the benchmark for calculating the emissions intensity ratio. The calculation encompasses all two categories of GHG emissions—Scope I and Scope II—along with the gases defined within each scope. In FY26, total GHG emissions declined by 1,078 MT CO₂, a 30.0% reduction in absolute terms from the previous year (FY25: 3,587 MT CO₂, a 35.8% reduction).

During 2026, sales increased by 25.1% over the prior year; however, the cotton and billets manufacturing divisions were discontinued, one unit remained idle, and solar capacity was upgraded. As a result, the emissions intensity ratio stood at 0.0003 MT CO₂ per unit of sales in FY26, down from 0.0006 MT CO₂ in FY25, reflecting a 44% year on year decrease.

Ozone Depleting Substances (ODS)

Historically, our corporate and steel divisions operated air conditioning units that used **R-22** gas. In line with our commitment to environmental responsibility, we have replaced these units with modern **HVAC** systems that use **R-410 gas**, which does not deplete the ozone layer. As of FY26, approximately 90% of our production sites have completed this transition, and the remaining units are scheduled for upgrade within the current fiscal year.

Our production processes themselves do not emit any ozone depleting substances. However, we continue to monitor the performance of HVAC systems and plan to commence formal reporting on any ODS emissions, if applicable, starting **FY27**.

Emissions

Pakistan contributes less than 1% to global GHG emissions, yet it ranks among the top 10 countries most vulnerable to climate change.

We ensure that all our emissions and discharges comply with the prescribed limits set out by the National Environmental Quality Standards (NEQs).

At our line pipe manufacturing and coating plants, our main sources of direct emissions are the plasma arc cutting station at the pipe plant, the stripping station and the generator at the coating unit. To monitor emissions from all sources, we engage an external agency, to conduct quarterly analyses while our manufacturing lines are operational. We adhere to international standards including the ASTM (American Standard for Testing Materials) for emissions testing methodologies and conform to the limits prescribed by SEQS (Sindh Environmental Quality Standards) to control emissions. Additional details are provided in the glossary on page 408.

Other direct CO₂ emissions originate from fossil fuel-based backup power generation units at our manufacturing facility and corporate office and, our fleet of company-owned vehicles. Indirect CO₂ emissions stem primarily from the energy we purchase from the national grid across our locations.

We continue to maintain PH levels between 7 – 10 by substituting Nitrogen gas with Oxygen gas to reduce NO_x levels and neutralising water discharged from our coating plant.

While we have not directly experienced significant financial impacts associated with climate change-related incidents, Pakistan has faced major climate catastrophes, such as monsoon-induced flooding, resulting in substantial infrastructure damage and displacing millions of people with limited means of sustenance. We understand that such instances will only become increasingly common and are committed to making meaningful contributions to advocate for environmental protection, energy conservation and responsible production and consumption.

Our commitment to environmental responsibility extends to setting goals at our manufacturing facility and our corporate office. Our measures go beyond complying with the national standards enforced by the Pakistan Environmental Protection Act (PEPA) and National Environmental Quality Standards (NEQs). This includes emissions of Sulphides (SO_x Gases), Nitrides (NO_x Gases), Particulate Matter, Ozone Gas, Volatile Organic Compounds, Ozone Depleting Substances (including CFCs and Freon), Carbides, and any other such emissions.

Breakdown of Crescent Steel’s Emissions

Scope-I

Greenhouse gases exert a significant impact on the environment, irrespective of the presence of human activity. As stewards of the planet, we are dedicated to emissions reduction in all aspects of our operations, whether it be on our production lines or in our daily consumption of fossil fuels.

Recognising that our country is particularly vulnerable to the impending effects of climate change, we understand that managing GHG emissions is an obligation.

At Crescent Steel, direct emissions primarily result from our production processes, which unavoidably affect the environment. Direct CO₂ emissions are measured and recorded monthly at every plant site and includes emissions from the fuel used in company-owned vehicles.

The sources of CO₂ emissions include fuels used in pipe manufacturing and coating and from the overall process of power generation at the locations where we are present. CO₂ serves as the major contributor to our total direct GHG emissions.

Crescent Steel’s consolidation of GHG gases does not include biogenic emissions of CO₂ at any production site across its locations of operation. As the Global Warming Potential (GWP) values indicate, our direct GHG emissions are sourced from the Intergovernmental Panel on Climate Change (IPCC) established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO). The Company has used the previous year as a base year as per its general practice.

We remain steadfast in our commitment to reducing emissions and safeguarding the environment, aligning our actions with global efforts to combat climate change.

Our previous reports reflected emissions from consumption of fuel by the Company’s fleet under Scope III. These are now classified under Scope I. Consequently all prior year figures are being restated.

Scope-II

While our indirect GHG emissions may not have a significant long-term impact, our commitment to the community compels us to prioritize every facet of environmental stewardship. We educate employees about the importance of emissions reduction in their daily lives and its integral role in climate protection.

Crescent Steel produces indirect emissions (SCOPE-II) in the form of external energy purchased by WAPDA. This is attributable to the complete shutdown of our spinning operations.

While noise and vibration are important aspects for us, we have yet to quantitatively measure their specific impact. We have taken proactive steps to address these

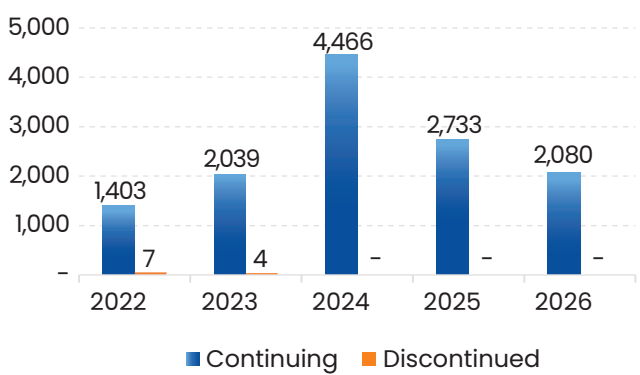
concerns. The company has made it mandatory for employees to use earplugs, and we conduct routine noise monitoring throughout our production processes.

Additionally, it’s worth noting that for calculating Global Warming Potential (GWP) rates, we rely on data from the Fifth Report Assessment (AR5) provided by the IPCC, which offers GWP values over a 100-year time horizon.

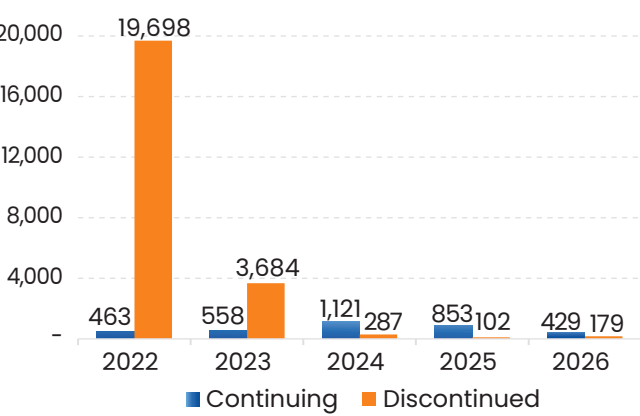
For SCOPE-II emissions, we have chosen to present the total indirect emissions instead of providing a location-based breakdown of emissions.

We are committed to exploring every opportunity to reduce energy consumption and invest in renewable energy sources, aiming to minimize emissions as much as possible.

Direct GHG Emissions(tCO₂e) (Scope I)



Indirect GHG Emissions(tCO₂e) (Scope II)



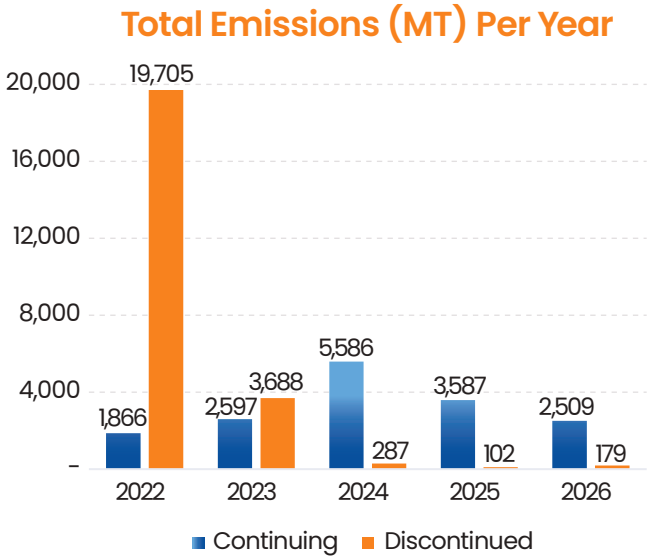
Reductions in Emissions (Scope-I and Scope-II)

We strive to reduce emissions from our operations, whether direct or indirect.

The following graphs illustrate total emissions on an annual basis. Crescent Steel recorded a substantial reduction in emissions during FY26, reflecting the Company’s ongoing commitment to sustainability and operational efficiency.

Total emissions decreased to 2,509 MT CO₂, compared to 3,587 MT CO₂ in FY25, a year on year reduction of 1,078 MT CO₂. Direct (Scope I) emissions declined to 2,080 MT CO₂ from 2,733 MT CO₂, while Indirect (Scope II) emissions fell to 429 MT CO₂ from 853 MT CO₂. The reduction is attributable to the discontinuation of CCP operation, reduction in production of line pipes to 20,228 MT from 41,175 MT in prior year, along with expanded solar energy capacity at steel pipe manufacturing sites. Collectively, these measures underscore Crescent Steel’s proactive approach to lowering its carbon footprint and advancing long term sustainability objectives.

Internal cement mortar lining (ICML) extends the service life of steel line pipes by up to 50 years, delivering both economic value and a positive environmental impact.



Energy

Our businesses are manufacturing intensive and financial performance is heavily dependent on reliable sources of energy.

Our energy efficiency strategy calls on us to explore avenues of self-generation and secure reliable power while maintaining cost, quality and environmental leadership.

We constantly explore new methods which can reduce our dependency on the national grid and mitigate the risks of power outages. For instance, at our office, we continue to take measures regarding the conservation of energy by switching off all air conditioners and all unnecessary lights for two hours daily. Through such practices, we can engage employees and develop a culture of energy conservation.

Our energy consumption is measured through our electricity provider and billing for energy use. Policies pertaining to energy are under the jurisdiction of the Health, Safety and Environmental Committee, which are reviewed every year and presented to the CEO for approval.

Energy Efficiency

To manage our energy consumption, reduce our dependency on the national grid and mitigate the risk of recurring power outages, we have:

- Back up gas power generators and solar power at our line pipe manufacturing site.
- 1.8KW Solar power at the fabrication facility in Dalowal and at our spinning unit in Jaranwala
- Replaced old lights and air conditioning units with energy efficient ones across all our sites
- 1001.58kWh Solar power installed at the steel plant in Nooriabad.

CS Energy initially equipped with a 15 MW cogeneration, thermal generation power plant at Bhone, Punjab was augmented with a 16.5 MW condensing and extraction turbine to process steam during off-season periods. Our Energy Scorecard below reflects the energy produced at this plant. The business unit also operates a subsidiary with a mandate to set up a 100 MW Solar Power plant.

Energy and Water Conservation

The following energy conservation measures have been taken in the past:

Water Recovery System: A recovery system for Shed A solar panel cleaning was introduced, conserving approximately 1,635 liters (432 gallons) of water per week and supporting efficient utilization and sustainable operation of the solar power system.

LED Lighting Replacement: Conventional 40 W tube lights were replaced with energy efficient LED lights across the Supervisors Hostel, Workers Hostels, Supervisors Family, Final I/S PP, Admin Block, QC Office, and FX1, resulting in a reduction of approximately 1.06 kW in connected lighting load.

Solar LED Lighting: Eight solar powered LED lights (80 W each) were installed at the Supervisors Hostel, Engineers Hostel, and other locations, providing about 640 W of solar powered lighting capacity and reducing dependence on grid electricity.

Natural Daylight Utilization: In the Coating Plant shed, 22 × 200 W high bay LED lights previously operated during daylight hours. The installation of transparent roof sheets now provides sufficient natural daylight, allowing the lights to remain switched off during the day and saving approximately 4.4 kW during daylight hours.

Major Advantages
Reduced Consumption

- Recycling water at the ultrasonic testing machines will save water consumption of approximately 10GPH.
- Installed solar power system of 419.18 kWh rating will reduce electricity consumption by approximately 765,000 KWH per year from WAPDA and/or fossil fuel-based generators and will also reduce an estimated 320 MT of CO₂ emissions per year.
- LED lights will help in reducing electricity consumption by up to 40%.
- Inverter air-conditioning will help conserve an estimated 20% of energy consumed as compared to conventional air-conditioning
- Installed skylights for natural light at our pipe plant sheds, through which we are saving an estimated 60 units per day.
- Installed skylights for natural light at our pipe plant sheds, through which we will be saving an estimated 25,000kWH annually.

Energy Reductions

Energy consumption in FY26 decreased by 24.2%, primarily due to reduced dependence on the national grid following the enhancement of solar power capacity. The decline was further influenced by the discontinuation of operations at two units and the idling of one unit. Energy consumption is reported on an annual basis, with the previous fiscal year serving as the baseline for comparison.

Renewable Energy Initiatives

Solar Panels

As part of its ongoing commitment to environmental sustainability, the Company advanced its transition to renewable energy by installing and expanding a solar power system at its steel plant. Designed to generate clean, cost efficient energy while reducing greenhouse gas emissions and minimizing reliance on fossil fuels and grid based electricity, the system’s capacity was increased from 582.4 kW to 1,001.58 kW out of which 582.4 kWh is grid-tied. This initiative is expected to save 4,330 GJ of energy and cut CO₂ emissions by approximately 594.1 metric tons annually, based on an analysis of 0.494 kg CO₂ per kWh.

In FY26, utilization of the solar power system further improved, raising the share of renewable energy to 19.7%, up from 14.7% in FY25. Solar energy usage increased to 1,121,013 kWh in FY26 from 877,235 kWh in FY25, resulting in the avoidance of approximately 553.8 metric tons of CO₂ emissions, up from 433.9 metric tons in the prior year. This progress reflects the Company’s strengthened commitment to renewable energy adoption and the achievement of its emissions reduction objectives.

Energy Consumption (GJ)	2026	2025	2024	2023	2022
Continuing Operations					
Energy Consumption within the Business (GJ)	40,082	52,866	89,620	37,809	109,005
Head Office	2,433	2,358	2,168	2,375	5,069
Steel Division	37,649	50,508	87,452	35,434	14,928
Energy Consumption Outside the Business (GJ)	-	-	-	-	89,008
Discontinued Operations					
Energy Consumption within the Business (GJ)	960	551	1,541	19,901	106,449
Cotton Division	960	551	1,388	19,854	62,111
Crecent Hadeed	-	-	153	47	44,338

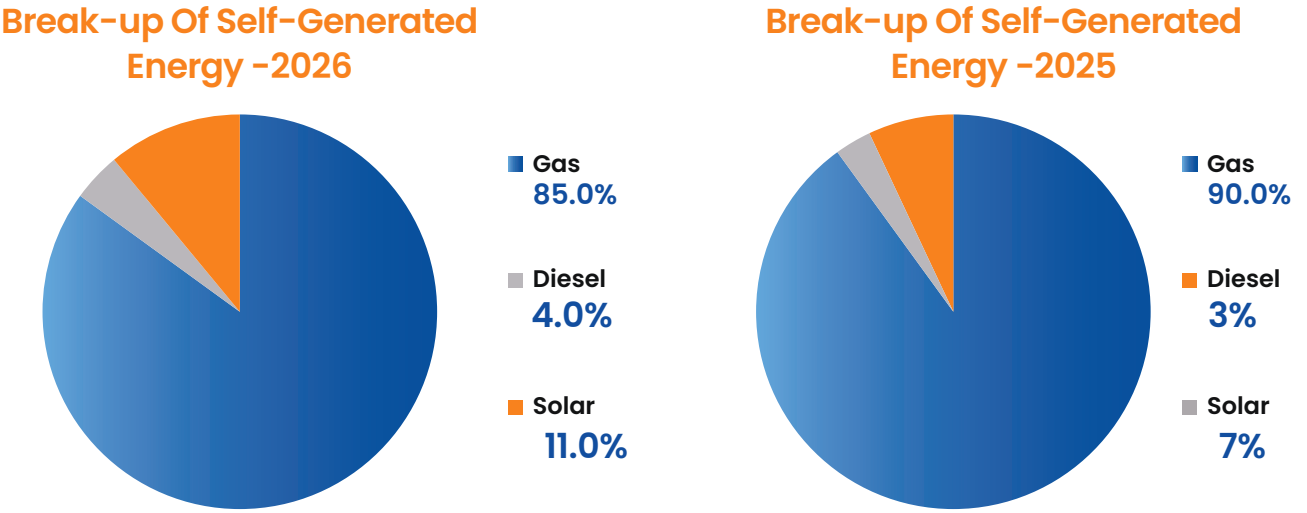
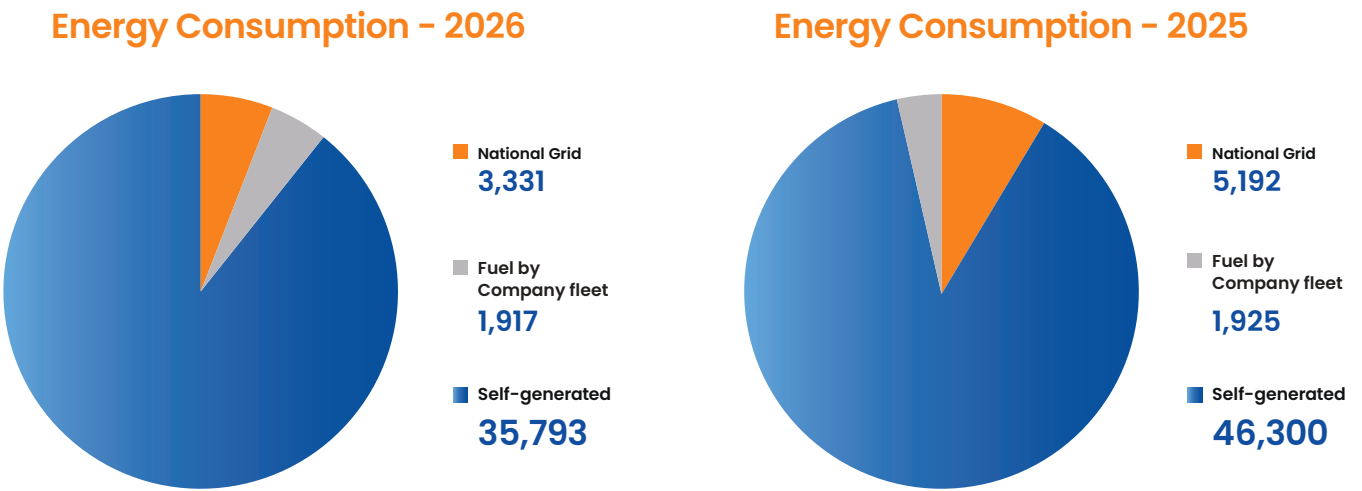
Energy Consumption (GJ)	2026	2025	2024	2023	2022	Change (2026 vs. 2025)
Continuing Operations						
Total Energy Consumption (GJ)	40,082	52,866	89,620	37,809	109,005	-24.2 %
Head Office	2,432	2,358	2,168	2,375	5,069	3.2%
Steel Division	37,649	50,508	87,452	35,434	14,928	-25.5 %
CS Energy	-	-	-	-	89,008	-
Sales (Rs. in million)	7,936	6,346	9,056	3,396	1,929	25.1 %
Sales per unit of consumption (Rs./GJ)	198,000	120,039	101,049	89,820	17,696	64.9%
Energy intensity ratio (GJ/Sales in 000’)	0.0051	0.0083	0.0099	0.0111	0.0565	-39.4 %
Discontinued Operations						
Total Energy Consumption (GJ)	960	551	1,541	19,901	106,449	74.2 %
Cotton	960	551	1,388	19,854	62,111	74.2 %
Crecent Hadeed	-	-	153	47	44,338	-
Sales (Rs. in million)	106	66	55	1,120	5,161	60.6 %
Sales per unit of consumption (Rs./GJ)	110,417	119,782	35,691	56,278	48,483	-7.8 %
Energy intensity ratio (GJ/Sales in 000’)	0.0017	0.0016	0.0052	0.0033	0.0038	-

On a deemed revenue basis using client supplied HRC company's revenue stands at PKR 8,168 Mn for FY’26 and sales per unit of consumption (Rs./GJ) stands at Rs. 203,787/GJ.

In previous reports, sales figures included sales tax. These have now been restated net of sales tax to ensure a more accurate calculation of the energy intensity ratio.

Fuel Type	Self-Generated Energy (GJ) 2026	%	Self-Generated Energy (GJ) 2025	%	Self-Generated Energy (GJ) 2024	%	Self-Generated Energy (GJ) 2023	%	Self-Generated Energy (GJ) 2022	%	Consumption Pattern
Diesel	1,320	4%	1,600	3%	6,294	8%	1,273	4%	1,146	1%	Consumed within the business
Gas	30,424	85%	41,529	90%	73,002	89%	29,979	91%	11,381	11%	Consumed within the business
Bagasse	-	0%	-	0%	-	0%	-	0%	89,008	87%	Supplied to the industry and consumed within the business
Solar	4,049	11%	3,171	7%	2,527	3%	1,735	5%	945	1%	Consumed within the business
Total	35,793	100%	46,300	100%	81,823	100%	32,987	100%	102,480	100%	
Fuel Type	Purchased Energy (GJ) 2026		Purchased Energy (GJ) 2025		Purchased Energy (GJ) 2024		Purchased Energy (GJ) 2023		Purchased Energy (GJ) 2022		Consumption Pattern
WAPDA/K-Electric	3,331	63%	5,192	73%	7,620	82%	22,847	92%	108,340	96%	Consumed within the business
Fuel by Company fleet	1,917	36%	1,925	27%	1,718	18%	1,876	8%	4,634	4%	Consumed by Company Fleet
Total	5,248	100%	7,117	100%	9,338	100%	24,723	100%	112,974	100%	

Proportion of Energy Self-Generated and from the National Grid



Energy Consumption Outside the Organization

Measuring energy consumption outside the organisation presents several challenges, as there is currently no formal mechanism to track it comprehensively.

Waste Management

We strive to minimize waste generated from our operations by reducing material consumption and maximizing the reuse or recycling of waste materials wherever practicable. Environmental responsibility is embedded in our day-to-day actions and promoted through ongoing advocacy and communications initiatives. Where reuse is not feasible, we ensure all waste is disposed of appropriately, adhering to local regulations and international best practices. Disposal methods include landfilling, recycling, and incineration.

Our commitment to waste minimization is fundamental to fostering a cleaner and healthier environment. The HSE committee guides the development and implementation of relevant policies, supporting the company's precautionary approach toward managing environmental risks and hazards.

In 2026, no monetary fines or sanctions for non-compliance with environmental laws and regulations have been imposed.

Waste Treatment

-
- Hazardous Waste

 - Plastic bags, drums
 - Tube lights and Sodium Discharge bulbs

These materials are classified as hazardous because of their chemical properties, their potential to harm the environment, and their designation under applicable regulatory frameworks.

-
- Non-hazardous Waste

 - Steel scrap
 - Miscellaneous Scrap Empty Carton
 - Polyethylene/ Polypropylene
 - Debris, kitchen waste and others

Business Unit	Type	Specification and Units	2026	2025	2024	2023	2022	Treatment
Steel	Hazardous	Plastic bags, drums etc. (in numbers)	63	43,000	12,000	53,120	10,730	Sold for recycling/reuse
		Tube lights and Sodium Discharge bulbs (in Kgs)	-	-	90	60	-	Incinerated
	Non-hazardous	Steel scrap (in MT)	626.3	1,553	1,737	359	280	Sold for recycling/reuse
		Miscellaneous Scrap Empty Carton (in numbers)	-	10	700	1,550	1,000	Saleable
		Polyethylene/ Polypropylene (in MT)	52.3	97.7	117.6	14.1	7	Sold for recycling/reuse
		Debris, kitchen waste and others (in MT)	14.0	14.7	12.8	13.8	13	Landfilled
Engineering	Hazardous	Bulbs and lights (in numbers)	-	-	32	12	223	Landfilled

Resource Conservation

Our business depends on the availability of quality materials which primarily include hot rolled coil, and bagasse. Our cost of doing business and profitability depends on responsible consumption and effective waste management.

The Company has various initiatives in place and barring items necessary for consumption in business operations and production, everyone is encouraged to reduce the use of all materials as far as possible.

Paper

We aim to reduce, recycle and reuse paper in our daily work.

This approach reflects our ongoing commitment to positively contributing to the community and promoting sustainable practices.

Water Stewardship

Water Management

Water challenges differ across regions, influenced by local factors such as availability, quality, and regulations. Worldwide, water scarcity has become a pressing concern—threatening ecosystems, public health, and economic stability. Climate change further intensifies these issues, causing more frequent droughts and floods and placing even greater strain on access to clean, reliable water.

Water is fundamental to our operations and the well-being of the communities we serve. In Pakistan—ranked 14th among the 17 countries facing extremely high baseline water stress—these risks are especially severe. We recognise the wide-reaching impacts, not only to our business but also to society, and we are dedicated to using water responsibly and sustainably, now and into the future.

Water Withdrawal

Other than domestic use by employees, our primary utilisation of water in the business process is for cooling and pipe testing purposes at the steel pipe plant and, for the production of steam to generate electricity at the energy division (the latter remained out of operation this fiscal year).

Most of our water needs at Nooriabad are sourced from Keenjhar Lake as well as groundwater. The management of Keenjhar Lake falls under the jurisdiction of the Government of Sindh, and the water inflow is monitored by meters installed by the municipal authority. It’s important to note that water is not stored at the Nooriabad plant

and therefore has no significant impact. Additionally, there are no protected species residing in the lake.

At the energy plant, during the sugar season, we use condensate from the sugar process (wastewater), and during the off-season, we use groundwater and condensate from the turbine.

All groundwater and water utilised for human consumption undergoes a filtration process either through a reverse osmosis or membrane and UV filtration process; this is across all our operations.

Water Withdrawal from Various Sources (in million liters)

Business Unit	Water withdrawal by source in ML/year	2026	2025	2024	2023	2022
Surface Water						
Steel	Freshwater (≤1,000 mg/L Total Dissolved Solids)	18,859	27,597	27,149	22,389	15,361
Groundwater						
Steel	Freshwater (≤1,000 mg/L Total Dissolved Solids)	12,573	18,398	18,099	14,926	10,241
Engineering	Freshwater (≤1,000 mg/L Total Dissolved Solids)	208	200	203	378	408
Energy	Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-	4
Produced Water-Condensate from sugar Process						
Energy	Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-	213
Municipal Water						
Head Office	Freshwater (≤1,000 mg/L Total Dissolved Solids)	1,083	911	886	798	796
Total Water Consumption		32,723	47,106	46,337	38,490	27,023

No water source was significantly affected by the withdrawal of water.

There is no withdrawal of water from water-stressed areas. For uninterrupted circulation of water, we re-cool it for reuse. This cooling method is environmentally friendly and has reduced the withdrawal of fresh water. All water consumed at our facilities for drinking purposes is tested for water quality and falls within the recommended ranges for portable water below 1,000 TDS.

Water discharge by destination in (ML/year)-By Quality and Destination						
Business Unit	Water discharge by destination in (ML/year)	2026	2025	2024	2023	2022
Steel	Other water (>1,000 mg/L Total Dissolved Solids)	28,048	45,609	37,751	29,763	16,316
Engineering	Other water (>1,000 mg/L Total Dissolved Solids)	184	188	184	177	189
Total Water Discharge		28,231	45,797	37,935	29,940	16,506

Water discharge at our corporate office goes directly to the municipal Sewerage lines.

Water consumption in (ML/year)	2026	2025	2024	2023	2022
Total	4,492	1,310	8,403	8,550	10,517

Water Reuse and Recycling

We understand that water is a scarce resource and wherever we find opportunities to conserve, reuse or recycle water; we do so.

- Water is redirected and reused for pressure testing of pipes and to cool pipes in the coating process.
- At our bagasse-based energy plant in Bhone, we reuse water for the production of steam to generate



Percentage and Total Volume of Water Recycled and Reused (ML/year)						
Water recycled/reused	Business Unit	2026	2025	2024	2023	2022
Total water recycled/reuse	Steel	76,656	181,562	262,933	27,770	10,545
% of water recycled/reused		234.3%	385.4%	565.2%	72.5%	39.0%

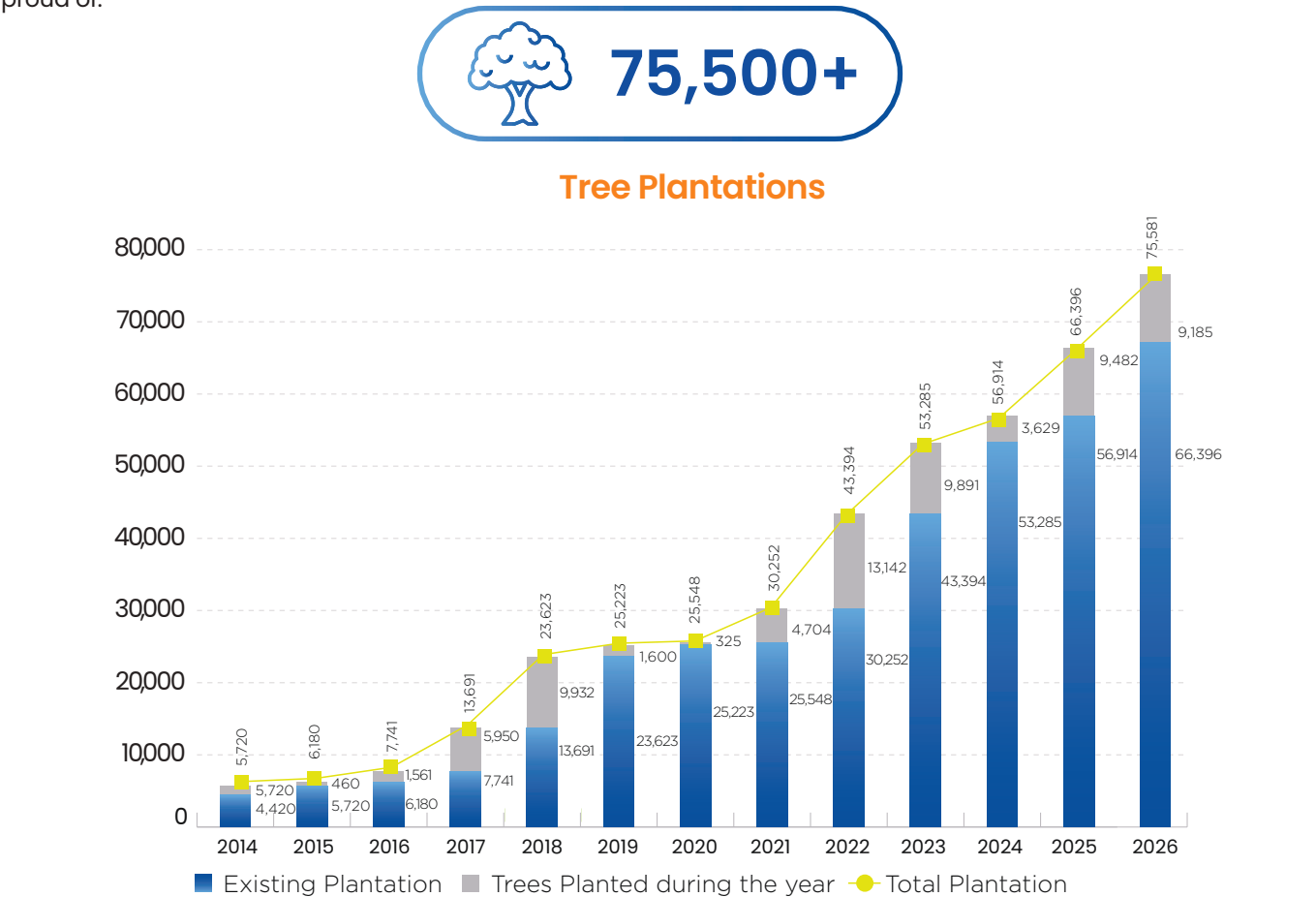
Starting 2024 we have revised the methodology by which we calculate water re-used in our hydro-tester, therefore past numbers are not comparable. The present methodology calculates actual withdrawal and consumption with some assumptions for evaporation and spilling; in the past this had been reported based on a factor, which we felt was not accurate as our plant is sometimes idling and other times fully operational owing to the industry in which we operate. Additionally pipes of varying sizes use entirely different amounts of water in the hydrotesting process, the factor therefore results in grossly understating reuse. For more details you may refer to the formula index in this report.

Plantation

At Crescent Steel, we care about the environment. It's something we work on every day, whether it's cutting down our emissions or just trying to do our bit for a cleaner, greener future.



So far, we've planted over 75,500+ trees across our sites. That might sound like a lot, but what matters more to us is what they actually do: they help offset about 447 metric tons of carbon every year. That's a number we're genuinely proud of.



For us, this isn't just about ticking a box. It's part of who we are and how we want to operate responsibly, sustainably, and with an eye on the long term.

Beach Cleaning and Mangrove Plantation Activity

Pakistan ranks among the most polluted countries in the world, with air quality levels consistently exceeding WHO standards. In the face of this growing environmental crisis, we are committed to reducing our corporate footprint – with one of our flagships initiatives, being our annual mangrove plantation drive, carried out in partnership with WWF (World Wild Fund).

Mangroves are not only easy to plant, but they are also powerful protectors of our coastal ecosystems. They shelter vulnerable species, safeguard coastal zones, and serve as a vital lifeline for the Indus Delta – helping communities adapt to climate change and providing natural defense against sea storms and cyclones. Unfortunately, these forests have been steadily eroded by industrial expansion, coastal habitation, and infrastructure development.

To help reverse this trend, Crescent Steel has been a proud supporter of WWF's mangrove restoration efforts. This year, we planted 1,000 mangroves, expanding our total plantation size to 7,700 mangroves. We also ensure the long-term health of these plantations by funding maintenance, with WWF committed to replacing any sapling that doesn't survive. Collectively, our mangroves help offset 45.51 metric tonnes of carbon emissions annually.

We hope to continue this annual plantation activity over the years to come.



Year	Number Of Mangroves Planted	Cumulative Yearly Carbon Reduction (In MT)	
2012 (FY13)	50	4.14	This is equivalent to emissions from burning approximately 26,100 gallons of gasoline
2013 (FY14)	75	5.76	
2015 (FY15)	100	6.50	
2015 (FY16)	150	9.75	
2016 (FY17)	150	8.87	
2017 (FY18)	175	9.31	
2018 (FY19)	1,000	47.28	
2021 (FY21)	1,000	29.55	
2022 (FY22)	1,000	23.64	
2023 (FY23)	1,000	17.73	
2023 (FY24)	1,000	17.73	
2024 (FY25)	1,000	11.82	
2025 (FY26)	1,000	5.91	
Total	7,700	197.99	

Celebrating Earth Hour

PEarth Hour serves as a powerful reminder of our shared responsibility to protect the planet and a spark for positive change. It is more than just turning off the lights for 60 minutes, it is about taking a pause, reflecting on our impact, and committing to small but meaningful actions that contribute to a more sustainable future.

On Saturday, March 28th, 2026, we celebrated across all our campuses and encouraged our people to join in from home and within their communities by switching off all non-essential lights.

Celebrating Earth Day

Earth Day reminds us that building a more sustainable future begins with the choices we make every day.

On April 22, 2026, we observed Earth Day by highlighting the individual role in creating meaningful change, from reducing waste and conserving energy to supporting environmental initiatives and spreading awareness, every single step and small action can have a lasting impact that can contribute to a Global Safety cause.

SUPPLY CHAIN



At Crescent Steel, we see a responsible supply chain as the foundation of responsible business. Our approach is guided by ethical, social, and environmental principles, and we work to keep quality, transparency, accountability, and integrity consistent across every level of our operations.

Supply chain and logistics play a key role in ensuring efficient and profitable operations of all our businesses. The supply chain function is not limited to sourcing quality products and services with conducive price and volume variables; suppliers are strategic partners for our business. We leverage our relationships with key suppliers and work with them for planning logistics, and the introduction of new products and services

As a leading manufacturer of line pipes for nationally and strategically important oil and gas transmission projects, we take a structured approach to selecting, evaluating, and monitoring suppliers. Our supplier base spans local and international partners across a wide range of critical and non-critical goods and services, and we assess each one on inventory management, operational flexibility, quality systems, and supply chain visibility and transparency.

Labour management practices are an integral part of our supply chain strategy, reflecting our broader commitment to the communities in which we operate. Our approach rests on three key pillars: product design and quality, risk assessment, and identifying opportunities for sustainable business growth.

Sustainability continues to shape how we manage our supply chain, with particular emphasis on developing local sourcing wherever practical. Our partnerships with domestic suppliers help build local technical capability, deepen expertise, and support the development of professional skills within the communities where we operate.

We seek supplier relationships that extend beyond the traditional buyer-supplier dynamic. By working closely with our partners, we identify opportunities to create shared value, improving efficiency, generating additional revenue, and achieving meaningful cost savings. Our supplier engagement remains focused on building a more efficient and resilient supply chain, while identifying key environmental and cost hotspots to manage risk and improve resource efficiency over the long term.

Raw Materials

Our major import is high grade Hot Rolled Coils used to manufacture large-diameter pipes for high-pressure transmission systems. This year, we imported 12,732 MT of hot rolled coils and 539.5 MT of coating material as compared to last year [FY 2025: 25,327 MT of HRC and 1,268 MT of coating material].

Sourcing protocol for our raw materials is critical to our pipe and coating operations. In line with API specifications, HRC manufacturers are assessed, and raw material compliance is verified against Mill Test Certificates, Manufacturing Procedure Specifications, and third-party quality assurance checks. CS Energy Division remained non-operational during the year.

We also purchased various goods and services needed to run our day-to-day business and office operations including consumables for manufacturing valued at Rs. 5,732 million (FY25: Rs. 4,699 million).

Because we operate in a specialized manufacturing segment, most of our raw materials, consumables, spares, and equipment are imported; domestic availability simply doesn't exist for what we need. To protect product integrity and stay aligned with our quality management system, we evaluate suppliers carefully and, where possible, source directly from manufacturers this supports both quality control and better commercial terms. As a strategic priority, our supply chain teams are working to indigenize sourcing for certain consumables and equipment, building toward a more sustainable supply chain over time.

In 2026, there were no significant changes to our supply chain structure.

Production materials were imported from across Asia, Europe, and the Middle East including China, UAE, South Korea and Germany.

Type and Number of Unique Suppliers Engaged 2026

Operational Area	Local	Import	Total	Local %	Import %
Steel Division	182	32	214	85%	15%
Corporate Division	68	-	68	100%	-
IID/CS Capital	6	-	6	100%	-
Total	256	32	288	89%	11%

Procurement Practices with Trusted Business Partners

Suppliers are crucial strategic partners for any business, providing goods and services that enable business continuity. For Crescent Steel, the supply chain is not merely an area where suppliers are expected to comply with quality, price, and volume requirements our suppliers are strategic partners who adopt our standards in pursuit of a shared goal: delivering high-quality, reliable products to our customers.

We aim to maximize indigenous procurement and minimize imports; however, due to limited domestic expertise, a range of products and services required for our operations remain unavailable locally and must be imported. This includes our raw material, which accounts for 80% of our total procurement cost. In light of prevailing import constraints, we developed a sourcing strategy to indigenize the supply chain for spares, working closely with local partners to build the expertise and capability needed to fabricate spares domestically and reduce our reliance on imports.

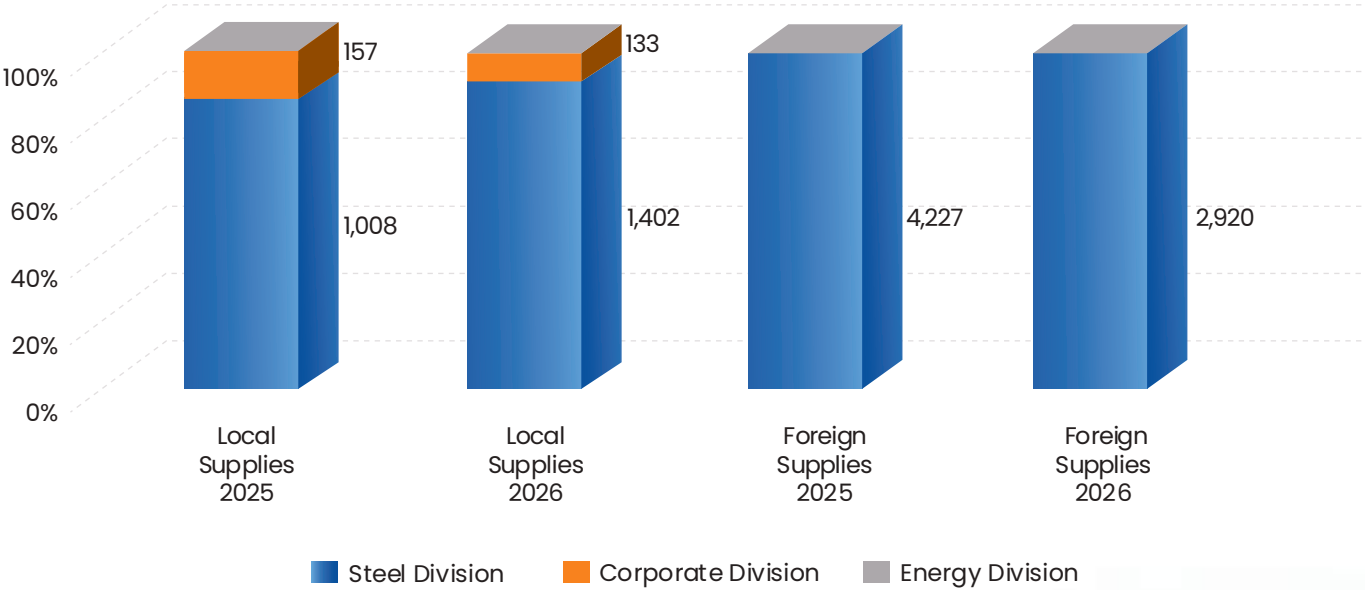
Reducing throughput time remains a core objective of our Supply Chain function, achieved by minimizing reliance on intermediaries and strengthening supply chain depth to ensure the right materials are delivered at the right time and at the right price.

Vendors are evaluated and re-evaluated in accordance with the policies set out in our quality management system, with vendor retention determined by annual performance rather than the length or history of the relationship. Vendor feedback and complaint redressal mechanisms serve as critical criteria in determining supplier retention. All suppliers, whether critical, non-critical, or general are evaluated and approved for purchase prior to order placement, in line with the prescribed framework within our quality management system. The proportions of purchases, domestic and imported, are tabulated below:

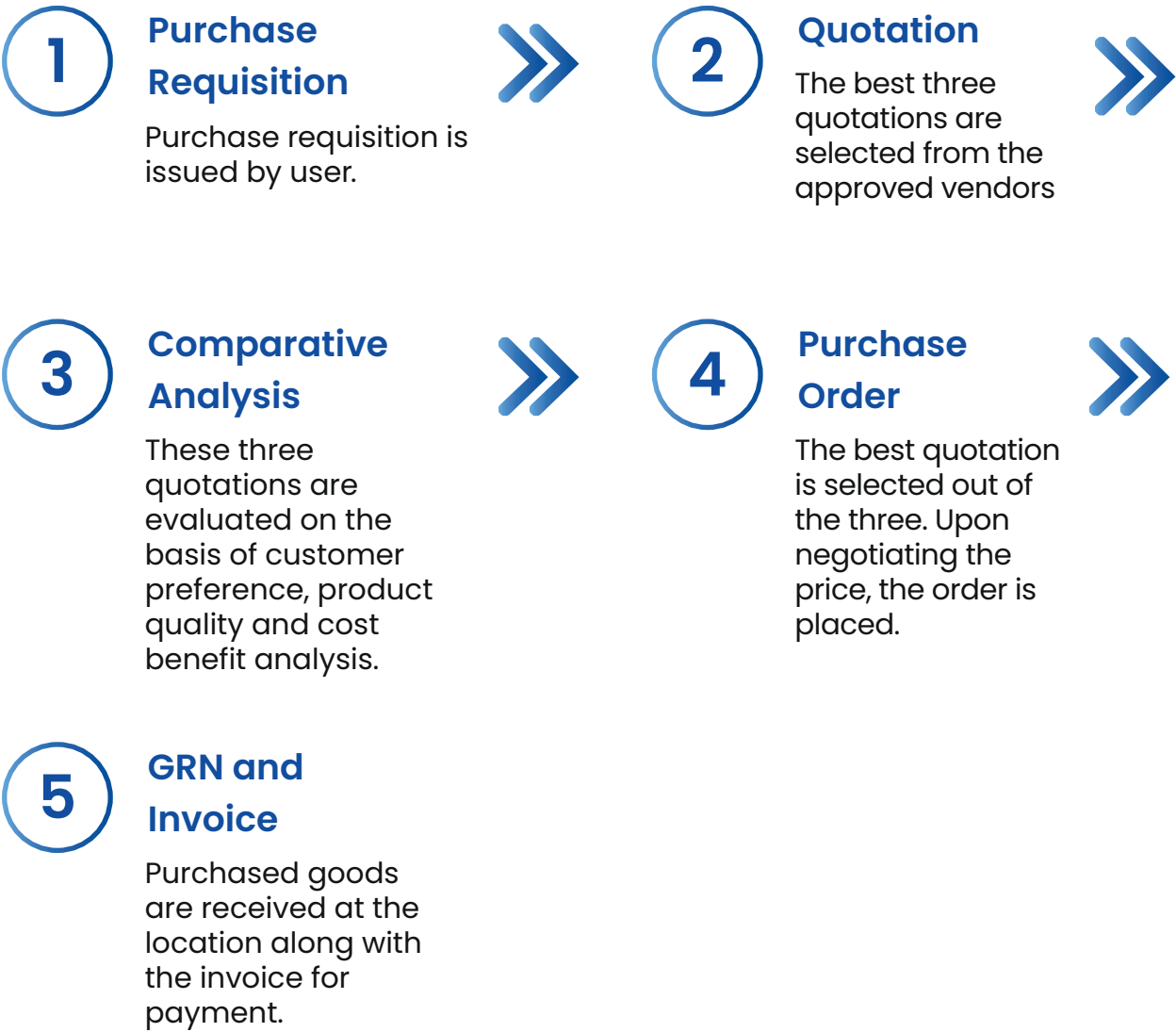
	Rs. in million	In Percentage
Purchases in 2026		
Local Vendors	1,535	34.4
Foreign Vendors	2,920	65.6
	4,455	100
Purchases in 2025		
Local Vendors	1,165	21.1
Foreign Vendors	4,352	78.9
	5,517	100

Local **34.4%** and Foreign **65.6%**

Composition of Local and Foreign Supplies



Crescent Steel's Local Procurement Cycle



Our procurement cycle follows a clear set of steps from identifying requirements to evaluating options and ensuring that every need is met with the right balance of customer preference, quality, and price.

Vendor selection is reviewed annually to assess the quality of decision making and to evaluate suppliers on technical performance, reliability, commercial terms, and other key factors. These reviews help us determine whether circumstances have changed enough to warrant a shift in vendors, keeping our supply chain agile and effective.

Managing A Diverse Supply Chain



PRODUCT STEWARDSHIP



Product Quality

Maintaining product quality and service is a sustainability imperative.

We strive to apply cutting-edge technology and remain client-centric to drive profitability and efficiency, ensuring the highest standards of quality in product delivery. The effectiveness of our Quality Management System is ensured through an independent quality function at each business unit level with direct reporting to the Business Unit Heads.

Crescent Steel strictly adheres to its quality policy to ensure quality control and assurance from the acquisition of raw materials to the delivery of the final product and services i.e. across the value chain. The management ensures that measurable and verifiable quality objectives are set throughout the organisation, from the initial inspection of raw materials to the transportation of the finished product to the customer.

The company retains its authorization to use the API monogram of the American Petroleum Institute since its inception in 1987. In 1997, Crescent Steel was awarded ISO 9001 Quality Management Standard Certificate which it continues to maintain as ISO 9001:2015.

By proactively addressing risks and opportunities, upholding sustainability principles, and embedding a “right-first-time” approach, the Company ensures customer satisfaction across all operational levels. With continuous improvement as a core value, performance targets are regularly established to drive process enhancement, optimize operational efficiency, and elevate customer experience across our manufacturing facilities, business operations, and product portfolio.

Steel Division – Pipe Manufacturing, Coatings and Internal Cement Mortar Lining

Raw material sourcing for line pipe manufacturing is critical for oil and gas/API monogram pipes given the applicability of stringent raw material quality specifications and API standard compliance. Our raw material is purchased from pre-qualified suppliers, against established parameters that form part of our vendor evaluation system.

Our HSAW steel line pipes are manufactured in accordance with the applicable specifications of the American Petroleum Institute (“API”), American Water Works Association (AWWA), American Society for Testing and Materials (ASTM) and the International Organization for Standardization (“ISO”), among other standards. Our products must also satisfy our proprietary standards as well as our customers’ requirements.

We maintain an extensive quality assurance and control program, supplemented with highly skilled inspection and testing teams and state of the art equipment. To ensure that our products and services continue to satisfy industry standards and are competitive from a quality standpoint – most of our pipes are supplied against local projects tendered internationally. We currently maintain, testing laboratories supported by a robust Quality Management System certified to API Q1 and ISO 9001 and, API product license granted by API. These are universal requirements for selling high pressure line pipes to major oil and gas companies.

Our Quality Management System (“QMS”), based on the ISO 9001 and API Q1 specifications, assures that products and services comply with customer requirements from the acquisition of raw materials to the delivery of the final product and services. The management ensures measurable and verifiable sustainability and quality objectives are set throughout the organisation, across manufacturing processes and operations, upholding the highest standards of safety, quality, performance, and reliability.

Our highly skilled and talented team and strong management focus on quality ensures that we continue to improve our quality management systems beyond API Q1 and ISO 9001 standards.

The pipes we produce, and coating are inspected and tested by sophisticated testing equipment. We have various testing facilities available at our pipe finishing line and coating plant:

Pipe Manufacturing

- On-line Automatic / Offline Ultrasonic Testing of Weld Seam and Pipe Body: To ensure that the entire weld seam, is flawless for both Spiral Pipe Mills
- Radiographic Inspection using X-Rays: To analyze, the defects identified during ultrasonic testing keeping digital imaging for records.

- standards (e.g., ASTM, API, ISO) for strength, durability, and safety.
- Visual Inspection: To ensure dimensional accuracy and detect surface defects, guaranteeing the pipe meets quality and safety standards
- Hydrostatic Pressure Testing of Pipes: To check the pipe strength, durability, and leakages Each pipe is tested on different water pressure as per API requirement. Our maximum water testing pressure capacity is 210 bar.
- Burst Test: To ensure that the pipe exceeds the minimum design pressure requirement
- Residual Magnetism Measurement: To ensure that residual magnetism is within the limits of the applicable standard or client’s requirements.
- Final Inspection: To rigorously inspect the different dimensional parameters.
- Tensile Testing and Guided Bend Tests: To ensure that the coil received, and the pipes manufactured have the required mechanical properties.
- Elongation Testing ensures that the steel pipe material has adequate ductility to withstand stretching and deformation without breaking during service
- CVN Test: To ensure the fracture toughness of the pipe body, weld, and HAZ is in compliance with API standards and client requirements.
- Chemical Tests: To ensure the product has met a client specified chemical requirements.
- Hardness Testing: To check the hardness of the pipe body, weld and HAZ for the sour service pipe

Coating Applications

- Online Holiday Inspection or Coating Continuity Testing using medium range voltages up to 25 kV.
- Coating Adhesion Strength Testing
- Coating Thickness verification using Non-Destructive methods
- Measurement of Pipe Surface Roughness or Surface Profile (prior to coating)
- Thermal Analysis coating materials
- Melt Flow Index Verification of coating materials.
- Cathodic Disbondment Testing
- Hot Water Soak Resistance Testing
- Flexibility Bend Testing
- Indentation Hardness Testing

Internal Cement Mortar Lining (ICML)

- Sieve Analysis of sand consignments
- Slump Cone Test for cement mortar mix design
- Flexural and Compression Strength Tests for cement mortar
- Wet Film and Dry Film Thickness Measurements to verify lining thickness

Measuring Customer Satisfaction

The unit continues to maintain a high customer satisfaction score of over 92.9% for both, pipes and coatings

- The survey identifies many strong areas for improvement like timely product delivery etc.
- The survey provides customer feedback on our product capability for:
 - A) Submerged Arc Welded Helical Seam Steel Pipes in diameters ranging from 8-120 inch in steel grades up to and including API 5L X-100, under API monogram authorization
 - B) Anti-corrosion coating application of steel line pipes in diameters ranging from 4 – 84 inches, as per international standards like DIN 30670
- Our main customer base constitutes the two-state gas utilities operating in Pakistan, SSGC, and SNGPL – headquartered in Karachi and Lahore, respectively – with a footprint across various towns and cities in Pakistan. Our Karachi and Lahore Offices and our Plant Site in Nooriabad are within easy access to our main customer base.

Customer Satisfaction Level over the Years	2026	2025	2024	2023	2022	2021
	92.9%	95.0%	92.5%	93.0%	95.7%	94.0%

- No incident of non-compliance with regulations and voluntary codes concerning products and services information and labelling occurred during the year.
- No incident of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship have been identified during the year.

Power Division – CS Energy

The unit generates and supplies electricity for own source consumption and to customers and distribution companies, as permitted. The unit has two tribunes with combined capacity of 15 MW and 16.5 MW. The thermal power generation plant uses bagasse in the combustion process to produce power and process steam. Bagasse is a renewable source of power which is in line with our aim to adopt sustainable business practices. The unit was inoperative during FY26.

MATERIAL CONSUMPTION



Responsible Use of Materials and Resource Efficiency

Our materials are broadly divided into two categories: critical and non-critical. Critical materials have a direct bearing on our production activities, while non-critical materials support our operations more indirectly. Given their importance, we place particular attention on the judicious use of critical raw materials to maintain operational continuity and reduce unnecessary consumption.

As pressure on natural resources continues to grow worldwide, responsible material use has become increasingly important.

Across our production facilities, we continue to refine processes that improve material efficiency, limit wastage, and make better use of available resources.

We also continue to explore practical approaches that can improve resource productivity and reduce potential environmental and community impacts associated with material consumption. All purchased materials are subjected to stringent quality checks, while several suppliers of critical raw materials maintain ISO certifications, providing an additional layer of assurance over quality and process standards.

Although a significant proportion of our raw materials are non-renewable, we remain conscious of the environmental footprint associated with their extraction and use. Our approach, therefore, emphasises responsible sourcing and the gradual incorporation of circular economy thinking wherever feasible. At present, Crescent Steel does not use recycled input materials or reclaimed products and packaging; however, we continue to follow developments in the industry that could create viable opportunities for greater material recovery and reuse

The material consumption figures presented in the accompanying table are based on actual measurements captured through gauges and instruments installed along the production lines. The HSE Committee further reviews and validates the information through independent checks, strengthening the reliability and integrity of the reported data.

Material Consumed	Unit Of Quantity	Quantity (Weight / Volume)				
		2026	2025	2024	2023	2022
Non-Renewable Materials						
Steel – Pipe Manufacturing						
HR Coils (comprises 99% of input materials)	MT	21,078	49,955	60,857	45,770	5,222
Welding Wire	kg	73,769	130,770	178,612	125,130	21,940
Welding Flux	kg	96,381	144,895	163,095	98,531	27,445
Steel Grit	kg	32,675	29,700	48,800	38,500	12,565
Steel – Coating						
High Density Polyethylene	kg	705,830	1,382,117	2,112,300	1,280,100	334,640
Co Polymer Adhesive	kg	75,345	65,650	122,425	59,315	30,180
Fusion Bonded Epoxy	kg	126,530	125,410	226,340	110,240	47,660
Steel – Internal Cement Mortar Lining						
Ordinary Portland Cement	Kg	728,400	-	-	-	-
Sand	Kg	27,387	-	-	-	-
Silica	Kg	41,281	-	-	-	-
Admixture	Kg	5,767	-	-	-	-
Epoxy Resin	Kg	547	-	-	-	-
Engineering						
Gas LPG	kg	1,829	1,404	967	1,085	1,641
Gas Oxygen	m3	7,217	5,465	3,732	4,534	7,473
Diesel Oil	Ltr	3,095	1,870	2,957	4,648	5,070
Disc (Grinding and Cutting)	Nos	3,632	4,610	3,515	3,792	4,176
Welding Electrode	Tonnes	8.94	12.86	11.53	7.67	13.72
Round Bar, Pipes, Nuts, Bolts etc.	Tonnes	136.68	53.44	20.36	23.79	36.58
Sheets Mild Steel	Tonnes	799.44	107.17	318.24	425.15	655.28
Sheets Stainless Steel	Tonnes	15.57	6.22	8.12	5.40	15.25

IT GOVERNANCE

Information Technology today serves as the backbone of a secure, efficient and agile organisation and effective implementation of IT Governance is imperative for achieving and sustaining these qualities.

At Crescent Steel, IT Governance is an integral part of Enterprise Governance, ensuring its compliance in line with the required IT practices. IT department plays a vital role in continuous improvements and effective change management in the Company's business processes and its initiatives complement the business objectives and acts as a catalyst in achieving the same.

IT Strategy in Place

Our IT department has a well-defined strategic plan which serves as a guide for IT strategic initiatives over the next three to five years. Special consideration is given to the upcoming technological trends and the same are embedded as part of strategy where applicable.

Digital Transformation is a continues process at CSAPL. As such IT strategy directs towards various initiatives in digitalization, automation and the effective use of AI technologies that will ensure that CSAPL remains at par with fast changing business trends.

Policies and Procedures are in place to ensure consistency and measured Operations. The IT Steering Committee oversees the strategic direction and effectiveness of IT across the organisation.

Statement on Cyber Risks

As part of evaluation of all risks facing the business, the Board' Risk Management Committee (RMC) has also assessed the cyber risks and the enforcement of legal and regulatory implications in case of any breaches. The Board's RMC has noted that Crescent Steel is not a customer facing organisation and does not undertake any electronic transactions with its customers therefore has minimum risk of losing any sensitive data. However, Crescent Steel has taken sufficient measures to ensure its network security and has implemented stringent controls to protect its data privacy. Further, the Board's RMC has not rated the cyber risks at a high level.

Cybersecurity and Board's Risk Oversight

The Board's RMC, while performing its risk oversight function also reviews and evaluates cybersecurity risks. Budgets and capital expenditure for network upgrades and strengthening cybersecurity enhancements are approved by the Board, after detailed presentation by the management.

Internal Audit checks different controls of governance, change management, and application-level control. The results of which are presented to the Board's Audit Committee, and all remedial actions are evaluated and monitored through the IT Steering Committee.

Crescent Steel continues to strengthen its cybersecurity posture through ongoing remediation of identified gaps, including upgrading existing infrastructure, updating application versions, enabling enhanced security protocols, and implementing other corrective measures in line with industry standards and the observations raised during security audits. This reflects the Company's sustained commitment to maintaining a resilient and secure IT environment in line with evolving cyber threats and regulatory expectations.

Information Systems

Our information systems are well integrated and capture near real-time data for process owners, consistently providing business intelligence for structured decision-making. Implemented in 2008, our Oracle ERP system comprises nearly all modules covering the full spectrum of Financials, Order Management, Inventory, Manufacturing, Supply Chain, and Project Management. Oracle ERP is supported by a robust infrastructure that ensures high availability in line with industry benchmarks, achieved through continuous strict monitoring and the adoption of relevant new and emerging technologies.

For reasons of high availability, our Primary Datacenter is located at a Tier-3 Data Centre and is secured and protected by a Next Generation Firewall. The technology stack supporting our server and storage infrastructure has been upgraded to align with current operational requirements. In addition to existing backup practices, this year the

Company adopted a more effective, automated backup mechanism hosted at a facility in another city. This setup complements the offsite backup and Disaster Recovery Site, ensuring comprehensive data protection and business continuity.

Updates During the Year

The IT Department continued to introduce new initiatives and enhance existing services in line with the Company's digital transformation objectives.

The Company is upgrading its Payroll Management System by migrating to a cloud-based platform, aimed at leveraging the latest functionalities and efficiencies offered by modern solutions. Certain modules have already been successfully deployed and are live, while the remaining modules are progressing toward completion. Additionally, Crescent Steel has collaborated with Pakistan Oxygen to acquire a low-code development tool, enabling the digitalization of internal processes through a centralized portal. This initiative empowers business users to automate and streamline their workflows with minimal dependency on IT resources, thereby optimizing operations and significantly reducing data redundancy.

As part of its continued drive toward a paperless environment, the Company has digitalized several processes that were previously managed manually through paper-based systems. Applications developed to date include the Company GatePass System and the Petty Cash System, along with other internal applications, all aimed at improving process efficiency, accuracy, and record-keeping across the organisation.

In addition, to take advantage of advancements in artificial intelligence, the IT Department has been working on the rapid, in-house development of various applications supporting different organisational functions. This initiative reflects Crescent Steel's commitment to leveraging AI-driven development approaches to accelerate delivery, reduce turnaround time, and promote broader AI adoption across the organisation.

Early Warning System

Company has implemented adequate controls and procedures about early warning systems. In this regard, Incident Management policies and procedures are in place. In addition to that, company has also implemented a Next Generation firewall having capability of Intrusion Prevention and Detection System.

Contingency and Disaster Recovery Plan

The Company has an updated Disaster Recovery plan in place for the continuity of the Company's business and operations in case of any extra ordinary circumstances.

Our Disaster Recovery Plan (DRP) is an action plan devised to recover seamlessly from an unexpected disruption of service due to a man-made disaster or any natural catastrophe. The aim is to get the Company operations resumed in as little time as possible. The data loss and time to recover is measured within the defined concepts of Recovery Time Objective (RTO) and the Recovery Point Objective (RPO) during the mock DR runs.

Backing up of all data is a regimented practice with a copy of the backup stored safely at an offsite location as well besides reflecting it on the Disaster Recovery Site.

Like every year we have conducted successful DR drill while as part of continues improvement policy, we identify the areas where enhancement can be embraced through the use of new technologies.

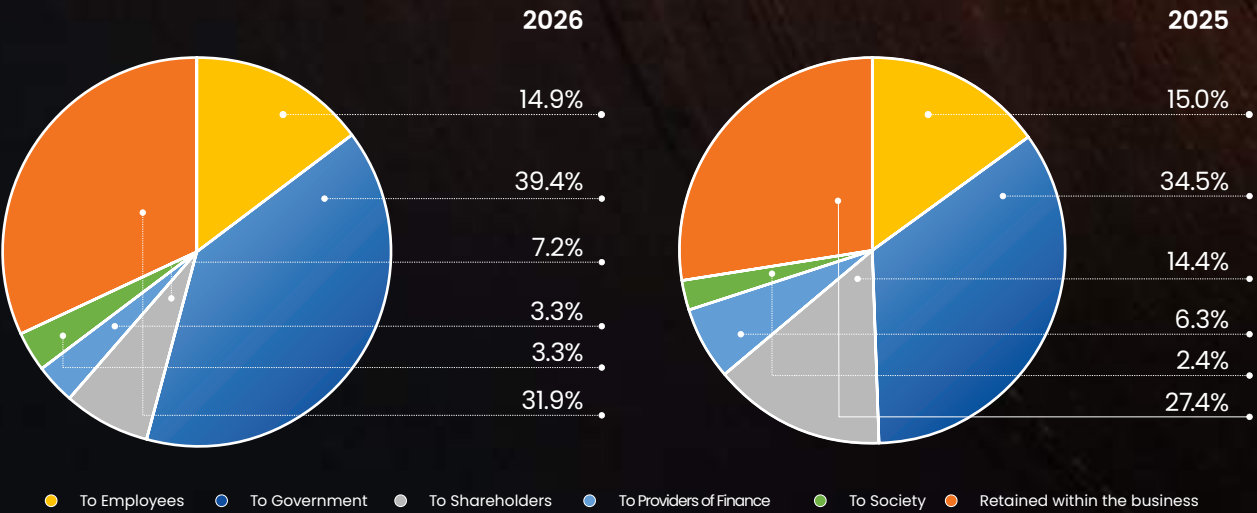
User Trainings of ERP Software and Cybersecurity Threats

User trainings are held regularly at all sites for ERP modules. Special emphasis is given on newly hired and newly implemented modules. IT team regularly conduct information security awareness sessions and sends security awareness emails on a regular basis. The purpose of security awareness is to focus attention on security, creating sensitivity to the threats and vulnerabilities of computer systems and recognition of the need to protect data, information, and systems. Security awareness emails help users in identifying any upcoming security threats and potential risks.

STATEMENT OF
VALUE ADDED

	2026		2025	
	Rupees in '000	%	Rupees in '000	%
Wealth Generated				
Total revenue	10,607,979	100.0%	9,068,615	100%
Bought-in-material and services	(5,726,436)	(54.0%)	(4,471,529)	(49.3%)
	4,881,543	46.0%	4,597,086	50.7%
Wealth Distributed				
To Employees				
Salaries, wages and other benefits	728,243	14.9%	691,316	15.0%
To Government				
Income tax, sales tax, custom duties, WWF and WPPF	1,920,334	39.4%	1,584,054	34.5%
To Shareholders				
Dividend	349,346	7.2%	659,877	14.4%
To Providers of Finance				
Finance costs	160,435	3.3%	288,416	6.3%
To Society				
Donation towards education, health and environment	162,663	3.3%	112,359	2.4%
Retained within the business for future growth				
Depreciation, amortization and retained earnings	1,560,522	31.9%	1,261,064	27.4%
	4,881,543	100.0%	4,597,086	100.0%

Distribution of Wealth



EVA AND FCF

Economic Value Added (EVA)

EVA attempts to capture the true economic profit of the Company. It also provides a measurement of a Company's economic success (or failure) over a period of time.

	2026	2025
	---- Rupees in '000 ----	
Profit before interest and tax (PBIT)	2,120,560	2,196,638
Taxes	(668,714)	(564,943)
Net operating profit after tax (NOPAT)	1,451,846	1,631,695
Total capital employed	9,889,953	9,041,837
Cost of capital (%)	19.4%	18.1%
Cost of capital (COC)	1,913,706	1,635,668
	(461,860)	(3,973)

EVA remained negative as strategic investments held by the Company have increased the capital base, however, the expected returns from these investments have not yet been fully realized, resulting in NOPAT remaining below the required cost of capital during the year.

Free Cash Flow (FCF)

Free cash flow is the cash left over after the company pays for its working costs and capital expenditure requirement.

	2026	2025
	---- Rupees in '000 ----	
Cash flow from operating activities	3,226,818	(1,616,879)
Capital expenditure	(1,013,757)	(581,405)
Free cash flow	2,213,061	(2,198,284)

Free cash flow improved significantly from negative Rs. 2,198 million in FY25 to Rs. 2,213 million in FY26, driven by strong operating cash generation. The Company generated sufficient operating cash flows to fund increased capital expenditure while maintaining positive free cash flow.

FINANCIAL AND OPERATIONAL PERFORMANCE

Steel Division – FY26 Performance Overview

Sales Performance:

The Steel division recorded sales of Rs. 7,936.2 million in FY26, reflecting a year-on-year increase of 25.1% compared to Rs. 6,346.3 million in FY25. Sales were primarily generated from deliveries to the Water and Gas sectors, which collectively accounted for the majority of sales in FY26.

Major Deliveries:

- Supplied 143.6 km of pipes to the Gas sector, generating sales amounting to Rs. 4,073.4 million.
- Supplied 54.4 km of pipes to the Water sector, generating sales amounting Rs. 3,425.8 million.

Sales Composition:

Bare Pipes: Rs. 5,965.2 million (FY25: Rs. 4,964.5 million)
Coated Pipes: Rs. 1,613.5 million (FY25: Rs. 1,267.0 million)
Engineering: Rs. 357.5 million (FY25: Rs. 114.8 million)

Gross Profit:

Gross profit stood at Rs. 2,074.3 million, yielding a gross margin of 26.1%, compared to Rs. 1,655.9 million and a margin of 26.1% in FY25, reflecting the Company's ability to maintain consistent margins.

Operating Expenses:

Operating expenses increased to Rs. 789.6 million, from Rs. 698.0 million in FY25, due to increase in donations and recognition of WPPF and WWF.

Finance Costs:

Finance costs declined to Rs. 160.3 million, from Rs. 288.3 million in the prior year, primarily due to lower financing requirements, as the raw material for a few key projects had already been procured in the previous year. This resulted in reduced borrowings and lower finance charges during FY26.

Profit Before Tax (PBT):

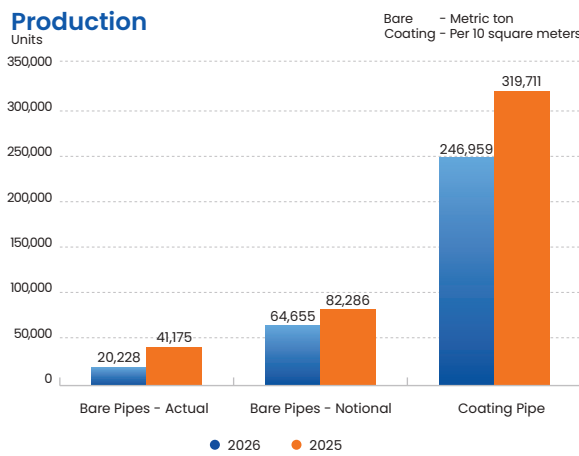
The Division reported PBT of Rs. 1,267.8 million with a margin of 16.0%, compared to Rs. 724.2 million and a margin of 11.4% in FY25, primarily driven by higher sales volumes and lower finance costs.

Production Metrics:

Bare Pipe Production – Actual: 20,228.1 tons (FY25: 41,175.3 tons)

Bare Pipe Production – Notional: 64,655.2 tons (FY25: 82,286.1 tons)

Coating Output: 246,959.0 square meters (FY25: 319,711.2 square meters)



IID Division

The Equities Market – KSE 100 Index

- The KSE-100 Index FY26 started at 125,627.3 points and closed at 180,301.1 points, reflecting 43.5% gain (54,673.8 points).
- KSE-100 index market capitalization increased by Rs. 1.4 trillion or 37.3% (USD terms: 40.1%) and closed at Rs. 5.2 trillion (USD 13.23 billion).
- Total all-share market capitalization increased by 32.6% amounting to Rs. 20.2 trillion (2025: Rs. 15.2 trillion). In USD terms, it increased by 35.2% amounting to USD 72.6 billion.
- Average traded volume on the KSE-100 index was 911.1 million shares/day, a 44.6% increase YoY. The average daily traded value rose to Rs. 42.6 billion, up 51.1% from the prior year's Rs. 28.2 billion.

IID Division Performance

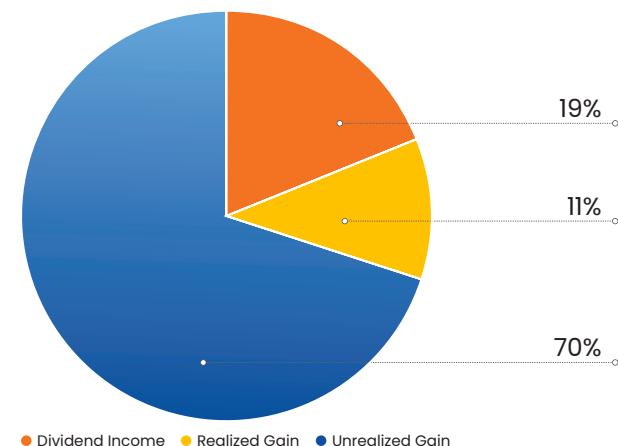
Investment Income:

During FY26, the division generated investment income of Rs. 644.3 million, compared to Rs. 1,461.7 million in FY25. The higher investment income in FY25 was primarily attributable to a one-off gain on the ALTN investment, comprising dividend income and gain on disposal of shares totaling Rs. 1,113.0 million.

This comprises:

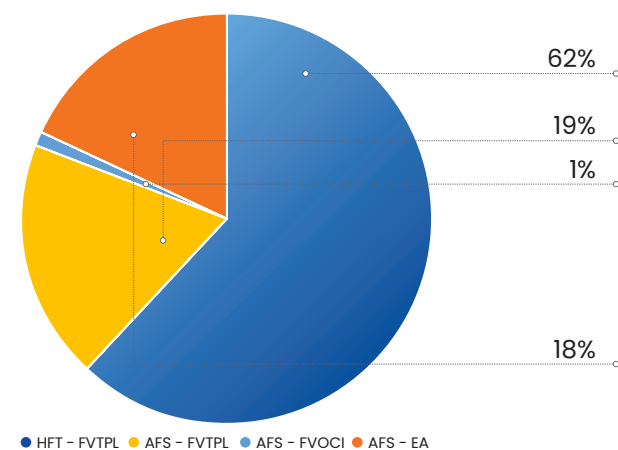
- Dividend Income: Rs. 122.0 million (FY25: Rs. 801.4 million)
- Realized Gains: Rs. 71.1 million (FY25: Rs. 460.7 million)
- Unrealized Gains: Rs. 451.2 million (FY25: Rs. 195.9 million)

Investment Income Composition



PBT declined to Rs. 541.8 million in FY26 from Rs. 1,416.8 million in FY25 due to challenging market conditions and absence of ALTN gain. The HFT investments contributed Rs. 530.5 million, delivering an ROI of 35.8% on a weighted average investment of Rs. 1,480.5 million.

IID - Investment Classifications



CS Capital (Private) Limited

Investment Income:

For the year ended June 30, 2026, the Subsidiary Company earned investment income amounting to Rs. 361.1 million, compared to Rs. 278.1 million in FY25. The income composition is as follows:

- Dividend Income: Rs. 50.6 million (FY25: Rs. 66.6 million).
- Realized Gains: Rs. 42.8 million (FY25: Rs. 44.2 million).
- Unrealized Gains: Rs. 242.0 million (FY25: Rs. 159.4 million).
- Realized Gain on Commodity Investment: Rs. 25.7 million (FY25: Rs. 3.9 million).

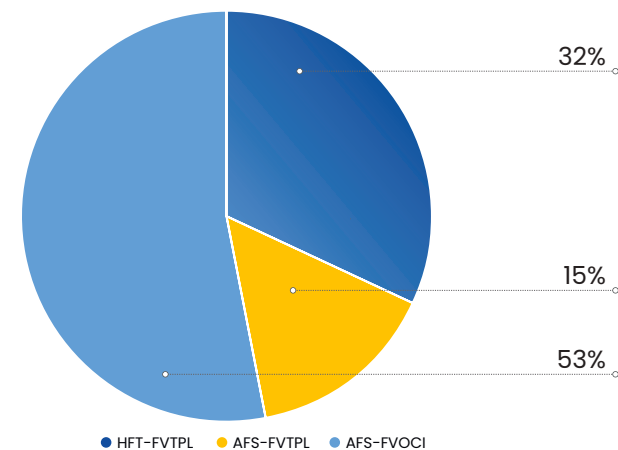
Profitability

The Company reported PBT of Rs. 354.5 million, up from Rs. 269.6 million in FY25. Earnings per share (EPS) for FY26 stood at Rs. 3.51, compared to Rs. 2.59 in the previous year.

Portfolio Performance

Portfolio ROI, excluding unquoted investments, stood positive at 68.1% on weighted average investments of Rs. 1,509.5 million.

CS Capital - Investment Classification

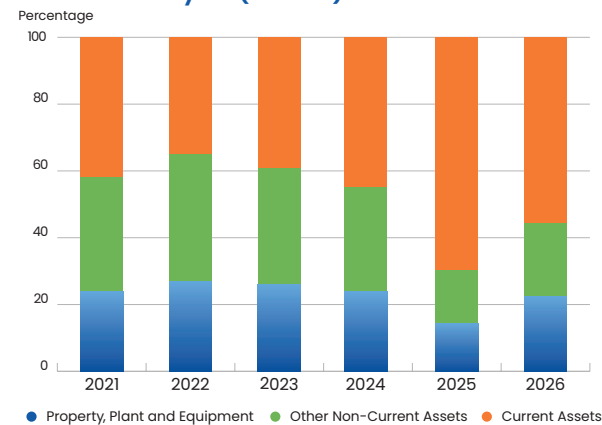


KEY OPERATING AND FINANCIAL DATA

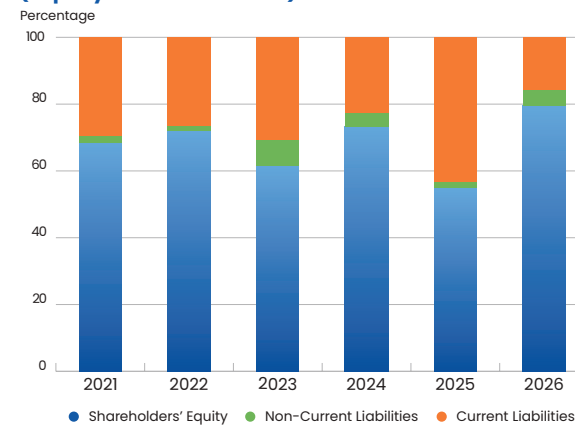
For the Current and Past Six Financial Years

Rupees in million	2026	2025	2024	2023	2022	2021	2020
A - Summary of Statement of Profit or Loss							
Sales - net	7,936	6,346	9,056	3,396	1,929	3,194	1,504
Cost of sales	(5,922)	(4,749)	(6,249)	(2,520)	(2,104)	(2,770)	(1,490)
Gross profit / (loss)	2,014	1,598	2,807	876	(175)	424	14
Income from investments - net	644	1,462	1,070	208	970	233	389
Distribution, selling and administrative expenses	(700)	(670)	(525)	(381)	(271)	(206)	(202)
Other operating expenses	(195)	(75)	(225)	(17)	(35)	(17)	(23)
Other income	144	59	172	76	40	166	21
Operating profit before finance costs	1,908	2,373	3,299	762	529	600	199
Finance costs	(160)	(288)	(492)	(335)	(178)	(172)	(255)
Profit / (loss) before taxation from continuing operations	1,748	2,085	2,807	427	351	428	(56)
Taxation (charge) / reversal	(593)	(565)	(920)	(57)	52	(75)	101
Net profit for the year from continuing operations	1,155	1,520	1,887	370	403	353	45
Net profit / (loss) from discontinued operations	137	(177)	(282)	(193)	(36)	(0)	(63)
Net profit / (loss) for the year	1,291	1,343	1,607	177	367	352	(17)
B - Summary of Statement of Financial Position							
Current assets	6,695	10,819	4,748	3,923	2,972	3,662	4,375
Stock-in-trade	1,466	2,984	1,448	1,269	1,190	1,237	2,131
Trade debts	1,066	1,641	1,472	464	175	137	226
Current liabilities	1,869	6,875	2,341	3,058	2,155	2,528	3,927
Trade and other payables	1,282	4,552	1,313	1,389	1,137	755	1,069
Property, plant and equipment	2,742	2,178	2,424	2,520	2,107	1,927	2,106
Total assets	12,105	15,920	10,498	9,948	8,445	8,706	9,661
Total Debt	290	1,874	1,261	1,597	648	1,250	2,445
Long term financing (excluding current maturity)	224	290	370	487	117	202	255
Liability against infrastructure cess (excluding current maturity)	116	-	-	-	-	-	-
Deferred income (including current maturity)	3	3	4	4	9	13	13
Deferred liability - staff retirement benefits	-	-	68	280	74	-	24
Short term financing (including current maturity of long-term financing)	462	2,184	942	1,574	948	1,710	2,771
Reserves	8,890	7,975	6,940	5,343	5,322	5,195	4,672
Shareholders' equity	9,666	8,752	7,716	6,119	6,098	5,971	5,448
C - Summary of Statement of Cash Flows							
Cash and cash equivalents at the beginning of the year	(526)	403	(433)	(335)	(660)	(559)	(819)
Net cash generated from / (used in) operating activities	3,227	(1,617)	658	(364)	82	1,036	(1,386)
Net cash (used in) / generated from investing activities	(875)	686	917	(647)	873	80	384
Net cash (used in) / generated from financing activities	(1,950)	3	(738)	912	(630)	(1,217)	1,261
Net increase / (decrease) in cash and cash equivalents	401	(929)	836	(99)	325	(101)	260
Cash and cash equivalents at the end of the year	(124)	(526)	403	(433)	(335)	(660)	(559)
Net cash generated from / (used in) operating activities - Discontinued operations	11	(222)	(165)	226	235	(103)	228
Net cash generated from investing activities - Discontinued operations	418	250	5	2	1	10	-
D - Other Data							
Depreciation and amortization	306	272	266	232	208	218	226
Capital expenditure	1,016	581	248	536	92	66	9
No. of ordinary shares (no. of shares in million)	78	78	78	78	78	78	78
Payments to National Exchequer	1,920	1,584	2,704	1,031	1,621	1,527	1,048

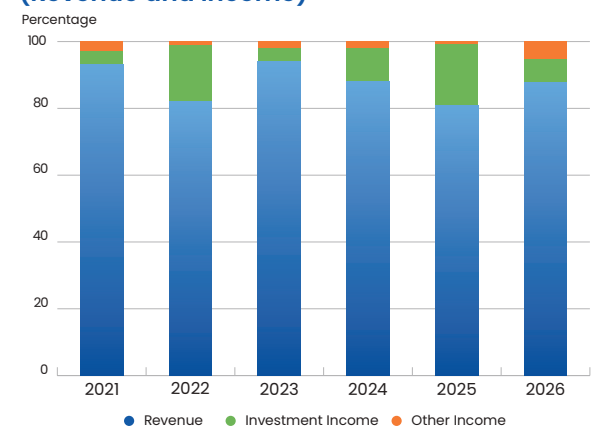
Statement of Financial Position Analysis (Assets)



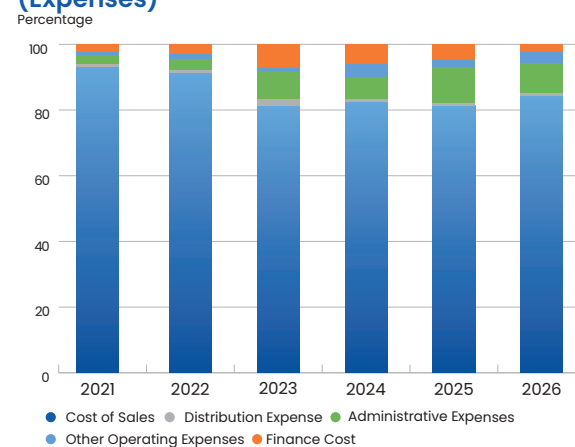
Statement of Financial Position Analysis (Equity and Liabilities)



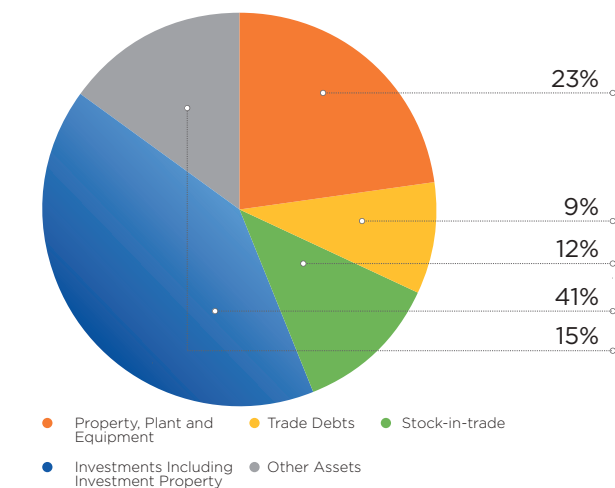
Statement of Profit or Loss Analysis (Revenue and Income)



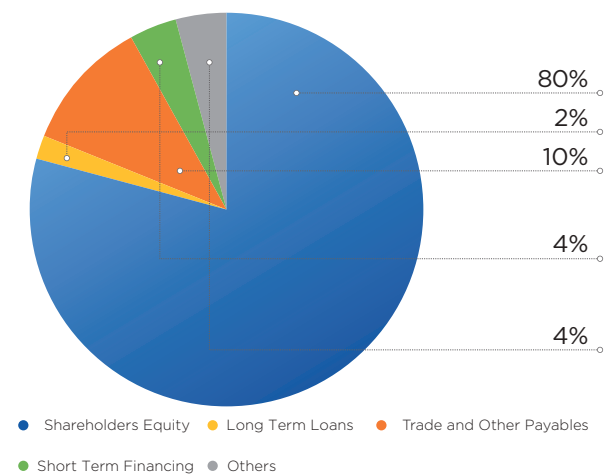
Statement of Profit or Loss Analysis (Expenses)



Total Assets as of June 30, 2026



Total Equity and Liabilities as of June 30, 2026



VERTICAL ANALYSIS

of Unconsolidated Statement of Financial Position and Profit or Loss
For the Last Six Financial Years

Rupees in million	2026	%	2025	%	2024	%	2023	%	2022	%	2021	%
Statement of Financial Position												
Property, plant and equipment	2,621	21.7	1,999	12.6	2,195	20.9	2,438	24.5	2,107	24.9	1,927	22.1
Right-of-use assets	121	1.0	179	1.1	229	2.2	83	0.8	110	1.3	132	1.5
Intangible assets	2	0.0	-	-	-	-	1	0.0	4	0.0	6	0.1
Investment properties	232	1.9	113	0.7	54	0.5	55	0.6	56	0.7	58	0.7
Long term investments	2,332	19.2	2,240	14.1	2,810	26.8	2,545	25.5	2,363	28.0	2,469	28.4
Long term deposits	59	0.5	71	0.4	71	0.7	27	0.3	29	0.3	24	0.3
Deferred taxation - net	-	-	85	0.5	392	3.7	876	8.8	805	9.5	428	4.9
Stores, spares and loose tools	494	4.1	385	2.4	405	3.9	340	3.4	171	2.0	163	1.9
Stock-in-trade	1,466	12.1	2,984	18.7	1,448	13.8	1,269	12.8	1,190	14.1	1,237	14.2
Trade debts	1,066	8.8	1,641	10.3	1,472	14.0	464	4.7	175	2.1	137	1.6
Loan and advances	53	0.4	311	2.0	195	1.9	285	2.9	165	2.0	136	1.6
Trade deposits and short term prepayments	22	0.2	19	0.1	16	0.1	14	0.1	25	0.3	290	3.3
Short term investments	2,422	20.0	1,537	9.7	667	6.3	552	5.5	419	5.0	222	2.5
Other receivables	539	4.5	3,461	21.7	85	0.8	296	3.0	128	1.5	358	4.1
Taxation - net	361	3.0	406	2.6	156	1.5	673	6.8	691	8.2	1,115	12.8
Cash and bank balances	272	2.2	75	0.5	303	2.9	30	0.3	7	0.1	4	0.0
Non-current assets held for sale	43	0.4	414	2.6	-	-	-	-	-	-	-	-
Total assets	12,105	100.0	15,920	100.0	10,498	100.0	9,948	100.0	8,445	100.0	8,706	100.0
Issued, subscribed and paid-up capital	776	6.4	776	4.9	776	7.4	776	7.8	776	9.2	776	8.9
Capital reserve	1,021	8.4	1,021	6.4	1,021	9.7	1,021	10.3	1,021	12.1	1,021	11.8
Revenue reserves	7,869	65.0	6,955	43.7	5,919	56.4	4,322	43.4	4,301	50.9	4,174	47.9
Shareholders' equity	9,666	79.8	8,752	55.0	7,716	73.5	6,119	61.5	6,098	72.2	5,971	68.6
Long term loans	121	1.0	132	0.8	157	1.5	425	4.3	50	0.6	128	1.5
Lease liabilities	103	0.8	158	1.0	213	2.0	62	0.6	67	0.8	75	0.9
Liability against infrastructure cess	116	1.0	-	-	-	-	-	-	-	-	-	-
Deferred income	2	0.0	3	0.0	3	0.0	4	0.0	1	0.0	4	0.0
Deferred taxation - net	229	1.9	-	-	-	-	-	-	-	-	-	-
Deferred liability - staff retirement benefits	-	-	-	-	68	0.6	280	2.8	74	0.9	-	-
Trade and other payables	1,281	10.6	4,551	28.6	1,313	12.6	1,389	14.0	1,137	13.5	755	8.7
Unclaimed dividend	116	1.0	112	0.7	26	0.2	16	0.2	26	0.3	26	0.3
Mark-up accrued	8	0.1	27	0.2	60	0.6	78	0.8	37	0.4	28	0.3
Short term borrowings	419	3.5	1,965	12.3	629	6.0	1,290	13.0	812	9.6	1,515	17.4
Current portion of long term loans	4	0.0	174	1.1	270	2.6	270	2.7	113	1.3	159	1.8
Current portion of lease liabilities	39	0.3	45	0.3	42	0.4	14	0.1	22	0.3	36	0.4
Current portion of deferred income	1	0.0	1	0.0	1	0.0	1	0.0	8	0.1	9	0.1
Total equity and liabilities	12,105	100.0	15,920	100.0	10,498	100.0	9,948	100.0	8,445	100.0	8,706	100.0
Statement of Profit or Loss												
Sales - net	7,936	100.0	6,346	100	9,056	100.0	3,396	100.0	1,929	100.0	3,194	100.0
Cost of sales	(5,922)	(74.6)	(4,749)	(74.8)	(6,249)	(69.0)	(2,520)	(74.2)	(2,104)	(109.1)	(2,770)	(88.7)
Gross profit / (loss)	2,014	25.4	1,597	25.2	2,807	31.0	876	25.8	(175)	(9.1)	424	13.3
Income from investments - net	644	8.1	1,462	23.0	1,070	11.8	208	6.1	970	50.3	233	7.3
Distribution and selling expenses	(26)	(0.3)	(31)	(0.5)	(51)	(0.6)	(61)	(1.8)	(11)	(0.6)	(11)	(0.3)
Administrative expenses	(673)	(8.5)	(639)	(10.1)	(474)	(5.2)	(320)	(9.4)	(260)	(13.5)	(195)	(6.1)
Other operating expenses	(195)	(2.5)	(75)	(1.2)	(225)	(2.5)	(17)	(0.5)	(35)	(1.8)	(17)	(0.5)
Other income	144	1.8	59	0.9	172	1.9	76	2.2	40	2.1	166	5.2
Operating profit before finance costs	1,908	24.0	2,373	37.4	3,299	36.4	762	22.4	529	27.4	600	18.9
Finance costs	(160)	(2.0)	(288)	(4.5)	(491)	(5.4)	(335)	(9.9)	(178)	(9.2)	(172)	(5.4)
Profit before taxation from continuing operations	1,748	22.0	2,085	32.8	2,808	31.0	427	12.6	351	18.2	428	13.5
Taxation (charge) / reversal	(593)	(7.5)	(565)	(8.8)	(920)	(10.2)	(57)	(1.7)	52	2.7	(75)	(2.3)
Net profit for the year from continuing operations	1,155	14.6	1,520	24.0	1,888	20.8	370	10.9	403	20.9	353	11.2
Net profit / (loss) from discontinued operations	136	1.7	(177)	(2.8)	(281)	(3.1)	(193)	(5.7)	(36)	(1.9)	-	-
Net profit for the year	1,291	16.3	1,343	21.2	1,607	17.7	177	5.2	367	19.0	353	11.2

HORIZONTAL
ANALYSIS

of Unconsolidated Statement of Financial Position and Profit or Loss
For the Last Six Financial Years

Rupees in million	2026	%	2025	%	2024	%	2023	%	2022	%	2021	%
Statement of Financial Position												
Property, plant and equipment	2,621	31.1	1,999	(8.9)	2,195	(10.0)	2,438	15.7	2,107	9.3	1,927	(8.5)
Right-of-use assets	121	(32.2)	179	(22.0)	229	175.8	83	(24.5)	110	(16.7)	132	(21.9)
Intangible assets	2	100.0	-	-	-	(100.0)	1	(75.0)	4	(33.3)	6	500.0
Investment properties	232	105.6	113	110.1	54	(2.4)	55	(1.8)	56	(3.4)	58	190.0
Long term investments	2,332	4.1	2,240	(20.3)	2,810	10.4	2,545	7.7	2,363	(4.3)	2,469	7.2
Long term deposits	59	(16.1)	71	(0.8)	71	164.4	27	(6.9)	29	20.8	24	(89.3)
Deferred taxation - net	-	(100.0)	85	(78.2)	392	(55.3)	876	8.8	805	88.1	428	(7.6)
Stores, spares and loose tools	494	28.4	385	(5.0)	405	19.1	340	98.8	171	4.9	163	(3.6)
Stock-in-trade	1,466	(50.9)	2,984	106.1	1,448	14.1	1,269	6.6	1,190	(3.8)	1,237	(42.0)
Trade debts	1,066	(35.1)	1,641	11.5	1,472	217.3	464	165.1	175	27.7	137	(39.4)
Loan and advances	53	(83.0)	311	59.2	195	(31.5)	285	72.7	165	21.3	136	(6.2)
Trade deposits and short term prepayments	22	14.1	19	22.3	16	12.1	14	(44.0)	25	(91.4)	290	367.7
Short term investments	2,422	57.6	1,537	130.4	667	20.9	552	31.7	419	88.7	222	77.6
Other receivables	539	(84.4)	3,461	3,967.5	85	(71.3)	296	131.3	128	(64.2)	358	62.7
Taxation - net	361	(11.1)	406	160.7	156	(76.8)	673	(2.6)	691	(38.0)	1,115	(12.4)
Cash and bank balances	272	264.5	75	(75.4)	303	910.7	30	328.6	7	75.0	4	(82.6)
Non-current assets held for sale	43	(89.6)	414	100.0	-	-	-	-	-	-	-	-
Total assets	12,105	(24.0)	15,920	51.6	10,498	5.5	9,948	17.8	8,445	(3.0)	8,706	(9.9)
Issued, subscribed and paid-up capital	776	-	776	-	776	-	776	-	776	-	776	-
Capital reserve	1,021	-	1,021	-	1,021	-	1,021	-	1,021	-	1,021	-
Revenue reserves	7,869	13.1	6,955	17.5	5,919	36.9	4,322	0.5	4,301	3.0	4,174	14.3
Shareholders' equity	9,666	10.4	8,752	13.4	7,716	26.1	6,119	0.3	6,098	2.1	5,971	9.6
Long term loans	121	(8.4)	132	(15.8)	157	(63.0)	425	750.0	50	(60.9)	128	(32.6)
Lease liabilities	103	(34.9)	158	(25.8)	213	243.1	62	(7.5)	67	(10.7)	75	15.4
Liability against infrastructure cess	116	100.0	-	-	-	-	-	-	-	-	-	-
Deferred income	2	(21.4)	3	(15.2)	3	(17.5)	4	300.0	1	(75.0)	4	(42.9)
Deferred taxation - net	229	100.0	-	-	-	-	-	-	-	-	-	-
Deferred liability - staff retirement benefits	-	-	-	(100.0)	68	(75.8)	280	278.4	74	100.0	-	(100.0)
Trade and other payables	1,281	(71.8)	4,551	246.7	1,313	(5.5)	1,389	22.2	1,137	50.6	755	(29.4)
Unclaimed dividend	116	3.7	112	326.3	26	63.8	16	(38.5)	26	-	26	-
Mark-up accrued	8	(69.2)	27	(54.1)	60	(23.7)	78	110.8	37	32.1	28	(48.1)
Short term borrowings	419	(78.7)	1,965	212.2	629	(51.2)	1,290	58.9	812	(46.4)	1,515	(43.4)
Current portion of long term loans	4	(97.8)	174	(35.7)	270	0.1	270	138.9	113	(28.9)	159	224.5
Current portion of lease liabilities	39	(12.1)	45	5.7	42	202.1	14	(36.4)	22	(38.9)	36	(23.4)
Current portion of deferred income	1	-	1	-	1	(50.0)	1	(87.5)	8	(11.1)	9	50.0
Total equity and liabilities	12,105	(24.0)	15,920	51.6	10,498	5.5	9,948	17.8	8,445	(3.0)	8,706	(9.9)
Statement of Profit or Loss												
Sales - net	7,936	25.1	6,346	(29.9)	9,056	166.7	3,396	76.1	1,929	(39.6)	3,194	112.3
Cost of sales	(5,922)	24.7	(4,749)	(24.0)	(6,249)	148.0	(2,520)	19.8	(2,104)	(24.0)	(2,770)	85.9
Gross profit / (loss)	2,014	26.1	1,597	(43.1)	2,807	220.4	876	600.2	(175)	(141.3)	424	2,908.8
Income from investments - net	644	(55.9)	1,462	36.6	1,070	413.5	208	(78.5)	970	316.3	233	(40.1)
Distribution and selling expenses	(26)	(14.3)	(31)	(39.7)	(51)	(16.5)	(61)	454.8	(11)	0.3	(11)	19.9
Administrative expenses	(673)	5.4	(639)	34.8	(474)	48.1	(320)	23.0	(260)	33.7	(195)	0.9
Other operating expenses	(195)	159.7	(75)	(66.7)	(225)	1,221.9	(17)	(51.4)	(35)	104.5	(17)	(26.5)
Other income	144	144.9	59	(65.7)	172	127.1	76	87.1	40	(75.6)	166	677.2
Operating profit before finance costs	1,908	(19.6)	2,373	(28.1)	3,299	332.9	762	44.0	529	(11.8)	600	201.3
Finance costs	(160)	(44.4)	(288)	(41.3)	(491)	46.5	(335)	88.4	(178)	3.4	(172)	(32.4)
Profit before taxation from continuing operations	1,748	(16.1)	2,085	(25.7)	2,808	558.1	427	21.5	351	(17.9)	428	868.5
Taxation (charge) / reversal	(593)	(5.0)	(565)	38.6	(920)	(1,514.2)	(57)	(209.6)	52	169.3	(75)	(174.3)
Net profit for the year from continuing operations	1,155	(24.0)	1,520	(19.5)	1,888	410.7	370	(8.3)	403	14.3	353	677.9
Net profit / (loss) from discontinued operations	136	177.3	(177)	36.9	(281)	(45.0)	(193)	(437.6)	(36)	(8,078.1)	-	100
Net profit for the year	1,291	(3.8)	1,343	(16.4)	1,607	810.6	177	(51.9)	367	4.2	353	2,037.6

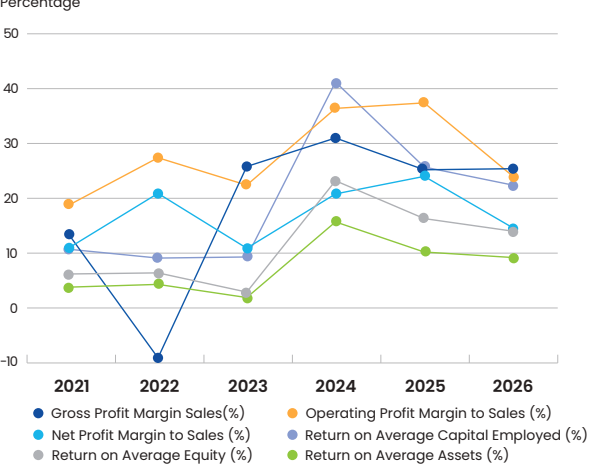
SUMMARY DATA AND
PERFORMANCE INDICATORS

For the Current and Past Six Financial Years

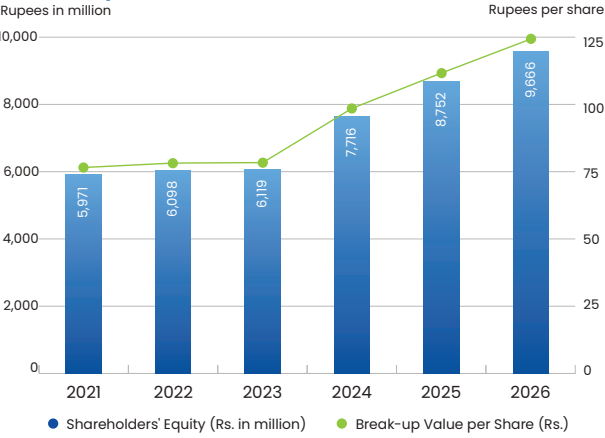
Performance Indicators	2026	2025	2024	2023	2022	2021	2020
A - Profitability Ratios							
Earnings before interest, taxation, depreciation and amortization (EBITDA) (Rs. in million)	2,426.1	2,468.5	3,289.9	824.6	768.6	855.9	416.8
Profit before taxation and depreciation (Rs. in million)	2,265.3	2,180.1	2,791.1	462.1	520.3	643.6	107.6
Gross profit / (loss) ratio (%)	25.4	25.2	31.0	25.8	(9.1)	13.3	0.9
Operating profit margin to sales (net) (%)	24.0	37.4	36.4	22.4	27.4	18.8	13.2
Net profit margin to sales (net) (%)	14.6	24.0	20.8	10.9	20.9	11.0	3.0
EBITDA margin to sales (net) (%)	30.2	38.5	36.1	18.3	10.8	11.8	10.9
Earnings before interest and taxation (EBIT) (Rs. in million)	2,120.5	2,196.7	3,024.0	593.5	561.5	638.3	190.4
Operating leverage ratio	(0.1)	0.9	4.0	(0.2)	5.2	2.6	4.9
Return on equity (%)	13.4	15.4	20.8	2.9	6.0	5.9	(0.3)
Return on average equity (%)	14.0	16.3	23.2	2.9	6.4	6.2	(0.3)
Shareholders' funds (%)	79.8	55.0	73.5	61.5	72.2	68.6	56.4
Return on shareholders' funds (%)	13.4	15.4	20.8	2.9	6.0	5.9	(0.3)
Return on capital employed (RoCE) (%)	21.4	24.3	37.4	9.0	9.0	10.3	3.3
Return on average capital employed (%)	22.4	25.7	41.2	9.3	9.1	10.7	3.3
Return on average assets (%)	9.2	10.2	15.7	1.9	4.3	3.8	(0.2)
Return on investment (%)	14.2	39.6	32.3	6.6	32.1	9.1	16.1
Total Shareholders' Return (%)	3.4	128.0	176.8	(48.4)	(50.3)	84.4	20.4
B - Liquidity Ratios							
Current ratio	3.6:1	1.6:1	2:1	1.3:1	1.4:1	1.4:1	11:1
Quick / Acid-test ratio	2.8:1	1.1:1	1.4:1	0.9:1	0.8:1	1:1	0.6:1
Cash to current liabilities (%)	(6.6)	(7.6)	17.2	(14.2)	(15.5)	(26.1)	(14.2)
Cash flow from operations to sales (%)	40.1	(25.2)	7.2	(8.1)	1.2	14.3	(36.3)
Working capital - Net current assets (Rs. in million)	4,826.3	3,944.1	2,406.9	865.2	816.8	1,134.3	447.0
Working capital turnover (times)	1.8	2.0	5.6	5.4	7.3	9.2	8.3
Cash flow to Capital Expenditure (times)	3.7	(1.2)	5.2	0.1	1.5	18.7	(107.5)
Cashflow coverage ratio (times)	13.1	(0.4)	1.0	0.0	0.2	1.0	(0.4)
C - Activity / Turnover Ratios							
Debtors turnover ratio (times)	5.9	4.1	9.4	14.1	45.4	40.0	23.7
No. of days in receivables / Average collection period (days)	61	89	39	26	8	9	15
Inventory turnover ratio (times)	2.7	2.2	4.8	3.0	5.9	4.0	2.6
No. of days in inventory (days)	133	164	77	120	62	91	143
Creditors turnover ratio (times)	13.2	14.9	45.8	13.1	23.7	43.4	7.6
No. of days in creditors / Average payment period (days)	28	25	8	28	15	8	48
Property, plant and equipment turnover (times)	2.9	2.9	3.8	1.8	3.4	3.8	1.8
Total assets turnover (times)	0.7	0.4	0.9	0.5	0.8	0.8	0.4
Operating cycle (days)	167	229	107	118	55	92	110
D - Investment / Market Ratios							
Basic and diluted earnings / (loss) per share (Rs.)	16.63	17.30	20.69	2.28	4.72	4.53	(0.22)
Price earnings ratio (times)	6.9	6.7	2.6	9.4	8.8	18.5	-
Price to book ratio (times)	0.9	1.0	0.5	0.3	0.5	1.1	0.6
Dividend yield (%) *	4.8	6.5	10.2	-	-	-	-
Dividend payout ratio (%) *	33.1	43.4	26.6	-	-	-	-
Dividend cover ratio (times) *	3.0	2.3	3.8	-	-	-	-
Cash dividend (Rs. in million) *	427.0	582.1	427.0	-	-	-	-
Cash dividend per share (Rs.) *	5.5	7.5	5.5	-	-	-	-
Market value per share (at the end of the year) (Rs.)	114.1	115.6	54.0	21.5	41.7	83.9	45.5
- Lowest during the year (Rs.)	79.5	51.6	23.1	21.5	34.0	45.8	27.8
- Highest during the year (Rs.)	138.5	136.3	77.9	46.3	93.3	96.4	58.7
Break-up value per share (Rs.)	124.6	112.8	99.4	78.9	78.6	76.9	70.2
Break-up value per share including RP investment at MV (Rs.)	170.8	141.1	137.0	110.2	109.1	119.6	111.2
E - Capital Structure Ratios							
Financial leverage ratio (%)	7.1	28.3	17.0	33.7	17.4	32.0	55.6
Long term debt to equity ratio (%) - Book value	2.3	3.3	4.8	8.0	1.9	3.4	4.7
Long term debt to equity ratio (%) - Market value	2.5	3.2	8.8	29.2	3.6	3.1	7.2
Weighted average cost of debt (%)	6.2	9.3	21.5	16.9	12.1	6.2	8.9
Long term debt : Equity ratio	2:98	3:97	5:95	7:93	2:98	3:97	4:96
Total liabilities to total assets (%)	19.2	45.0	26.5	38.4	27.8	31.4	43.5
Gearing ratio (%)	4.1	21.5	11.6	24.9	14.8	24.2	35.5
Interest coverage (times)	13.2	7.6	6.1	1.6	2.3	3.0	0.6
Net assets per share (Rs.)	124.6	112.8	99.4	78.9	78.6	76.9	70.2
F - Non-Financial Ratio							
Plant availability (%)	-	-	-	-	-	-	-
- Steel Division	30.3	61.8	89.2	95.0	47.7	96.3	88.3
- Energy Division	-	-	-	-	106.5	100.5	90.8
Customer Satisfaction index (%)	92.9	95.0	92.5	93.2	95.7	94.0	92.3
Production per employee	-	-	-	-	-	-	-
- Steel Division (in tons per employee)	83.9	168.1	227.8	144.4	46.0	82.8	41.9
Revenue per employee (Rs. in million)	20.1	15.7	21.0	5.8	9.5	4.9	5.4
No. of employees	401.0	406.0	431.0	778.0	755.0	789.0	481.0
Staff turnover ratio (%)	31.7	41.7	23.0	209.7	112.8	89.9	90.1
Spares inventory as percentage of assets cost (%)	4.1	2.4	3.9	3.4	1.9	1.8	1.8
Maintenance cost as percentage of operating expenses (%)	68.6	54.4	41.9	62.2	40.6	136.1	33.7

Notes:
* This includes declaration of final cash dividend recommended by the Board of Directors subsequent to year

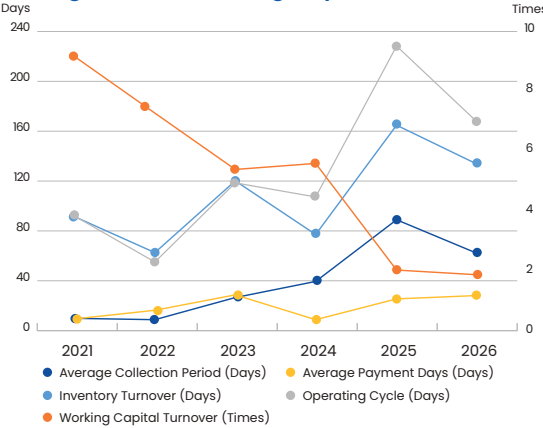
Profitability and Return



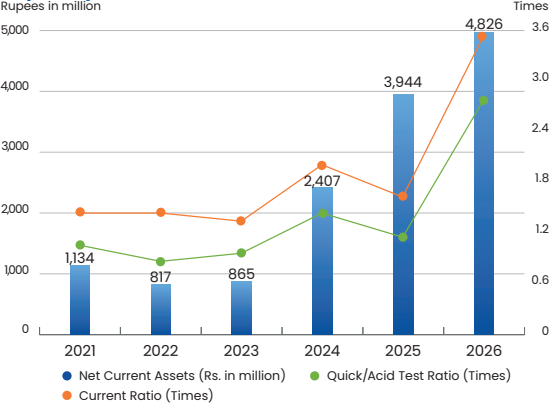
Shareholders' Equity and Break-up Value Per Share



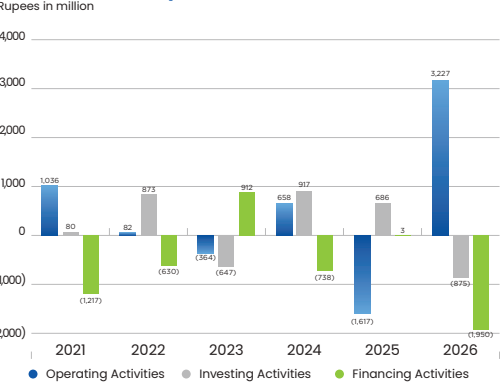
Management of Working Capital



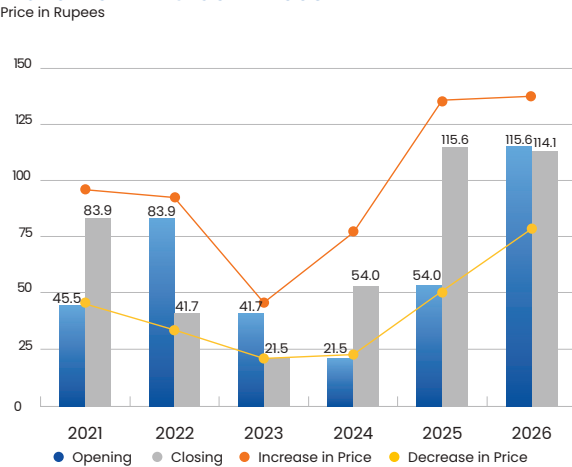
Liquidity



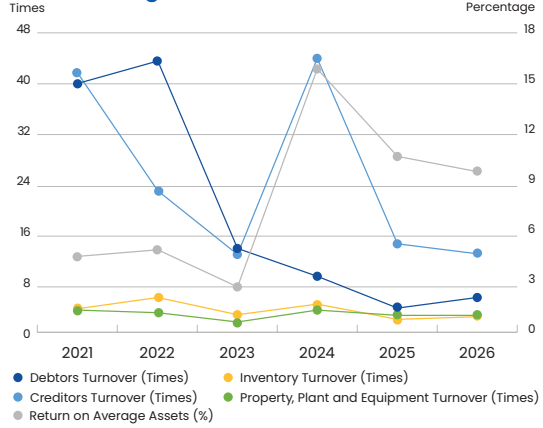
Cash Flow Analysis



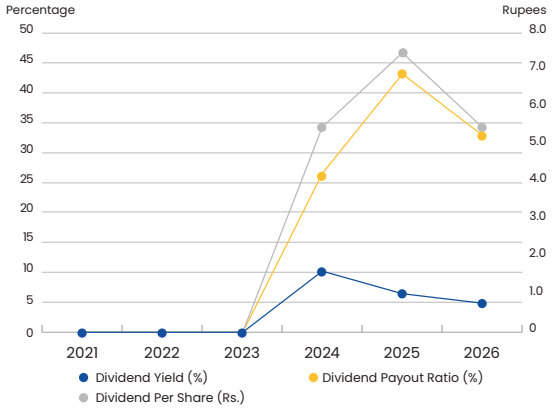
Movement in Stock Prices



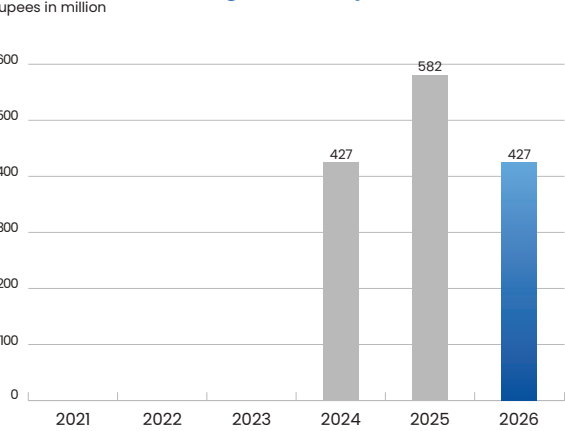
Asset Management



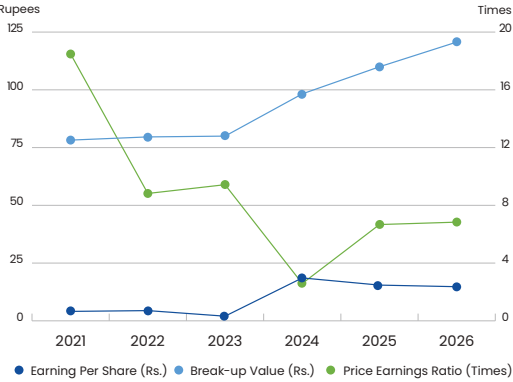
Dividend and Returns



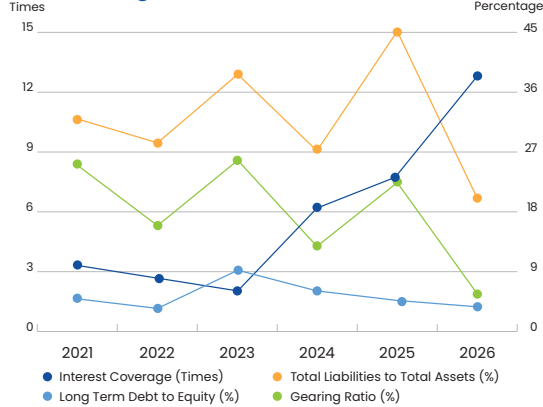
Dividend (Including Final Proposed)



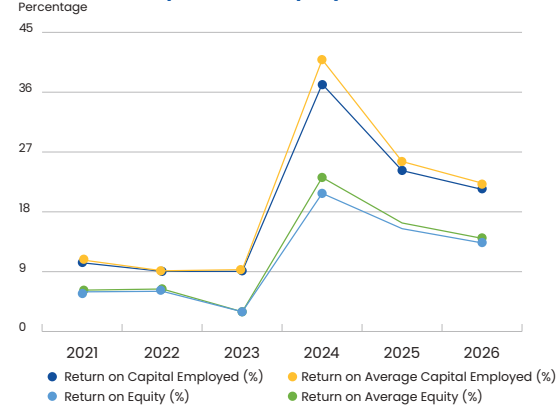
Per Share Result



Debt Management



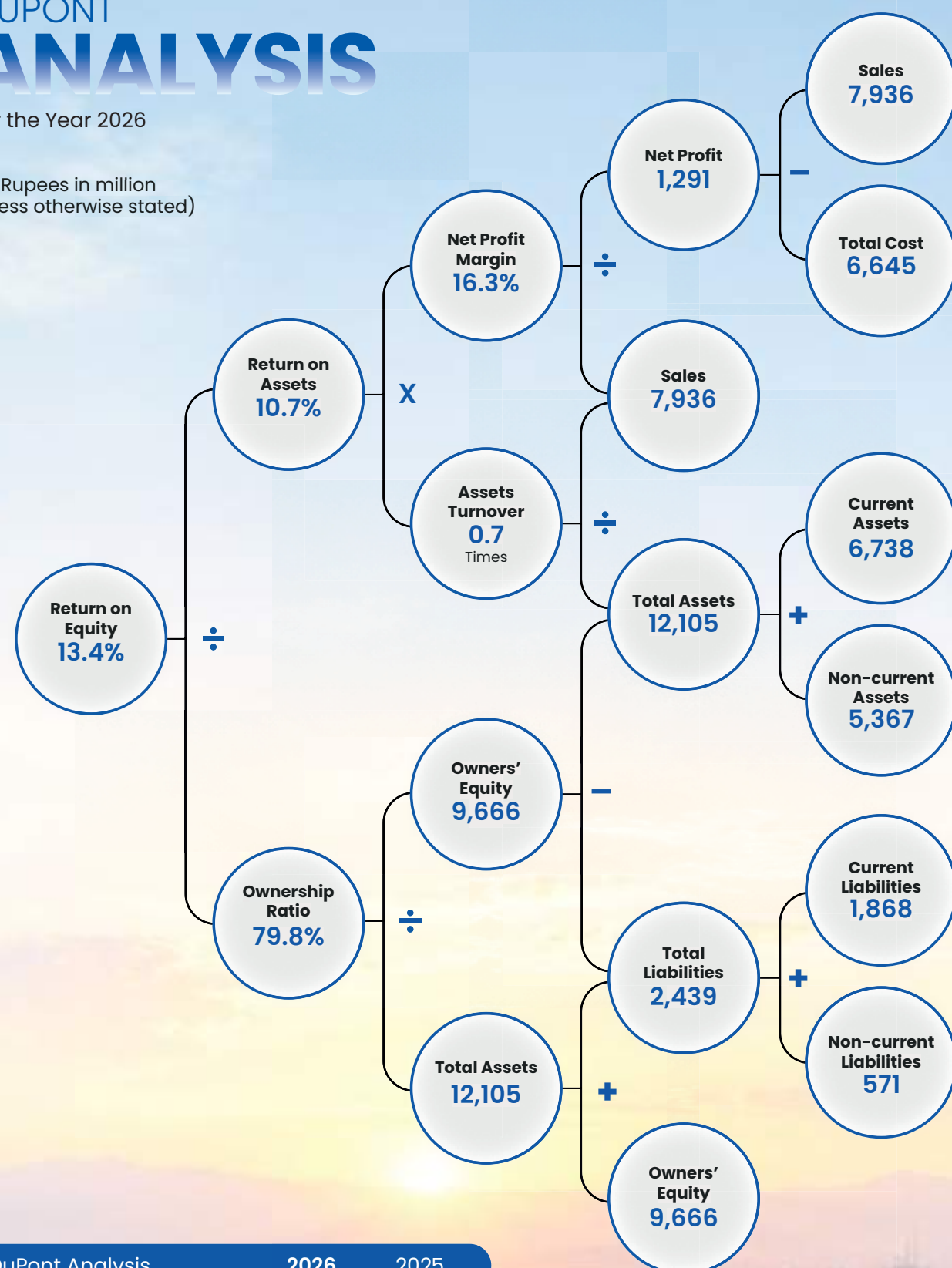
Return on Capital and Equity



DUPONT ANALYSIS

For the Year 2026

Rupees in million
(unless otherwise stated)



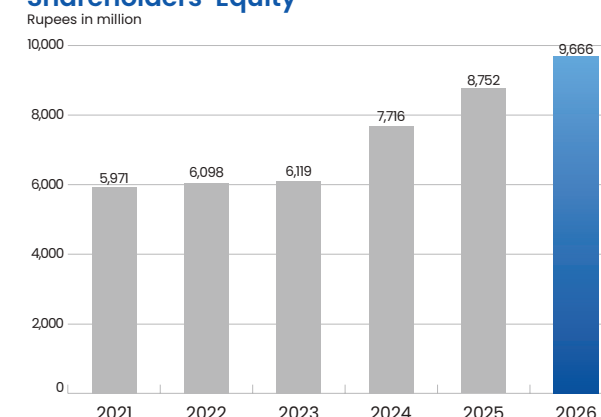
DuPont Analysis	2026	2025
Tax burden	(33.9%)	(27.1%)
Interest burden	8.4%	12.1%
EBIT margin	24.0%	37.4%
Assets turnover (times)	0.7	0.4
Leverage	7.1%	28.3%
Return on equity	13.4%	15.4%

COMMENTS ON SIX-YEAR STATEMENT OF FINANCIAL POSITION

Shareholders' Equity

Over the past six years, the company's equity has grown from Rs. 5,971 million in FY21 to Rs. 9,666 million in FY26. This consistent increase is attributed to the company's sustained profitability, highlighting a positive trend in equity growth.

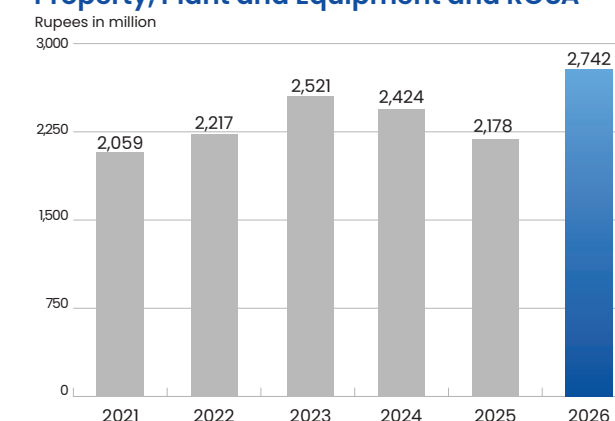
Shareholders' Equity



Property, Plant and Equipment and ROUA

The book value of property, plant and equipment (PPE) increased from Rs. 2,059 million in FY21 to Rs. 2,217 million in FY22 and Rs. 2,521 million in FY23. due to capitalization of plant amounting to Rs. 240 million in FY22 and Rs. 210 million in FY23. Thereafter, PPE declined to Rs. 2,178 million in FY25, primarily due to the discontinuation of the Hadeed (Billet) segments and the reclassification of related assets amounting to Rs. 414 and Rs. 61 million as "held for sale" and "investment properties" respectively. In FY26, PPE increased significantly to Rs. 2,742 million, mainly driven by the acquisition of a plant and other related assets amounting to Rs. 727 million.

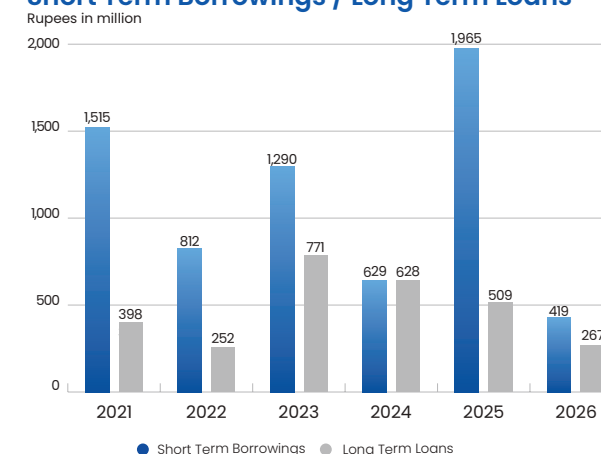
Property, Plant and Equipment and ROUA



Short Term Borrowings / Long Term Loans

Short term borrowings declined from Rs. 1,515 million in FY21 to a low of Rs. 629 million in FY24, reflecting less reliance on short-term financing. However, short term borrowings increased to Rs. 1,965 million in FY25 in order to finance the raw material and subsequently reduced to Rs. 419 million in FY26. Meanwhile Long-term loans increased from Rs. 398 million in FY21 to a peak of Rs. 771 million in FY23, mainly due to the issuance of a 3-year Sukuk. Thereafter, long term loans declined to Rs. 267 million in FY26, reflecting the repayment of long-term debt obligations.

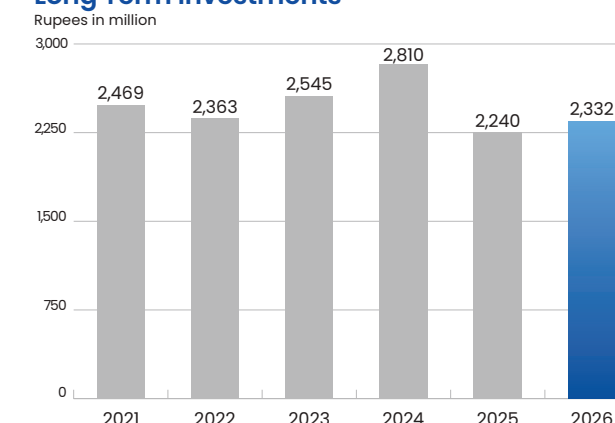
Short Term Borrowings / Long Term Loans



Long Term Investments

Long-term investments varied during FY21-FY26, declining from Rs. 2,469 million in FY21 to Rs. 2,332 million in FY26. The highest investment was reported in FY24 amounting to Rs. 2,810 million subsequently decreased to Rs. 2,240 million in FY25 due to the disposal of investment in Altern Energy Limited. In FY26, long-term investments slightly increased to Rs. 2,332 million due to increase in fair value of the investments, compensated by impairment of investment in subsidiary.

Long Term Investments

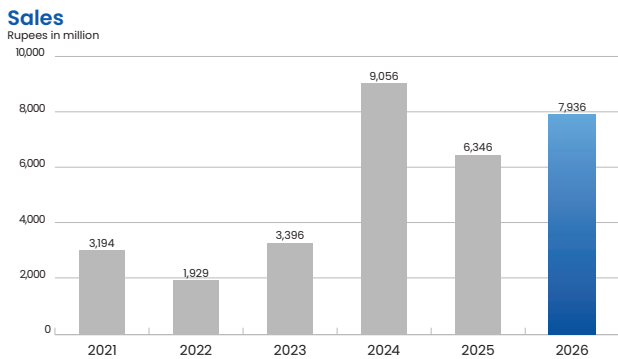


COMMENTS ON SIX-YEAR STATEMENT OF PROFIT OR LOSS

The Company has three core businesses i.e., Steel line pipe (Steel division), Infrastructure and Investment (IID division) and CS Energy division. Infrastructure and development projects of oil, water and gas industry directly impact the top and bottom lines of Steel segment. During FY25 and FY26, the Company classified Hadeed (Billet) division and Cotton division respectively as “discontinued operation”. In recent years, the Steel division and IID division remained the main contributors to the income of the Company, while the Energy division has remained non-operational.

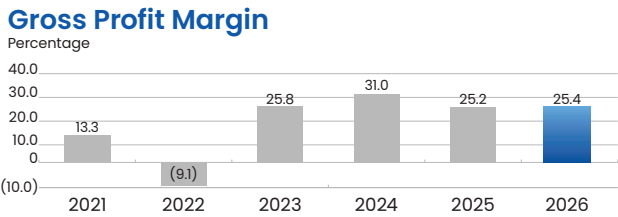
Sales

Sales increased by approximately 19.9% over the six-year period, rising from Rs. 3,194 million in FY21 to Rs. 7,936 million in FY26. The highest sales were recorded in FY24 at Rs. 9,056 million, mainly due to the K-IV project. The lowest sales were recorded in FY22 amounting to Rs. 1,929 million due to lower orders intake, followed by second lowest in FY23, amounting to Rs. 3,396. In FY26, Sales stood at Rs. 7,936 million compared to Rs. 6,346 million in FY25. Overall, sales remained volatile due to fluctuations in order intake and project execution.



Gross Profit

Gross profit improved significantly by 29.6% over the six-year period, increasing from Rs. 497 million in FY21 to Rs. 2,014 million in FY26. The highest gross profit of Rs. 2,697 million was recorded in FY24, mainly due to strong project execution followed by performance in FY26. In FY22, the Company recorded the gross loss of Rs. 175 million, reflecting the higher steel prices, supply chain disruptions, and plant idling. Overall, gross profitability recovered strongly after FY22. This indicates the Company was broadly successful in maintaining its pricing strategy and managing production cost, despite challenging market conditions.



Operating Expense

Distribution and selling expenses amounted to Rs. 27 million in FY26, compared to Rs. 11 million in FY21 due to inflationary pressures. The highest expense was recorded in FY23, amounting to Rs. 61 million.

Administrative expenses rose significantly from Rs. 195 million in FY21 to Rs. 673 million in FY26, reflecting increased operational activities, CSR initiatives and inflationary pressures. The expenses increased consistently throughout the period.

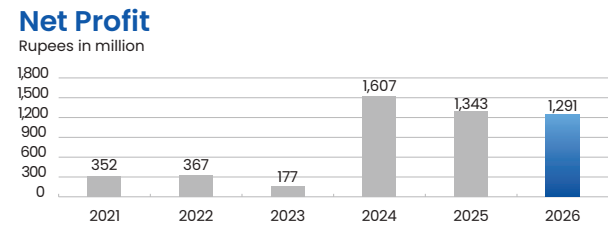
Other operating expenses increased significantly from Rs. 7 million in FY21 to Rs. 195 million in FY26. The highest expense was recorded in FY24 at Rs. 225 million, primarily driven by higher provisions for Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF). These provisions are directly correlated with the company's profitability, which saw a notable rise during the period.

Finance Cost

Finance costs increased from Rs. 172 million in FY21 to a peak of Rs. 492 million in FY24, reflecting the higher financing demand driven by elevated operating activities and increased financing costs. However, finance costs declined to Rs. 288 million in FY25 and further to Rs. 160 million in FY26 as interest rates eased. Overall, the trend indicates increasing financial pressure up to FY24, followed by a significant reduction in borrowing costs in FY25 and FY26.

Net Profit

Fluctuations in net profit over the six-year period were largely influenced by changing market dynamics and the performance of various business segments. Despite these variations, the Company remained profitable throughout the period. Net profit increased from Rs. 352 million in FY21 to Rs. 1,291 million in FY26, with the highest profit of Rs. 1,607 million recorded in FY24, supported by strong business and project activity. Net profit declined significantly to Rs. 177 million in FY23 before recovering in FY24 and FY25. In FY26, profitability remained strong amounting to Rs. 1,291 million despite the classification of Cotton and Hadeed operations as discontinued operations in FY26 and FY25, respectively, reflected the Company's ability to sustain strong earnings from its core business segments.



Cash Flows

Net cash generated from operating activities improved significantly to Rs. 3,227 million in FY26 from Rs. 1,036 million in FY21, reflecting stronger operating performance and effective working capital management. The highest operating cash inflow was recorded in FY26, primarily driven by cash generated from operations of Rs. 3,787 million, supported by a reduction in trade receivables and stock-in-trade balances. FY25 reported a significant cash outflow of Rs. 1,617 million, mainly attributable to increased working capital requirements.

Net cash from investing activities moved from a cash inflow of Rs. 80 million in FY21 to a cash outflow of Rs. 875 million in FY26, due to significant increase in capital expenditure. The highest cash inflow from investing activities was recorded in FY24 at Rs. 917 million, contributed by dividend income received from Altern Energy Limited amounting to Rs. 796 million, whereas the largest cash outflow occurred in FY23 amounting to Rs. 647 million, mainly due to investments and capital expenditure of Hydrotester.

Net cash from financing activities shifted to Rs. 1,950 million in FY26 compared to a net cash outflow of Rs. 1,217 million in FY21 over the period of six years. The highest cash inflow from financing activities was recorded in FY23 at Rs. 912 million, mainly due to proceeds from long-term and short-term borrowings. In FY26, the substantial outflow was primarily attributable to repayments of short-term borrowings amounting to Rs. 1,342 million, together with repayments of long-term loans and lease obligations.

Overall, the Company's cash flow position strengthened considerably in FY26, as strong operating cash generation of Rs. 3,227 million more than offset the cash outflows from investing and financing activities. Consequently, the Company recorded a net increase in cash and cash equivalents of Rs. 401 million in FY26, although closing cash remained negative at Rs. 124 million due to the opening deficit.

RATIO ANALYSIS

Profitability Ratios

During FY26, the Company maintained strong profitability. Gross profit margin improved slightly to 25.4% from 25.2% in FY25, demonstrating company's ability to sustain margins despite challenging market conditions through effective pricing and cost management strategies. Operating profit margin to sales decreased to 24.0% in FY26 from 37.4% in FY25, while the net profit margin to sales decreased to 14.6% in FY26 from 24.0% in FY25. The decline in profitability ratios during FY26 largely reflects the absence of one-off gains recorded in FY25, comprising dividend income received from ALTN amounting to Rs. 734.4 million and a realized gain of Rs. 378.6 million from the disposal of ALTN shares. Excluding these gains, the Company's underlying profitability remained strong in FY26 as compared to prior year ratios.

The company reported an EBITDA of Rs. 2,426.1 million (FY25: Rs. 2,468.5 million) and profit before taxation and depreciation of Rs. 2,265.3 million (FY25: Rs. 2,180.1 million), reflecting stable operational performance. The EBITDA margin to sales decreased to 32.2% from 38.5% in FY25.

Total shareholders' return declined to 3.4% in FY26 from 128.0% in FY25. The exceptionally high return in FY25 was primarily driven by a significant increase in the Company's share price, whereas the share price remained largely stable in FY26, declining marginally to Rs. 114.1 from Rs. 115.6 in FY25. Additionally, the dividend payout decreased to Rs. 5.5 per share in FY26 from Rs. 7.5 per share in FY25, further reducing total shareholder return. ROCE also moderated to 21.4% from 24.3% in FY25, as the Company has retained its earnings in order to generate more returns in future.

Liquidity Ratios

During FY26, the current ratio increased to 3.6 from 1.6 in FY25, while the quick ratio improved to 2.8 from 1.1, primarily due to a reduction in current liabilities following the repayment of short-term borrowings. The cash flow coverage ratio improved significantly to 13.1 in FY26 from (0.4) in FY25, due to higher operating cash flows resulting from favorable changes in working capital during the year. The cash flow from operations to sales ratio improved significantly to 40.1% in FY26 from (25.2%) in FY25, reflecting a stronger conversion of sales into cash during the year.

Activity / Turnover Ratios

Inventory turnover days decreased to 133 (FY25: 164 days) as a significant portion of raw materials had been procured in the previous year for FY26 production requirements. The debtor turnover days reduced to 61 (FY25: 89 days) due to improved recovery of receivables. Creditors' turnover reached 28 days from 25 days, indicating favorable and strong relationship with suppliers, while total asset turnover remained steady at 0.7 times (FY25: 0.4), ensuring consistent asset utilization.

Investment / Market Ratios

Earnings per share (EPS) remained strong at Rs. 16.63 (FY25: Rs. 17.30) and price-to-earnings (P/E) ratio reached 6.9 times (FY25: 6.7 times), reflecting improved investor sentiment. The market value per share closed at Rs. 114.1 (FY25: Rs. 115.6), while the dividend payout ratio was recorded at 33.1% (FY25: 43.4%), indicating a balanced approach to shareholder returns.

Capital Structure Ratios

The financial leverage ratio decreased to 7.1% (FY25: 28.3%) majorly due to decrease in short-term financing, while long term debt-to-equity declined to 2.3% (FY25: 3.3%) reflecting robust management over the repayments of long-term borrowings. The interest coverage ratio improved to 13.2 times (FY25: 7.6 times), primarily due to a reduction in finance costs to Rs. 160.3 million in FY26 from Rs. 288.3 million in FY25.

Non-Financial Ratios

The non-financial indicators showed mixed performance, customer satisfaction index remained strong at 92.9% compared to 95% in FY25, indicating continued customer confidence in the Company's products and services. Revenue per employee increased to Rs. 20.1 million in FY26 from Rs. 15.7 million in FY25, while the workforce reduced to 401 employees from 406 employees in FY25. Staff turnover improved to 31.7%, compared to 41.7% in FY25, indicating better employee retention during the year.

QUARTERLY ANALYSIS

Sales Performance

Quarterly Sales Breakdown

Q1FY26:

Sales were reported at Rs. 1,280.8 million, majorly driven by the Steel division. The division supplied 18.0 km of coated pipes and 89 km of coating only, amounting to Rs. 746.9 million to Gas sector and 7.2 km pipe amounting to 461.0 million delivered for the water pipeline projects.

Q2FY26:

Second quarter saw a significant increase in the Company's sales, which was solely contributed by the Steel division amounting to Rs. 2,431.5 million. This included 26.7 km of coated pipes supplied for a water pipeline project, contributing Rs. 2,041.4 million in sales.

Q3FY26:

The quarterly sales were recorded at Rs. 1,622.9 million. The Steel Division remained the key contributor, supplying 10.9 km of coated pipes and 2.8 km of coating-only pipes to the Water sector, along with 40.3 km of bare pipes to the Gas sector, generating sales of Rs. 842.3 million and Rs. 641.8 million, respectively.

Q4FY26:

The highest sales were recorded in Q4 amounting to Rs. 2,707.3 million, with the Steel division remaining dominant at Rs. 2,617.7 million. The division supplied 101.8 km of bare pipes of various diameters to a major client in the Gas sector, contributing sales of Rs. 2,493.7 million.

Income from Investments

During FY26, investment income amounted to Rs. 644.3 million, primarily driven by unrealized gain amounting to Rs. 451.2 million. The highest investment income was recorded in Q1FY26, amounting to Rs. 378.0 million, mainly contributed by unrealized gain amounting to Rs. 334.3 million. This was followed by Q2FY26, with investment income of Rs. 93.9 million, supported by dividend income of Rs. 53.7 million.

However, Q3FY26 recorded a loss on investments of Rs. 176.4 million, primarily due to an unrealized loss of Rs. 227.3 million, as heightened uncertainty in global markets adversely affected equity market performance. In contrast, Q4FY26 recorded the second highest quarterly investment income of Rs. 348.8 million, as market conditions improved and the losses incurred in Q3FY26 were largely recovered.

Profit Before Taxation (PBT)

The Company reported PBT of Rs. 1,747.9 million from continuing operations in FY26.

During Q1FY26, Steel division contributed 83.2% of total PBT from continuing operations, amounting to Rs. 240.0 million, while IID division contributed 22.5% and Energy division recorded a loss of Rs. 16.6 million.

In Q2FY26, IID division led with 56.7%, posting Rs. 380.1 million on the quarter's PBT, followed by the Steel division with Rs. 305.2 million, representing 45.5% of the quarter's PBT from continuing operations. Q3FY26 recorded the quarterly LBT of Rs. 54.4 million, primarily due to a loss of Rs. 188.6 million reported by IID and reduce in sales of Steel division.

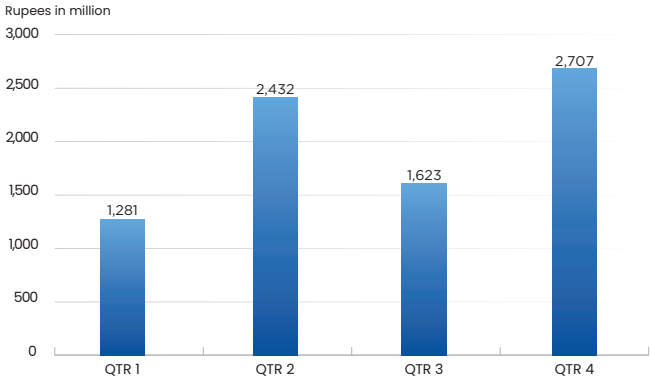
Q4FY26 recorded the highest quarterly PBT of Rs. 842.2 million from continuing operations, due to the highest quarterly sales of Steel division contributing Rs. 572.0 million (63.6%), and IID contributing 31.7% of the total profit before tax reflected the strong recovery from the loss recorded in Q3FY26.

The Company's discontinued operations contributed Rs. 212.2 million to PBT in FY26, comprising PBT of Rs. 215.4 million from the Hadeed (Billet) division and a LBT of Rs. 3.2 million from the Cotton division. The Hadeed (Billet) division recorded its highest quarterly PBT of Rs. 368.4 million in Q1FY26, generated from gain on disposal of assets held for sale, while the Cotton Division achieved its highest quarterly PBT of Rs. 31.2 million in Q3FY26.

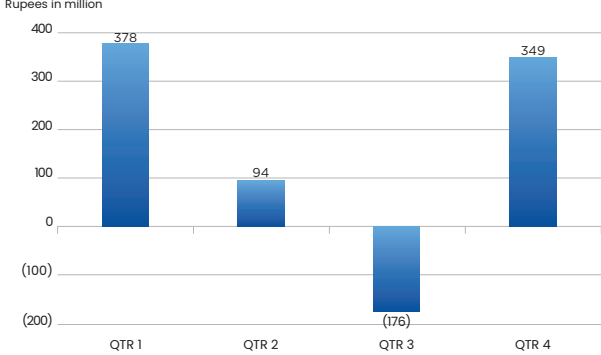
Profit After Taxation (PAT)

The Company's Profit After Tax (PAT) for FY26 stood at Rs. 1,291.4 million. Quarterly analysis indicated strong performance in the first and fourth quarters, with Rs. 430.9 million and Rs. 594.3 million respectively. However, Q3FY26 recorded the lowest PAT of Rs. 17.3 million due to loss on investments amounting to Rs. 176.4 million, resulting from adverse market conditions.

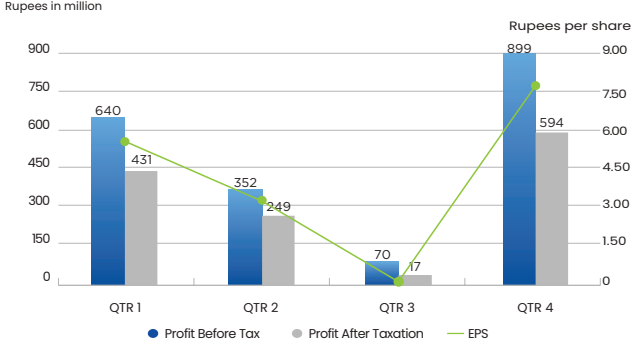
Sales



Income / (Loss) from Investments



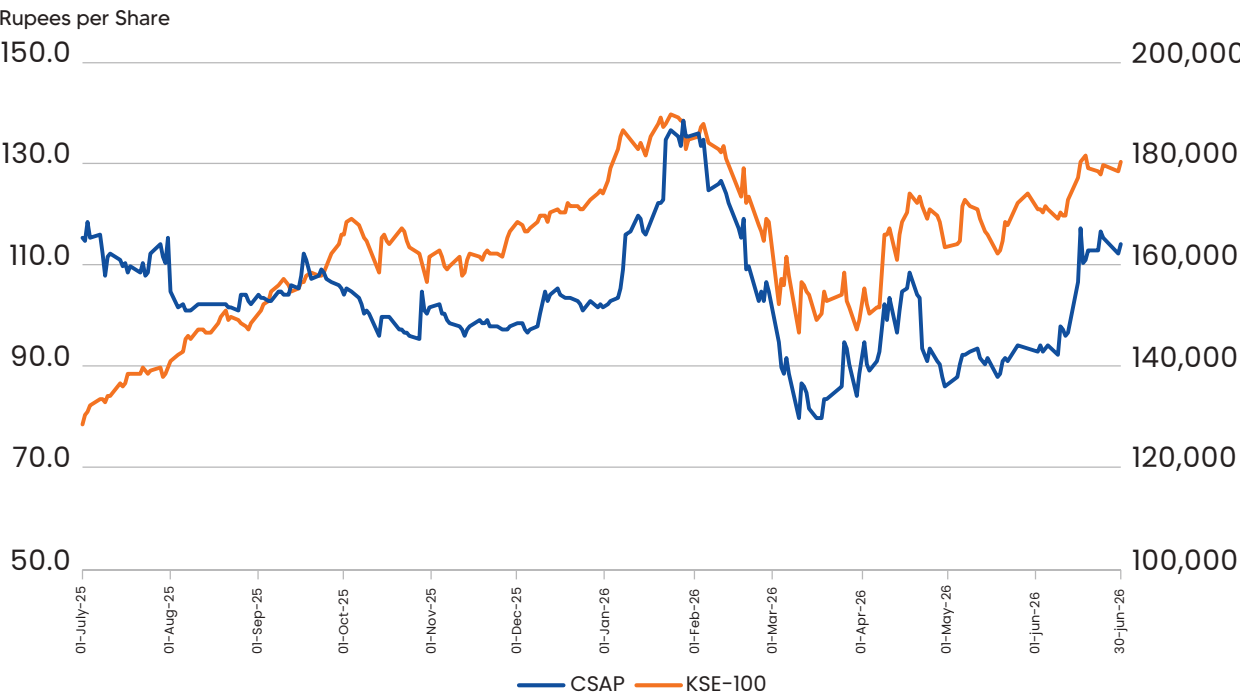
Profit Before Tax, Profit After Tax and EPS



SHARE PRICE SENSITIVITY ANALYSIS

CSAP opened FY26 at Rs. 115.6 and closed at Rs. 114.1, resulting in a marginal negative return of 1.3%. The stock traded within a wide range of Rs. 78.2 to Rs. 143.5, reflecting market volatility during the year. Average daily trading volume declined to 0.7 million shares from 1.8 million shares in FY25, indicating relatively lower investor participation. Despite the subdued share price performance, the Company delivered strong financial results with EPS of Rs. 16.6, supported by resilient profitability and cash flow generation. While Pakistan's equity market remained buoyant, with the KSE-100 Index posting a return of 43.5%, CSAP's share price performance was impacted by geopolitical uncertainties and a challenging external environment during the year.

CSAP vs KSE-100



CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026





INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Crescent Steel and Allied Products Limited
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Crescent Steel and Allied Products Limited (the Company) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: October 05, 2026

UDIN: CR2026100564f9hGLRSW

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■ KARACHI ■ LAHORE ■ ISLAMABAD



INDEPENDENT AUDITOR'S REPORT

To the members of Crescent Steel and Allied Products Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Crescent Steel and Allied Products Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2026, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026, and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

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 Unconsolidated Financial Statements section of our report. We are independent of the Company 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated 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 Company's Long-Term Investments (Refer notes 4, 6.4, 19.3 and 46.1 to the unconsolidated financial statements) The 'other long-term investments' include Company's investments in shares of Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs 314.565 million and Rs 433.336 million respectively as at June 30, 2026. 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 Company 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.	Our audit procedures, amongst others, included the following: • Obtained understanding of the management's process of valuation; • 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 unconsolidated financial statements are in accordance with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated 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 unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 Company’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 Company’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 unconsolidated 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

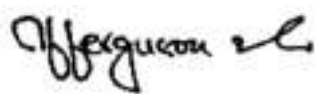
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company’s business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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: AR2026100565gPfIRiGX

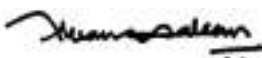
UNCONSOLIDATED STATEMENT OF
FINANCIAL POSITION

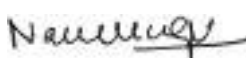
As at June 30, 2026

	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 reserve	8	1,020,908	1,020,908
Revenue reserves	8	7,868,759	6,954,534
		9,665,992	8,751,767
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		2,227	2,763
Deferred taxation - net	21	228,618	-
		570,777	292,833
Current liabilities			
Trade and other payables	12	1,281,565	4,551,503
Unclaimed dividend		116,124	111,697
Mark-up accrued	13	8,408	27,284
Short term borrowings	14	418,665	1,964,959
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
		1,868,650	6,875,176
Total liabilities		2,439,427	7,168,009
Contingencies and commitments	15		
Total equity and liabilities		12,105,419	15,919,776

	Note	2026	2025
----- Rupees in '000 -----			
ASSETS			
Non-current assets			
Property, plant and equipment	16	2,620,959	1,999,071
Right-of-use assets	16	121,132	178,578
Intangible assets	17	1,870	-
Investment properties	18	231,915	112,804
Long term investments	19	2,332,127	2,239,541
Long term deposits	20	59,372	70,798
Deferred taxation - net	21	-	85,265
		5,367,375	4,686,057
Current assets			
Stores, spares and loose tools	22	494,159	384,837
Stock-in-trade	23	1,466,371	2,983,801
Trade debts	24	1,065,691	1,641,032
Loans and advances	25	52,800	310,898
Trade deposits and short term prepayments	26	21,884	19,166
Short term investments	27	2,422,238	1,537,401
Other receivables	28	538,674	3,461,381
Taxation - net	29	361,328	406,233
Cash and bank balances	30	271,888	74,586
		6,695,033	10,819,335
Non-current assets held for sale	31	43,011	414,384
Total current assets		6,738,044	11,233,719
Total assets		12,105,419	15,919,776

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.


Chief Executive


Director

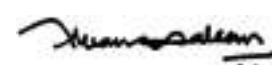

Chief Financial Officer

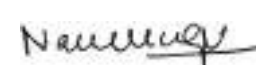
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2026

	Note	2026 ----- Rupees in '000 -----	2025
Sales	32	9,354,977	7,459,284
Less: sales tax		1,418,792	1,113,006
		7,936,185	6,346,278
Cost of sales	33	5,922,161	4,748,836
Gross profit		2,014,024	1,597,442
Income from investments - net	34	644,346	1,461,678
		2,658,370	3,059,120
Distribution and selling expenses	35	26,451	30,815
Administrative expenses	36	673,092	638,940
Other operating expenses	37	194,563	74,930
		894,106	744,685
		1,764,264	2,314,435
Other income	38	143,993	58,826
Operating profit before finance costs		1,908,257	2,373,261
Finance costs	39	160,348	288,329
Profit before taxation from continuing operations		1,747,909	2,084,932
Taxation charge	40	(592,953)	(564,943)
Net profit for the year from continuing operations		1,154,956	1,519,989
Net profit / (loss) from discontinued operations	44.2	136,455	(176,710)
Net profit for the year		1,291,411	1,343,279
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) - net of tax		23,535	5,371
(Loss) / gain on remeasurement of staff retirement benefit plans - net of tax		(51,375)	346,945
Other comprehensive (loss) / income for the year		(27,840)	352,316
Total comprehensive income for the year		1,263,571	1,695,595
(Rupees)			
Basic and diluted earnings per share	41	16.63	17.30
Basic and diluted - earnings per share from continuing operations	41	14.88	19.58

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.


Chief Executive


Director

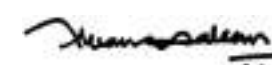

Chief Financial Officer

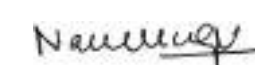
UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

	Note	2026 ----- Rupees in '000 -----	2025
Cash flows from operating activities			
Cash generated from / (used in) operations	42	3,786,599	(701,320)
Tax paid		(310,961)	(509,472)
Finance costs paid		(158,241)	(285,321)
Contribution to gratuity and pension funds	45.1.3	(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		3,226,818	(1,616,879)
Cash flows from investing activities			
Capital expenditure		(1,013,757)	(581,405)
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		(434,923)	176,824
Dividend income received		122,083	802,580
Interest income received		18,296	23,991
Net cash (used in) / generated from investing activities		(875,280)	685,686
Cash flows from financing activities			
Repayments of long term loans - net		(181,755)	(120,191)
Payments against finance lease obligations		(81,268)	(88,329)
(Repayments of) / proceeds from short term loans - net		(1,342,234)	785,571
Dividends paid		(344,919)	(574,368)
Net cash (used in) / generated from financing activities	42.1	(1,950,176)	2,683
Net increase / (decrease) in cash and cash equivalents		401,362	(928,510)
Cash and cash equivalents at beginning of the year		(525,531)	402,979
Cash and cash equivalents at end of the year	43	(124,169)	(525,531)

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.


Chief Executive


Director

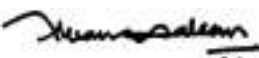

Chief Financial Officer

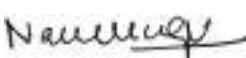
UNCONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the year ended June 30, 2026

	Issued, subscribed and paid- up capital	Capital reserve (Note 8.1)	Revenue reserves (Note 8.2)			Total revenue reserves	Total
	Share premium	Fair value reserve	General reserve	Unappropriated Profit			
----- (Rupees in '000) -----							
Balance as at July 01, 2024	776,325	1,020,908	1,837	3,642,000	2,274,979	5,918,816	7,716,049
Total comprehensive income for the year ended June 30, 2025							
Profit for the year	-	-	-	-	1,343,279	1,343,279	1,343,279
Other comprehensive income for the year	-	-	5,371	-	346,945	352,316	352,316
Total comprehensive income for the year	-	-	5,371	-	1,690,224	1,695,595	1,695,595
Transaction with owners of the 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)
	-	-	-	-	(659,877)	(659,877)	(659,877)
Balance as at June 30, 2025	776,325	1,020,908	7,208	3,642,000	3,305,326	6,954,534	8,751,767
Total comprehensive income for the year ended June 30, 2026							
Profit for the year	-	-	-	-	1,291,411	1,291,411	1,291,411
Other comprehensive income / (loss) for the year	-	-	23,535	-	(51,375)	(27,840)	(27,840)
Total comprehensive income for the year	-	-	23,535	-	1,240,036	1,263,571	1,263,571
Transaction with owners of the 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	30,743	6,642,000	1,196,016	7,868,759	9,665,992

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.


Chief Executive


Director


Chief Financial Officer

NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Crescent Steel and Allied Products Limited (“the Company”) was incorporated on August 1, 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Company is located at E-floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore. Whereas its principal office is situated at 9th floor Sidco Avenue Centre 264 R. A. Lines, Karachi.
- 1.2 The Company’s steel segment is manufacturing large diameter spiral arc welded steel line pipes at Nooriabad, District Jamshoro, Sindh. The 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 Company’s fabrication unit is engaged in fabrication and erection of machinery located at Dalowal, District Faisalabad, Punjab.
- 1.3 The 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 31 to these unconsolidated financial statements, the Company’s Cotton segment has been classified as ‘Discontinued Operation’. The comparative figures of the unconsolidated statement of profit or loss and other comprehensive income for the year ended June 30, 2025 have been represented accordingly.
- 1.4 The Company is also managing a portfolio of equity investments and real estate through its Investment and Infrastructure Division from the principal office of the Company.
- 1.5 The 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.
- 1.6 The 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 Company is located at Bhone, district Jhang, Punjab. As stated in note 31 to these unconsolidated financial statements, the Company’s Hadeed (Billet) segment had been classified as ‘Discontinued Operation’.

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

The 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 as of reporting date. The Company generated dividend income amounting to Rs. 122.02 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 Company has recorded deferred tax at 37%.

The 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 unconsolidated financial statements.

3. BASIS OF PREPARATION

3.1 Unconsolidated financial statements

These are the unconsolidated financial statements of the Company in which investments in subsidiaries and an associate are stated at cost less accumulated impairment, if any. The consolidated financial statements of the Company are prepared and presented separately.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

3.2 Statement of compliance

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

3.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistan Rupees which is also the Company'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 unconsolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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 both 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 6.1)
- Investments (refer note 6.4)
- Stores, spares and loose tools and stock-in-trade (refer notes 6.7 and 6.8)
- Deferred liability - staff retirement benefits (refer note 6.11)
- Lease liabilities (refer note 6.13)
- Taxation (refer note 6.16)
- Provisions (refer note 6.20)
- Impairment (refer notes 6.1, 6.3, 6.4, 6.5 and 6.6)
- Contingencies (refer note 6.25)

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 Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and financial reporting and have, therefore, not been disclosed in these unconsolidated 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 Company:

There are certain new standards and amendments to published accounting and reporting standards that will be applicable to the Company 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 Company. 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 Company. The Company's 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 are consistently applied in the preparation of these unconsolidated financial statements and are the same as those applied in earlier periods presented.

6.1 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 measured 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 Company 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 profit or loss as incurred.

Depreciation

Depreciation is charged to profit or loss on a straight line basis at the rates specified in note 16.1 to these unconsolidated 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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

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 unconsolidated financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

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 asset’s recoverable amount is estimated. The recoverable amount is the higher of its fair value less cost to sell and value in use. An impairment is recognized in the profit or loss if the carrying amount exceeds its estimated recoverable amount.

6.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated 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 out as incurred.

Amortization

Amortization is charged to profit or loss on a straight line basis at the rates specified in note 17 to these unconsolidated 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 an 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 exists than the assets’ recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

6.3 Investment properties

Investment property, principally comprising of land and buildings, is held for long term rental yields / capital appreciation. The investment property of the Company comprises of land and buildings and is valued using the cost method i.e. at cost less 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 the profit or loss on the straight line method at the rates specified in the note 18 to these unconsolidated 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 assets’ residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if material.

Impairment

The Company 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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

6.4 Financial instruments

6.4.1 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.

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.

6.4.2 Financial asset

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 Company’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 Company 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 Company 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 Company 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 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 profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, when the Company’s right to receive payments is established. This category only includes equity instruments, which the Company 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 profit or loss. Net gains and losses (unrealized and realized), including any interest or dividend income, are recognized in profit or loss.

The Company 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 Company 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 Company 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 Company 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 debts, cash and cash equivalents, loans and other receivables.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

The Company applies the IFRS 9 simplified approach to measure 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 Company 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 payments are 90 days past due.

6.4.3 Financial liabilities

Classification and subsequent measurement

The Company 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; or
- designated as at FVTPL.

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

Derecognition

The Company derecognizes financial liabilities when, and only when, the Company’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 profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the unconsolidated statement of financial position when the Company currently has a legally enforceable right to offset the amounts and it intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

6.5 Investments in subsidiaries

Investments in subsidiaries are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense in the profit or loss.

6.6 Investments in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Investment in associate is initially recognized at cost. At subsequent reporting dates, the recoverable amount is estimated to determine the extent of impairment loss, if any, and carrying amounts of investment is adjusted accordingly. Impairment losses are recognized as an expense in the profit or loss.

6.7 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.

6.8 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.

6.9 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.

6.10 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 Company’s cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

6.11 Employee benefits

6.11.1 Compensated absences

The 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.

6.11.2 Post retirement benefits

6.11.2.1 Defined contribution plan – Provident fund

The Company operates a provident fund scheme for its permanent employees. Equal monthly contributions are made by the 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 Company for a period of less than five years and after completion of five years, contributions are made at the rate of 10%.

6.11.2.2 Defined benefit plans

Pension and gratuity fund schemes

The 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 unconsolidated 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.

The 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 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 cost and any past service cost are recognized in 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.

6.11.2.3 Staff benevolent fund

The Company has established staff benevolent fund as 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 Company. Contributions to the fund are recognized as expense in the profit or loss when they are incurred.

6.12 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.

6.13 Lease liabilities

Leases 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 Company’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 Company 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 (i.e., the Company 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 Company 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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

6.14 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 Company 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.

6.15 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 Company.

6.16 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 Parent 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 the subsidiary is recognized in the Parent Company and the amounts paid to or receivable from the Parent 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 Company 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.

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.

6.17 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 Company 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 Company has generally concluded that it is the principal in its revenue arrangements.

The Company 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 the control of the product has been 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 Company 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 (liquidated damages). Under IFRS 15, these amounts are referred to as 'variable consideration'. The consideration which the Company 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.

6.18 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.

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FINANCIAL STATEMENTS

For the year ended June 30, 2026

6.19 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 Company'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.

6.20 Provisions

A provision is recognized in the unconsolidated statement of financial position when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying 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.

6.21 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.

6.22 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.

6.23 Proposed dividend and transfer between reserves

Dividend distributions to the 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.

6.24 Earnings per share

The Company presents earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing profit or loss attributable to ordinary shareholders of the Company 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.

6.25 Contingencies

Contingencies are disclosed when the Company 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 benefits will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2026	2025		2026	2025
	(Number of shares)			(Rupees in '000)	
	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 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.

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For the year ended June 30, 2026

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 following purposes:

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

8.2 REVENUE RESERVES

Fair value reserve

This reserve has been maintained by the Company for the purposes of cumulative changes in fair value of 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 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 effective interest rate.

9.2 During the year ended June 30, 2025, the 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 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 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 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 the subsidized loan under note 9.4 has been recognized as deferred income.

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

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	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	38	(102,921)	-
		158,712	-
Less: current portion	12	(42,741)	-
		115,971	-

11.1 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 an infrastructure cess by the Government of Sindh was challenged by the 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 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 Company shall be liable to pay cess at the rate of 0.85% of the value of the goods on all future imports.

The 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 unconsolidated financial statements.

	Note	2026	2025
		---- Rupees in '000 ----	
12. TRADE AND OTHER PAYABLES			
Trade creditors		289,246	131,596
Bills payable		38	38
Commission payable		385	385
Customer's security deposits		786	-
Accrued liabilities		581,731	666,451
Contract liabilities	12.1	97,939	2,907,252
Deposits		-	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 to provident fund		-	232
Retention money		2,769	2,256
Withholding tax payable		4,950	5,243
Workers' Profit Participation Fund	12.4	69,755	41,213
Workers' Welfare Fund		40,294	33,879
Others		94,436	93,594
		1,281,565	4,551,503

12.1 The contract liabilities amounting to Rs. 2,907.25 million at the beginning of year were recognized as revenue in the ordinary course of business during the year.

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
Payment made 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

12.4 Workers' Profit Participation Fund			
Opening balance		41,213	94,975
Allocation for the year	37	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

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For the year ended June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
14. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	14.1	396,057	600,117
Short term loans	14.2	22,608	1,364,842
		418,665	1,964,959

- 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. 750 million (2025: Rs. 950 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 guarantees 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 from 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: Rs. 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. 1,590 million (2025: Rs. 4,597.3 million). Amounts unutilized for letters of credit and guarantees as at June 30, 2026 were Rs. 4,266.89 million and Rs. 1,279.33 million (2025: Rs. 4,486.71 million and Rs. 895.54 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 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 Company has filed an appeal with Appellate Tribunal (Customs) against the order. No provision has been recognized in these unconsolidated financial statements as the case is under appeal and management considers that the same would be decided in the Company's favour.

- 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 Company filed a constitutional writ in the Sindh High Court (SHC) and interim relief was granted to the 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 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 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 unconsolidated financial statements in this respect, since based on the opinions of tax consultant and the 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 29.1 to these unconsolidated financial statements.

15.2 Commitments

- 15.2.1 The aggregate amount of guarantees issued on behalf of the Company against various contracts amounted to Rs. 884.6 million (2025: Rs. 3,701.8 million). This includes guarantees 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			
Property, plant and equipment			
Operating fixed assets	16.1	1,849,850	1,929,642
Capital work-in-progress	16.4	771,109	69,429
		2,620,959	1,999,071
Right-of-use assets	16.1	121,132	178,578
		2,742,091	2,177,649

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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	Furniture and fittings	Computers	Motor vehicles owned	Total operating assets	Right-of-use assets		Total 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 (Net)		207,403	24,885	246,516	16,885	825	1,252,259	95,868	8,989	10,385	180,617	1,929,642	153,938	24,640	178,578	2,108,220
Additions / transfers		-	1,950	8,576	-	-	125,940	14,057	2,430	8,897	120,597	281,757	-	-	-	281,757
Deposits / transfers (at Net)	16.5	-	-	-	-	-	-	-	-	(18)	(9,346)	(9,464)	-	-	(9,464)	-
Transfer to investment properties (at Net)	18	(84,070)	-	(13,230)	-	-	-	-	-	-	-	(97,300)	-	-	-	(97,300)
Inter-transfer (at Net)	16.11	-	-	-	-	-	130	-	-	-	13,982	15,292	(130)	(13,982)	(15,292)	-
Transfer to non-current assets held for sale (Net)	31	-	-	-	-	-	(17,742)	-	-	-	-	(17,742)	-	-	-	(17,742)
Depreciation charge	16.12	-	(6,633)	(19,086)	(1,592)	(825)	(48,031)	(13,901)	(2,001)	(6,529)	(59,732)	(258,335)	(35,028)	(7126)	(421,54)	(300,489)
Balance as at June 30, 2026 (Net)		123,333	20,204	224,776	15,293	-	1,092,736	96,035	9,419	11,936	256,118	1,849,850	117,900	3,532	121,32	1,970,982
Gross carrying value as at June 30, 2026																
Cost	16.2	123,333	28,956	400,150	28,984	27,481	2,707,407	165,793	40,890	88,798	480,789	4,072,986	216,883	9,016	225,879	4,298,445
Accumulated depreciation		-	(8,747)	(153,74)	(13,691)	(27,488)	(184,671)	(68,748)	(3,471)	(76,862)	(204,671)	(2,222,716)	(99,263)	(5,684)	(104,747)	(2,327,463)
Net book value		123,333	20,204	224,776	15,293	-	1,092,736	96,035	9,419	11,936	256,118	1,849,850	117,900	3,532	121,32	1,970,982
Net book value as at June 30, 2025																
Balance as at July 1, 2024 (Net)		249,226	42,448	399,473	18,478	1,725	1,256,675	24,341	4,440	7,688	180,665	2,064,089	180,013	38,795	218,809	2,282,958
Additions / transfers		-	4,072	95,396	-	-	389,008	75,472	6,137	7,667	48,492	597,254	-	-	-	597,254
Deposits / transfers (at Net)	16.5	-	-	-	-	-	-	-	-	-	(3,001)	(3,001)	-	(616)	(616)	(3,686)
Transfer to investment properties (at Net)		(4,823)	(19,465)	-	-	-	-	-	-	-	-	(8,288)	-	-	-	(8,288)
Inter-transfer (at Net)	16.11	-	-	-	-	-	-	-	-	-	2540	2540	-	(2,540)	(2,540)	-
Transfer to non-current assets held for sale (at Net)	31	-	-	(187,740)	-	-	(259,981)	(129)	-	-	-	(447,520)	-	-	-	(447,520)
Depreciation charge	16.12	-	(2,170)	(19,943)	(1,593)	(900)	(139,453)	(3,886)	(1,578)	(4,900)	(48,079)	(222,482)	(36,715)	(10,916)	(47,136)	(268,588)
Balance as at June 30, 2025 (Net)		207,403	24,885	246,516	16,885	825	1,252,259	95,868	8,989	10,385	180,617	1,929,642	153,938	24,640	178,578	2,108,220
Gross carrying value as at June 30, 2025																
Cost	16.2	207,403	33,827	488,338	97,627	27,481	3,244,036	182,227	38,461	83,763	326,858	4,887,800	235,585	53,352	288,937	4,976,738
Accumulated depreciation		-	(8,742)	(247,822)	(80,742)	(26,656)	(2,088,777)	(66,339)	(29,462)	(73,378)	(136,240)	(2,258,159)	(81,647)	(28,712)	(110,359)	(2,368,518)
Net book value		207,403	24,885	246,516	16,885	825	1,252,259	95,868	8,989	10,385	180,617	1,929,642	153,938	24,640	178,578	2,108,220
Depreciation rates (% per annum)																
			1 - 5	5 - 10	5 - 10	10	5 - 20	5 - 20	10	33.33	20		10		20	

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

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

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

Cost of sales	33.1	241,843	227,141
Distribution and selling expenses	35	902	902
Administrative expenses	36	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. 906.39 million (2025: Rs. 1,566.90 million) that have been fully depreciated and are still in use by the Company.

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

Particulars	Location	Area	
Office premises	Saddar, Karachi	14,504.4	Sq. feet
Building	Nooriabad, District Jamshoro	261,257.1	Sq. feet
Building	Dalawal, District Faisalabad	30,484.0	Sq. feet
Land			
Lease hold	Nooriabad, District Jamshoro	30.0	Acre
Freehold land	Dalawal, 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	16,341
Others	21,153	30,953
	771,109	69,429

16.4.1 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	30,953	69,429
Additions		8,172	15,356	815,804	21,153	860,485
Transfer to non-current assets held for sale	31	(3,750)	-	-	-	(3,750)
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	21,153	771,109

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

Description	Cost	Accu- mulated depre- ciation	Net Book Value	Sales proceeds	(Loss) / gain	Mode of Disposal	Particular of buyers	Relationship with the Company
----- (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 Taniana	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 software. 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 36).

18. INVESTMENT PROPERTIES

Description	Note	Freehold land	Leasehold including improvements	Freehold building	Office premises	Total
----- (Rupees in '000) -----						
Net book value as at June 30, 2026						
Balance as at July 1, 2025 (NBV)		87,320	18,551	6,933	-	112,804
Transfers from operating fixed assets	16.1	84,070	-	13,230	-	97,300
Transfer from capital work-in-progress	16.4	-	-	-	26,557	26,557
Depreciation charge	18.1	-	(1,568)	(2,514)	(664)	(4,746)
Balance as at June 30, 2026 (NBV)		171,390	16,983	17,649	25,893	231,915
Gross carrying value as at June 30, 2026						
Cost	18.2	171,390	19,465	26,230	56,212	273,297
Accumulated depreciation		-	(2,482)	(8,581)	(30,319)	(41,382)
		171,390	16,983	17,649	25,893	231,915

Net book value as at June 30, 2025						
Balance as at July 1, 2024 (NBV)		45,497	-	8,233	-	53,730
Transfers from operating fixed assets		41,823	19,465	-	-	61,288
Depreciation charge		-	(914)	(1,300)	-	(2,214)
Balance as at June 30, 2025 (NBV)		87,320	18,551	6,933	-	112,804

Gross carrying value as at June 30 2025						
Cost		87,320	19,465	13,000	29,830	149,615
Accumulated depreciation		-	(914)	(6,067)	(29,830)	(36,811)
		87,320	18,551	6,933	-	112,804

Depreciation rates (% per annum)	-	1 - 5	10 - 20	5 - 10		
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- 18.1 Depreciation for the year has been charged to administrative expenses (note 36).
- 18.2 Fair value of the investment properties amounted to Rs. 3,990.16 million (2025: Rs. 294.26 million), which is determined by external valuer on the basis of market value.
- 18.3 Particulars of the Company's 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	Ferozpur, Lahore	35,839.8	Sq. feet
Building	Jaranwala, District Faisalabad	340,455.0	Sq. feet
Land			
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

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	Note	2026	2025
		---- Rupees in '000 ----	
19. LONG TERM INVESTMENTS			
Subsidiary companies - at cost	19.1	855,001	905,001
Associated companies - at cost	19.2	691,106	691,106
Other long term investments	19.3	786,020	643,434
		2,332,127	2,239,541

19.1 Subsidiary companies - at cost

2026	2025		Note	2026	2025
(Number of shares)				---- Rupees in '000 ----	
		Unquoted			
70,500,000	70,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	19.1.1	705,000	705,000
2	2	Crescent Continental Gas Pipelines Limited (US \$ 1 each)	19.1.2	-	-
20,000,100	20,000,100	Solution de Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	19.1.3	150,001	200,001
				855,001	905,001

19.1.1 This represents the Company's investment in 100% ordinary shares of CS Capital (Private) Limited. The Company has acquired CS Capital (Private) Limited on September 26, 2011.

19.1.2 This represents investment in subsidiary of Rs. 90 only. The subsidiary company has not commenced operation and accordingly no financial statements have been prepared.

19.1.3 This represents the Company's investment in 100% ordinary shares of Solution de Energy (Private) Limited that was acquired through amalgamation on June 30, 2019. During the year, an impairment of Rs. 50 million has been recognized in these unconsolidated financial statements.

19.2 Associated companies - at cost

2026	2025		Note	2026	2025
(Number of shares)				---- Rupees in '000 ----	
27,409,075	27,409,075	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Pervez Akhtar)	19.2.1	691,106	691,106

19.2.1 The Company holds 21.93% (2025: 21.93%) shareholding in Shakarganj Limited (SL) and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates'. Accordingly, the Company has accounted for investment in SL as 'Investment in Associate'.

19.2.2 Market value of investment in associate is as follows:

	Note	2026	2025
		---- Rupees in '000 ----	
Shakarganj Limited		3,237,012	1,872,862

	Note	2026	2025
		(Percentage of holding)	
Shakarganj Limited		21.93	21.93

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

Shakarganj Limited	21.93	21.93
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19.2.4 The latest financial statements / condensed interim financial information of associated company as at June 30, 2026 are not presently available. The following is summarized financial information of associated company as at March 31, 2026 and for the year ended March 31, 2026 determined based on the available financial information of SL upto March 31, 2026:

	Statement of financial position						Statement of profit or loss			
	Non Current assets	Current assets	Non Current liabilities	Current liabilities	Attributable to NCI	Attributable to owners of the investee company	Revenues	Loss after tax	Other comprehensive income	Total comprehensive loss
	----- (As at March 31) -----						----- (For the period ended March 31) -----			
	----- (Rupees in '000) -----									
2026										
Shakarganj Limited	20,439,798	4,358,689	3,866,944	14,065,363	1,620,844	5,245,336	22,403,401	(3,386,034)	3,042,858	(361,176)
2025										
Shakarganj Limited	19,056,146	6,528,162	4,665,944	14,488,538	1,356,563	5,073,263	19,120,811	(3,416,209)	146,508	(3,269,701)

	Note	2026	2025
		---- Rupees in '000 ----	
19.3 Other long term investments			
Fair value through other comprehensive income (FVOCI)	19.3.1	38,119	13,549
Fair value through profit or loss (FVTPL)	19.3.2	747,901	629,885
		786,020	643,434

19.3.1 Fair value through other comprehensive income (FVOCI)

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

2026	2025	Name of investee company	2026	2025
(Number of shares)			---- Rupees in '000 ----	
		Quoted		
565,473	565,473	The Crescent Textile Mills Limited	38,119	13,549
			38,119	13,549

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19.3.1.1 The Company has irrevocably designated at initial application of IFRS 9 to recognize in this category. This is strategic investment and management considers this classification to be more relevant. Up till 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.

19.3.2 Fair value through profit or loss (FVTPL)

2026 (Number of shares)	2025	Note	2026 ----- Rupees in '000 -----	2025
Unquoted				
16,805,217	14,110,817	Shakarganj Food Products Limited 19.3.2.1	314,565	313,484
11,000,000	9,625,000	Central Depository Company of Pakistan Limited 19.3.2.2	433,336	316,401
2,403,725	2,403,725	Crescent Bahuman Limited 19.3.2.3	24,037	24,037
1,047,000	1,047,000	Crescent Industrial Chemicals Limited 19.3.2.3	10,470	10,470
			782,408	664,392
		Less: provision for impairment	(34,507)	(34,507)
			747,901	629,885

19.3.2.1 During the year, the Company subscribed 2,694,400 right shares of Shakarganj Food Products Limited (SFPL) at a price of Rs. 15 per share. As of the reporting date, the Company together with its subsidiary company, CS Capital (Private) Limited, holds 19.99% of SFPL. However, based on the arrangement between the Company and its associated company, Shakarganj Limited, the management has determined that the Company does not have significant influence over the financial and operating 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.

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

19.3.2.3 These investments had been fully charged to profit or loss in earlier periods.

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

	Note	2026 ----- Rupees in '000 -----	2025
21. 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		272,102	184,878
Unrealized gain on fair value through OCI investments		1,088	53
		585,002	601,416
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	21.2	(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)
		228,618	(85,265)

	Note	2026 ----- Rupees in '000 -----	2025
21.1 Break up of deferred tax charge is as follows:			
Profit or loss	40	312,848	305,880
Other comprehensive income		1,035	623
		313,883	306,503

21.2 The excess of minimum tax over corporate tax of the Company as at June 30, 2026 amounted to Rs. 49.14 million (2025: Rs. 107.29 million). The 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 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.

21.3 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 Company has recorded deferred tax at 37%.

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	Note	2026	2025
		----- Rupees in '000 -----	
22. 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	22.1	(150,800)	(113,528)
		494,159	384,837
22.1 Movement in provision for slow moving items:			
Opening balance		113,528	102,490
Provision made during the year - net	37	37,272	11,038
Closing balance		150,800	113,528
23. 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		-	25,913
	23.2	1,019,278	2,507,126
Work-in-process	23.2 & 33.1	253,437	57,023
Finished goods - net	23.2 & 33.1	155,027	398,907
Scrap / cotton waste		38,629	20,745
		447,093	476,675
		1,466,371	2,983,801

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

23.2 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 -----	
24. 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	24.1	(27,529)	(27,529)
		1,065,691	1,641,032

	Note	2026	2025
		----- Rupees in '000 -----	
24.1 Movement in impairment loss on trade debts			
Opening balance		27,529	23,774
Charge of impairment	37	-	3,755
Closing balance		27,529	27,529
25. LOANS AND ADVANCES			
Unsecured			
Loan to related party - considered good			
Solution de Energy (Private) Limited	25.1	4,781	2,672
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)
		-	-
		52,800	310,898

25.1 The Company has provided short term interest bearing loan to the Subsidiary Company in order to meet its requirements for the purposes of feasibility, legal approvals and other related activities in respect of its project of 100 MW Solar Power Plant in Solar Power Park being established by the Government of Punjab in the Cholistan desert. The Company charged interest amounting to Rs. 0.53 million (2025: Rs. 0.32 million) at the Company's average borrowing rate. Maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balance was Rs. 4.78 million (2025: Rs. 2.67 million).

	Note	2026	2025
		----- Rupees in '000 -----	
26. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits		2,160	6,894
Prepayments		19,724	12,272
		21,884	19,166

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	Note	2026 ----- Rupees in '000 -----	2025
27. SHORT TERM INVESTMENTS			
Amortized cost		-	87,000
Fair value through profit or loss (FVTPL)	27.1	2,422,238	1,450,401
		2,422,238	1,537,401

27.1 Fair value through profit or loss (FVTPL)

	2026 (Number of shares / units)	2025	Description	Note	2026 ----- Rupees in '000 -----	2025
	12,309,261	25,086,698	Quoted - investments	27.1.1	2,422,238	1,450,401
			Unquoted			
	1,996	1,996	Innovative Investment Bank Limited		2,777	2,777
			Less: provision for impairment		(2,777)	(2,777)
					-	-
				27.1.3	2,422,238	1,450,401

27.1.1 Quoted - investments

The Company held investments as at June 30, 2026, in ordinary shares / units of mutual funds of the following investee entities:

Shariah Compliant Investments	2026 (Number of shares / units)	2025	Name of investees	2026 ----- Rupees in '000 -----	2025
	150,000	63,500	AGP Limited	30,950	12,126
	-	10,000	At-Tahur Limited	-	402
	50,000	-	Attock Refinery Limited	42,534	-
	-	300,000	Avanceon Limited	-	14,637
	250,000	200,000	Cherat Cement Company Limited	86,482	58,060
	-	20,000	Citi Pharma Limited	-	1,679
	300,000	232,822	Engro Fertilizer Limited	59,685	43,209
	400,000	372,000	Engro Holdings Limited	115,088	67,912
	-	100,000	Engro Polymer and Chemicals Limited	-	3,155
	750,000	485,000	Fauji Cement Company Limited	43,162	21,665
	250,000	210,000	Fauji Fertilizer Company Limited	143,370	82,406
	1,000,000	750,000	Faysal Bank Limited	99,240	52,290
	14,000	12,500	Haleon Pakistan Limited	11,273	9,204
	400,000	500,000	Interloop Limited	43,016	33,880
	-	122,400	International Industries Limited	-	21,666
	-	4,500	Lucky Cement Limited	-	1,599

Shariah Compliant Investments	2026 (Number of shares / units)	2025	Name of investees	2026 ----- Rupees in '000 -----	2025
	200,000	25,000	Maple Leaf Cement Limited	21,382	2,107
	180,000	152,700	Mari Energies Limited	121,372	95,726
	450,000	400,000	Meezan Bank Limited	232,407	132,820
	56,000	102,500	Millat Tractors Limited	17,077	57,263
	-	30,000	Nishat Chunian Power Limited	-	729
	400,000	308,000	Oil and Gas Development Company Limited	133,948	67,932
	350,000	-	Pak Elektron Limited	15,908	-
	-	4,020	Pak Qatar Income Plan Fund	-	532
	425,000	350,000	Pakistan Petroleum Limited	103,114	59,560
	300,000	290,000	Pakistan State Oil Company Limited	102,705	109,484
	40,000	38,000	Sazgar Engineering Works Limited	82,540	43,313
	250,000	10,000	Sui Northern Gas Pakistan Limited	30,232	1,167
	1,050,000	-	Sui Southern Gas Company Limited	33,684	-
	255,000	25,000	Systems Limited	37,508	2,679
	138,000	50,000	Tariq Glass Industries Limited	26,659	12,559
	735,000	613,000	The Hub Power Company Limited	171,586	84,478
	8,393,000	5,780,942		1,804,922	1,094,239

Non-shariah Compliant Investments	2026 (Number of shares / units)	2025	Name of investees	2026 ----- Rupees in '000 -----	2025
	-	17,663,256	Altern Energy Limited	-	195,002
	25,000	-	Attock Petroleum Limited	13,456	-
	150,000	-	Bestway Cement Limited	73,494	-
	-	852,500	HBL Growth Fund - Class A	-	9,548
	-	50,000	Lalpir Power Limited	-	1,305
	-	500,000	MATCO Foods Limited	-	24,550
	3,476,261	-	MCB Investment Saving Plan 1	349,990	-
	-	3,000	Pakistan Aluminium Beverage Cans Limited	-	433
	220,000	162,000	Pakistan Oilfields Limited	151,340	95,608
	45,000	75,000	Thal Limited	29,036	29,717
	3,916,261	19,305,756		617,316	356,162
	12,309,261	25,086,698		2,422,238	1,450,401

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

	2026	2025
	----	----
	Rupees in '000	Rupees in '000
Name of investees		
Altern Energy Limited	-	171,327
The Crescent Textile Mills Limited	-	13,549
AGP Limited	-	6,684
Avanceon Limited	-	14,637
Cherat Cement Company Limited	-	58,060
Engro Fertilizer Limited	-	26,168
Engro Holdings Limited	-	63,896
Engro Polymer and Chemicals Limited	-	3,155
Fauji Cement Company Limited	-	20,548
Fauji Fertilizer Company Limited	-	68,672
Faysal Bank Limited	-	52,290
HBL Growth Fund - Class A	-	9,548
Interloop Limited	-	33,880
International Industries Limited	-	21,666
Mari Energies Limited	-	80,242
MATCO Foods Limited	-	24,550
Meezan Bank Limited	38,734	122,859
Millat Tractors Limited	-	55,866
Oil and Gas Development Company Limited	8,372	54,633
Pakistan Oilfields Limited	-	88,526
Pakistan Petroleum Limited	10,724	59,560
Pakistan State Oil Company Limited	11,982	78,904
Sazgar Engineering Works Limited	-	34,195
Tariq Glass Industries Limited	-	12,559
Thal Limited	-	29,717
The Hub Power Company Limited	9,338	79,930
	79,150	1,285,621

27.1.3 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.

	Note	2026	2025
		----	----
		Rupees in '000	Rupees in '000
28. OTHER RECEIVABLES			
Dividend receivable		886	946
Provision there against		(886)	(886)
		-	60
Receivable against sale of investment		-	36,110
Receivable against sale of assets		39,235	-
Claim receivable		661	461
Due from related parties	28.1	124	5,950
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	45	313,428	312,797
Others		2,863	1,147
		538,674	3,461,381

28.1 Due from related parties			
CS Capital (Private) Limited		-	4,298
Solution de Energy (Private) Limited		124	2
The Crescent Textile Mills Limited		-	571
Shakarganj Food Products Limited		-	1,079
		124	5,950

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

	Note	2026	2025
		----	----
		Rupees in '000	Rupees in '000
CS Capital (Private) Limited		7,415	7,640
Solution de Energy (Private) Limited		124	10
The Crescent Textile Mills Limited		1,139	817
Shakarganj Food Products Limited		703	4,138
		9,381	12,605

28.1.2 The aging of amount due from related parties:			
Not yet due		124	852
Past due 1 - 30 days		-	740
Past due 31 - 180 days		-	1,548
Past due 180 days		-	2,810
		124	5,950

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	2026	2025
	---- Rupees in '000 ----	
29. TAXATION – NET		
Advance taxation	4,505,311	4,194,350
Provision for taxation	(4,143,983)	(3,788,117)
	361,328	406,233

29.1 The income tax assessments of the Company have been finalized up to and including Tax Year 2025. 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 Company for the Tax Year 2011 raising demand of Rs. 22.22 million. The 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 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 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 Company. ATIR decided the matter in the favor of the Company and department has filed reference in LHC against the decision of ATIR.
- (d) CIRA amended the Company's assessment for the Tax Year 2016 by raising a demand of Rs. 143.8 million. The Company preferred an appeal before CIRA who through its order accepted the 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 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 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 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 Company has filed an appeal before the CIRA against the above order which is pending adjudication.

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

	Note	2026	2025
		---- Rupees in '000 ----	
30. CASH AND BANK BALANCES			
With banks			
- in saving accounts	30.1	10,119	47,280
- in current accounts		261,769	27,306
	30.2	271,888	74,586

- 30.1 Savings accounts carry mark-up ranging from 9% to 18% (2025: 9.5% to 18%) per annum.
- 30.2 This includes balances amounting to Rs. 1.77 million (2025: Rs. 3.02 million) with shariah compliant banks.

31. NON-CURRENT ASSETS HELD FOR SALE

The Board of Directors of the Company in its 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 44.2.

Further, the Board of Directors in its meeting held on February 4, 2026, has approved the disposal of plant and machinery of Cotton division. Consequently, the operations of Cotton division have been classified as discontinued operation and presented in note 44.2. The related freehold land and building thereon has been classified as 'Investment properties' as disclosed in note 18.

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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	37 (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	37 (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 -----			
32. SALES - NET			
Continuing operations			
Local sales			
Bare pipes	32.1	6,942,731	4,888,284
Pipe coating		957,242	90,205
Coated pipes	32.2	968,317	2,175,977
Others	32.3	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

- 32.1 This is presented net of liquidated damages amounting to Rs. Nil (2025: Rs. 6.42 million).
- 32.2 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.
- 32.3 This represents revenue earned from manufacturing of metal structures by cutting, bending and assembling processes.
- 32.4 Revenue is disaggregated by operating segments under note 44.2. Additionally revenue by major customers is disclosed in note 44.4.

	Note	2026	2025
----- Rupees in '000 -----			
33. COST OF SALES			
Continuing operations			
Steel segment	33.1	5,861,891	4,690,400
Energy segment	33.1	60,270	58,436
		5,922,161	4,748,836
Discontinued operations			
Cotton segment	33.1	163,667	107,376
Hadeed (Billet) segment	33.1	5,449	62,345
		169,116	169,721
		6,091,277	4,918,557

		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	2026	2025
----- (Rupees in '000) -----															
33.1	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
	Store 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	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	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	(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	(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

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		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) -----																
33.2	Detail of salaries, wages and other benefits															
	Salaries, wages and other benefits	33.2.1	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

33.2.1 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 Company. The Company does not have any right in the residual interest of the Fund.

		Note	2026	2025
			---- Rupees in '000 ----	
34.	INCOME FROM INVESTMENTS – NET			
	Dividend income	34.1	122,023	801,394
	Realized gain on sale of FVTPL investments – net	34.1	66,702	460,702
	Unrealized gain on FVTPL investments – net	34.1	451,228	195,937
	Rental income from investment properties	34.2	4,393	3,645
			644,346	1,461,678

34.1 Break up of dividend income, unrealized gain and realized gain is as follows:

		Dividend income	Unrealized gain	Realized gain
		----- Rupees in '000 -----		
	Shariah compliant investee companies	71,585	347,348	42,124
	Non-shariah compliant investee companies	50,438	103,880	24,578
		122,023	451,228	66,702

34.1.1 Unrealized gain amounting to Rs. 24.57 million (2025: Rs. 5.37 million) was recognized in the other comprehensive income during the year.

34.1.2 Income from investment was categorized as shariah / non-shariah compliant investee companies on the basis of All Shares Islamic Index as circulated by the Pakistan Stock Exchange.

34.2 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 4.83 million (2025: Rs. 3.92 million).

35. 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	2026	2025
----- (Rupees in '000) -----												
	Salaries, wages and other benefits	35.1	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
35.1	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

36. ADMINISTRATIVE EXPENSES

		Continuing operations								Discontinued operations								Total	
		Steel segment		Energy segment		IID segment		Sub total		Cotton segment		Hadeed (Billet) segment		Sub total					
Note		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025		
----- (Rupees in '000) -----																			
	Salaries, wages and other benefits	36.1	249,501	261,460	-	-	21,268	18,274	270,769	279,734	2,350	4,838	9,231	9,442	11,581	14,280	282,350	294,014	
	Rents, rates and taxes		6,736	6,282	-	-	857	903	7,593	7,185	622	426	-	96	622	522	8,215	7,707	
	Travelling, conveyance and entertainment		12,329	8,065	-	-	602	413	12,931	8,478	222	295	201	247	423	543	13,354	9,901	
	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	218	275	3,501	4,918	72	52	36	58	108	110	3,609	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	36.2	10,773	9,139	-	-	831	614	11,604	9,753	108	103	-	-	108	103	11,712	9,856	
	Legal, professional and corporate service charges		44,220	51,807	-	-	7,743	7,605	51,963	58,412	-	3,217	40	47	40	3,264	52,003	62,676	
	Advertisement		4,915	4,645	-	-	257	243	5,172	4,888	-	-	-	-	-	-	5,172	4,888	
	Donations	36.3	154,620	106,715	-	-	8,043	5,644	162,663	112,359	-	-	-	-	-	-	162,663	112,359	
	Depreciation	16.1.2 & 18.1	53,891	38,156	-	3	8,138	4,509	62,029	42,668	319	507	142	564	461	1,071	62,490	43,739	
	Amortization	17	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	-	-	3,000	1,076	15,376	14,654	23	53	620	880	643	933	16,019	15,587	
			618,640	592,367	1,410	1,369	53,042	45,204	673,092	638,940	5,902	11,562	12,152	15,869	18,054	27,431	691,146	686,371	

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		Continuing operations								Discontinued operations								Total	
		Steel segment		Energy segment		IID segment		Sub total		Cotton segment		Hadeed (Billet) segment		Sub total					
Note		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025		
----- (Rupees in '000) -----																			
36.1	Detail of salaries, wages and other benefits																		
	Salaries, wages and other benefits	260,110	229,380	-	-	20,232	15,787	280,342	245,167	4,188	4,300	9,089	9,285	13,277	13,585	293,619	258,752		
	Pension fund	(8,155)	25,278	-	-	420	1,630	(7,735)	26,908	(1,283)	294	-	-	(1,283)	294	(9,018)	27,202		
	Gratuity fund	(12,130)	(1,974)	-	-	(196)	164	(12,326)	(1,810)	(673)	135	-	-	(673)	135	(12,999)	(1,675)		
	Provident fund	9,676	8,776	-	-	812	693	10,488	9,469	118	109	142	157	260	266	10,748	9,735		
		249,501	261,460	-	-	21,268	18,274	270,769	279,734	2,350	4,838	9,231	9,442	11,581	14,280	282,350	294,014		

		Note	2026	2025
		----- Rupees in '000 -----		
36.2	Auditor's remuneration			
	Audit fee - unconsolidated and consolidated		4,835	4,205
	Certifications, tax and other assurance services	36.2.1	4,857	3,506
			9,692	7,711
	Out of pocket expenses		1,367	1,672
	Sales tax		653	473
			11,712	9,856

36.2.1 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.

36.3 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

36.3.1 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.

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

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

37.	OTHER OPERATING EXPENSES		
Continuing operations:			
	Exchange loss	6,597	11,925
	Impairment loss on trade debts	24.1	3,755
	Provision for:		
	- Workers' Profit Participation Fund	12.4	66,655
	- Workers' Welfare Fund		11,332
	- Slow moving stores, spares and loose tools - net	22.1	28,573
	Impairment of long term investment	19.1.3	50,000
	Stock-in-trade written off		20,834
	Fixed assets written off		-
	Others		3,464
Discontinued operations:			
	Impairment on non-current assets held for sale	31	-
	Non-current assets held for sale written off	31	10,207
	Stores, spares and loose tools written off		19,649
	Provision on slow moving stores, spares and loose tools - net	22.1	8,699
			38,555
			233,118
38.	OTHER INCOME		
Continuing operations:			
Income from financial assets / liabilities			
	Mark-up on short term loan to subsidiary company	25.1	529
	Return on deposits - from conventional banking		18,296
	Gain on realization of deposit		-
	Liabilities written-back		5,509
	Unwinding of discount on long term deposit		1,618
			25,952
Income from non-financial assets / liabilities			
	Gain on disposal of operating fixed assets	16.5	7,434
	Deferred income amortized		537
	Gain on discounting of infrastructure cess	11	102,921
	Insurance claim		1,051
	Others		6,098
			118,041
			143,993
Discontinued operations:			
Income from financial assets / liabilities			
	Liabilities written-back		-
Income from non-financial assets / liabilities			
	Gain on disposal of non-current assets held for sale		330,931
	Rent income		8,088
	Insurance claim		-
	Others		150
			339,169
			483,162

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	Note	2026	2025
		----- Rupees in '000 -----	
39. 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		34,807	38,214
- short term loans		70,617	85,590
Bank charges		21,830	11,555
		160,348	288,329
Discontinued operations:			
Bank charges		87	87
		160,435	288,416
40. TAXATION CHARGE			
Continuing operations:			
Current			
- for the year		249,390	260,931
- for prior years		30,715	(1,868)
		280,105	259,063
Deferred	21.1	312,848	305,880
		592,953	564,943
Discontinued operations:			
Current - for the year		75,761	-
		668,714	564,943
40.1 Relationship between taxation expense and accounting profit			
Profit before taxation from continuing operations		1,747,909	2,084,932
Tax at the applicable rate of 29% (2025: 29%)		506,894	604,630
Tax effect of inadmissible expenses / losses		(6,054)	7,373
Tax effect of income taxed at a lower rate		(67,950)	(307,139)
Tax effect arising due to super tax		178,173	190,049
Tax effect of discontinued operations		61,543	51,246
Others		(34,607)	20,652
Prior year tax effect		30,715	(1,868)
		668,714	564,943
41. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE			
Net profit for the year		1,291,411	1,343,279
Net profit for the year from continuing operations		1,154,956	1,519,989
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 per share		16.63	17.30
Basic and diluted - earnings per share from continuing operations		14.88	19.58
Basic and diluted - earnings / (loss) per share from discontinued operations		1.75	(2.28)

	Note	2026	2025
		----- Rupees in '000 -----	
42. CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before tax	44.2	1,960,125	1,908,222
Adjustments for non cash charges and other items:			
Depreciation on operating fixed assets, right-of-use assets and investment properties	16.1.2 & 18	305,235	271,782
Amortization of intangible assets	17	374	-
Charge for the year on staff retirement benefit funds	45.1.7	1,479	37,972
Dividend income	34.1	(122,023)	(801,394)
Unrealized gain on FVTPL investments - net	34.1	(451,228)	(195,937)
Realized gain on FVTPL investments - net	34.1	(66,702)	(460,702)
Provision for slow moving stores, spares and loose tools - net	37	28,573	11,038
(Reversal) / charge of NRV on stock-in-trade	23.2	(8,339)	20,600
Charge of impairment loss on trade debts - net	37	-	3,755
Provision for Workers' Welfare Fund	37	18,440	11,332
Provision for Workers' Profit Participation Fund	37	66,655	38,113
Amount written back	12.2	(50,512)	-
Inventories written off		40,483	-
Non-current assets held for sale written off	37	10,207	109
Mark-up on short term loan to subsidiary company	38	(529)	(322)
Return on deposits	38	(18,296)	(23,991)
Gain on disposal of operating fixed assets	38	(7,434)	(10,080)
Gain on disposal of non-current assets held for sale	38	(330,931)	-
Deferred income amortized	38	(537)	(537)
Gain on discounting of infrastructure cess	38	(102,921)	-
Gain on realization of deposit	38	-	(3,861)
Unwinding of discount on long term deposit	38	(1,618)	(2,695)
Liabilities written back	38	(5,509)	(4,000)
Impairment of non-current asset held for sale	37	-	50,000
Finance costs	39	160,435	288,416
Working capital changes		2,361,172	(1,839,140)
Cash generated from / (used in) operations		3,786,599	(701,320)
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		258,098	(115,391)
- Trade deposits and short term prepayments		(2,718)	(3,446)
- Other receivables		2,963,042	(3,057,831)
- Trade and other payables		(2,779,982)	3,057,783
		2,361,172	(1,839,140)

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42.1 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) -----					
	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 -----			
42.2 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
43. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements	14	(396,057)	(600,117)
Cash and bank balances	30	271,888	74,586
		(124,169)	(525,531)

44. SEGMENT REPORTING

44.1 Reportable segments

The Company's reportable segments are as follows:

- Steel segment - It comprises of manufacturing and coating of steel pipes (note 1.2);
- Cotton segment - It comprises of manufacturing of yarn (note 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 1.4);
- Energy segment - It comprises of generating and supplying electricity / power (note 1.5); and
- Hadeed segment - It comprises of manufacturing billets (note 1.6).

The Company's all segments are engaged in shariah compliant businesses except mentioned in note 34 to these unconsolidated financial statements. Information regarding the Company's reportable segments is presented below:

44.2 Segment revenues and results

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

	Continuing operations				Discontinued operations			Total
	Steel segment	Energy segment	IID segment	Sub total	Cotton segment	Hadeed (Billet) segment	Sub total	
----- (Rupees in '000) -----								
For the year ended June 30, 2026								
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	-	-	644,346	644,346	-	-	-	644,346
	2,074,294	(60,270)	644,346	2,658,370	(57,851)	(4,914)	(62,765)	2,595,605
Distribution and selling expenses	26,451	-	-	26,451	5,211	2,281	7,492	33,943
Administrative expenses	618,640	1,410	53,042	673,092	5,902	12,152	18,054	691,146
Other operating expenses	144,563	-	50,000	194,563	8,699	29,856	38,555	233,118
	789,654	1,410	103,042	894,106	19,812	44,289	64,101	958,207
	1,284,640	(61,680)	541,304	1,764,264	(77,663)	(49,203)	(126,866)	1,637,398
Other income	143,464	-	529	143,993	74,547	264,622	339,169	483,162
Operating profit / (loss) before finance costs	1,428,104	(61,680)	541,833	1,908,257	(3,116)	215,419	212,303	2,120,560
Finance costs	160,348	-	-	160,348	86	1	87	160,435
Profit / (loss) before taxation	1,267,756	(61,680)	541,833	1,747,909	(3,202)	215,418	212,216	1,960,125
Taxation				(592,953)			(75,761)	(668,714)
Profit for the year				1,154,956			136,455	1,291,411
For the year ended June 30, 2025								
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	-	-	1,461,678	1,461,678	-	-	-	1,461,678
	1,655,878	(58,436)	1,461,678	3,059,120	(73,004)	(31,043)	(104,047)	2,955,073
Distribution and selling expenses	30,815	-	-	30,815	4,863	2,081	6,944	37,759
Administrative expenses	592,367	1,369	45,204	638,940	11,562	15,869	27,431	666,371
Other operating expenses	74,783	147	-	74,930	1,297	50,000	51,297	126,227
	697,965	1,516	45,204	744,685	17,722	67,950	85,672	830,357
	957,913	(59,952)	1,416,474	2,314,435	(90,726)	(98,993)	(189,719)	2,124,716
Other income	54,643	3,861	322	58,826	13,096	-	13,096	71,922
Operating profit / (loss) before finance costs	1,012,556	(56,091)	1,416,796	2,373,261	(77,630)	(98,993)	(176,623)	2,196,638
Finance costs	288,329	-	-	288,329	87	-	87	288,416
Profit / (loss) before taxation	724,227	(56,091)	1,416,796	2,084,932	(77,717)	(98,993)	(176,710)	1,908,222
Taxation				(564,943)			-	(564,943)
Profit / (loss) for the year				1,519,989			(176,710)	1,343,279

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44.2.1 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 6 to these unconsolidated 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.

44.3 Revenue from major products and services

The analysis of the Company's revenue from external customers for major products and services is given in note 32 to these unconsolidated financial statements.

44.4 Information about major customers

Revenue from major customers of 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).

44.5 Geographical information

44.5.1 All of the Company's revenue from external customers was generated within Pakistan.

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

44.6 Segment assets and liabilities

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

	Continuing operations				Discontinued operations			Total
	Steel segment	Energy segment	IID segment	Sub total	Cotton segment	Hadeed (Billet) segment	Sub total	
	----- (Rupees in '000) -----							
Balance as at June 30, 2026								
Segment assets for reportable segments	5,508,927	261,040	4,998,409	10,768,376	106,677	48,893	155,570	10,923,946
Unallocated corporate assets								1,181,473
Total assets as per unconsolidated statement of financial position								12,105,419
Segment liabilities for reportable segments	1,240,561	32,652	4,439	1,277,652	41,079	57,863	98,942	1,376,594
Unallocated corporate liabilities and deferred income								1,062,833
Total liabilities as per unconsolidated statement of financial position								2,439,427
Balance as at June 30, 2025								
Segment assets for reportable segments	9,284,480	320,905	3,871,464	13,476,849	310,514	450,949	761,463	14,238,312
Unallocated corporate assets								1,681,464
Total assets as per unconsolidated statement of financial position								15,919,776
Segment liabilities for reportable segments	4,129,584	33,170	6,742	4,169,496	89,724	90,124	179,848	4,349,344
Unallocated corporate liabilities and deferred income								2,818,665
Total liabilities as per unconsolidated statement of financial position								7,168,009

44.6.1 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 Company's central treasury function.

44.7 Other segment information

	Continuing operations				Discontinued operations			Total
	Steel segment	Energy segment	IID segment	Sub total	Cotton segment	Hadeed (Billet) segment	Sub 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	-	(639,729)	(622,850)	(96,176)	(259,427)	(355,603)	(978,453)
For the year ended June 30, 2025								
Capital expenditure	573,682	-	-	573,682	7,723	-	7,723	581,405
Depreciation and amortization	184,781	59,716	4,509	249,006	9,823	12,953	22,776	271,782
Non-cash items other than depreciation and amortization - net	79,487	147	(194,465)	(114,831)	3,266	204	3,470	(111,361)

45. STAFF RETIREMENT BENEFITS

45.1 Defined benefit plans

45.1.1 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)	

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45.1.2 The amounts recognized in unconsolidated statement of financial position are as follows:

		Note	2026			2025		
			Pension	Gratuity	Total	Pension	Gratuity	Total
			----- (Rupees in '000) -----					
	Present value of defined benefit obligations	45.1.4	1,092,218	253,504	1,345,722	936,364	216,051	1,152,415
	Fair value of plan assets	45.1.5	(1,268,972)	(390,178)	(1,659,150)	(1,112,267)	(352,945)	(1,465,212)
	Asset recognized in unconsolidated statement of financial position		(176,754)	(136,674)	(313,428)	(175,903)	(136,894)	(312,797)
45.1.3	Movement in the net defined benefit (asset) / liability							
	Opening balance		(175,903)	(136,894)	(312,797)	67,937	(29,640)	38,297
	Net benefit cost charged to profit or loss	45.1.7	7,952	(6,473)	1,479	40,857	(2,885)	37,972
	Remeasurements recognized in other comprehensive income	45.1.8	29,311	22,064	51,375	(252,195)	(91,243)	(343,438)
	Contributions by the Company	45.1.5	(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)
45.1.4	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	45.1.7	31,348	10,876	42,224	29,693	9,960	39,653
	Interest cost	45.1.7	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
45.1.5	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	45.1.7	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
45.1.6	Actual return on plan assets		138,028	24,418	162,446	363,025	136,254	499,279

45.1.7 Following amounts have been charged in the unconsolidated 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

45.1.8 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)
45.1.9 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

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Note	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
Chemical	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 Companies	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)	-

45.1.10 Through its defined benefit plans, the each 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 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 Company or on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

45.1.11 Expected future expense to be charged in unconsolidated 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)

45.2 Defined contribution plan

The 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.

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46. 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	2,422,238	38,119	-	-	2,460,357	2,110,367	349,990	-	2,460,357
- unlisted equity securities	747,901	-	-	-	747,901	-	-	747,901	747,901
	3,170,139	38,119	-	-	3,208,258	2,110,367	349,990	747,901	3,208,258

46. FINANCIAL RISK MANAGEMENT – Continued..

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) -----									
Financial assets not measured at fair value									
Deposits	-	-	61,532	-	61,532	-	-	-	-
Trade debts	-	-	1,065,691	-	1,065,691	-	-	-	-
Loan to subsidiary	-	-	4,781	-	4,781	-	-	-	-
Other receivables	-	-	46,739	-	46,739	-	-	-	-
Bank balances	-	-	271,888	-	271,888	-	-	-	-
	-	-	1,450,631	-	1,450,631	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	125,003	125,003	-	-	-	-
Lease liabilities	-	-	-	142,309	142,309	-	-	-	-
Trade and other payables	-	-	-	1,019,180	1,019,180	-	-	-	-
Mark-up accrued	-	-	-	8,408	8,408	-	-	-	-
Short term borrowings	-	-	-	418,665	418,665	-	-	-	-
Unclaimed dividend	-	-	-	116,124	116,124	-	-	-	-
	-	-	-	1,829,689	1,829,689	-	-	-	-

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	1,450,401	13,549	-	-	1,463,950	1,463,950	-	-	1,463,950
- Unlisted equity securities	629,885	-	-	-	629,885	-	-	629,885	629,885
	2,080,286	13,549	-	-	2,093,835	1,463,950	-	629,885	2,093,835

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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) -----									
Financial assets not measured at fair value									
Deposits	-	-	77,692	-	77,692	-	-	-	-
Term deposit receipt	-	-	87,000	-	87,000	-	-	-	-
Trade debts	-	-	1,641,032	-	1,641,032	-	-	-	-
Loan to subsidiary	-	-	2,672	-	2,672	-	-	-	-
Other receivables	-	-	2,458,690	-	2,458,690	-	-	-	-
Bank balances	-	-	74,586	-	74,586	-	-	-	-
	-	-	4,341,672	-	4,341,672	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	306,758	306,758	-	-	-	-
Lease liabilities	-	-	-	202,508	202,508	-	-	-	-
Trade and other payables	-	-	-	1,168,932	1,168,932	-	-	-	-
Mark-up accrued	-	-	-	27,284	27,284	-	-	-	-
Short term borrowings	-	-	-	1,964,959	1,964,959	-	-	-	-
Unclaimed dividend	-	-	-	111,697	111,697	-	-	-	-
	-	-	-	3,782,138	3,782,138	-	-	-	-

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

The investments in subsidiaries and associates are stated at cost less impairment loss.

Investment properties' fair values 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 Company. The valuation experts used a market based approach to arrive at the fair value of the Company's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

46.1 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	6.50% -The dividend growth rate were higher / (lower)
			- The Weighted Average Cost of Capital were lower / (higher)

46.2 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	313,484
- Central Depository Company of Pakistan Limited	316,401
	629,885
Additions in Investment	
- Shakarganj Food Products Limited	40,416
- Central Depository Company Limited	-
	40,416
Fair value recognized in profit or loss during the year	
- Shakarganj Food Products Limited	(39,335)
- Central Depository Company Limited	116,935
	77,600
Balance at June 30, 2026	
- Shakarganj Food Products Limited	314,565
- Central Depository Company Limited	433,336
	747,901

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Sensitivity analysis

For the fair value of unquoted equity investments, 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)	31,467	(31,467)
- Terminal growth rate (100 bps)	18,534	(15,963)
- Weighted Average Cost of Capital (100 bps)	(25,545)	29,712
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

47. 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 Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies.

47.1 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 Company. 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	61,532	77,692
Term deposit receipt	-	87,000
Trade debts	1,065,691	1,641,032
Loan to subsidiary	4,781	2,672
Other receivables	46,739	2,458,690
Bank balances	271,888	74,586
	1,450,631	4,341,672

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 allowance for impairment in respect of trade debts is given in note 24.1.

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 Company 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 Company 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 Company's view of economic conditions over the expected lives of the trade debts.

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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 Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

Bank balances

The Company 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 Company's investment in units of mutual funds can be assessed with reference to external credit rankings as follows:

	Rankings		Ranking Agency	2026	2025
	Short term	Long term		---(Rupees in '000) ---	
Mutual Funds					
MCB Investment Saving Plan I	-	AA+	PACRA	349,990	-
HBL Growth Fund (A)	A1+	AAA	VIS	-	9,548
Pak Qatar Income Plan Fund	-	AA-	PACRA	-	532
				349,990	10,080

Deposits

The Company 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 Company 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 Company 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.

47.2 Liquidity risk

Liquidity risk is the risk that the Company 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 Company. The Company is not materially exposed to liquidity risk as substantially all obligation / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet the short term liquidity commitments, if any.

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	1,019,180	1,019,180	-	1,019,180	-	-	-	-
Unclaimed dividend	116,124	116,124	116,124	-	-	-	-	-
Mark-up accrued	8,408	8,408	-	8,408	-	-	-	-
Short term borrowings	418,665	418,665	396,057	22,608	-	-	-	-
	1,829,689	1,953,791	512,181	1,094,067	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	918,932	918,932	-	918,932	-	-	-	-
Unclaimed dividend	111,697	111,697	111,697	-	-	-	-	-
Mark-up accrued	27,284	27,284	-	27,284	-	-	-	-
Short term borrowings	1,964,959	1,964,959	600,117	1,364,842	-	-	-	-
	3,532,138	3,577,817	711,814	2,494,580	73,993	132,985	160,822	3,623

47.3 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 Company'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.

47.3.1 Currency risk

The Company is exposed to currency risk on import of raw materials and stores and spares denominated in US Dollars (USD) and Euros. The Company'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

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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 profit for the year and assets / liabilities of the Company.

47.3.2 Interest rate risk

At the reporting date, the interest rate profile of the Company'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	12.63 - 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	418,665	1,964,959

Fair value sensitivity analysis for fixed rate instruments

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

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.

Impact of 100 bps	Profit or loss (Rupees in '000)	
	Increase	Decrease
As at June 30, 2026		
Cash flow sensitivity - variable rate financial liabilities	(6,860)	6,860
As at June 30, 2025		
Cash flow sensitivity - variable rate financial liabilities	(24,742)	24,742

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

47.3.3 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 Company's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Company diversifies its portfolio and continuously monitors developments in equity markets. In addition the Company 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 Company'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	242,224	145,040
Effect on OCI	3,812	1,355
Effect on investments	246,036	146,395

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

NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

48. 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

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

48.2 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.

49. TRANSACTIONS WITH RELATED PARTIES

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

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

Name	Nature of relationship	Basis of relationship	Nature of transaction	2026	2025
				(Rupees in '000)	
CS Capital (Private) Limited	Subsidiary company	100% Holding	Reimbursable expenses	4,577	3,610
			Payment received	4,577	3,610
Solution de Energy (Private) Limited	Subsidiary company	100% Holding	Reimbursable expenses	121	2
			Short term loan disbursed	2,109	2,672
			Mark-up earned on short term loan	529	322

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
			Payment made	5,037	5,857
			Dividends paid	810	1,530
			Rent	-	144
			Reimbursable expenses	6,858	6,860
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
			Right shares subscribed	40,416	-
The Crescent Textile Mills Limited	Related party	Common directorship	Payment made	40,416	-
			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	Donations 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

NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

Name	Nature of relationship	Basis of relationship	Nature of transaction	2026 (Rupees in '000)	2025
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contributions made	-	2,324
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	-- do --	Contributions made	15,375	13,126
			Dividends paid	12,204	18,386
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	-- do --	Contributions made	36,296	32,502
			Dividends paid	25,500	38,403
Crescent Steel and Allied Products Limited - Staff Provident Fund	Retirement benefit fund	-- do --	Contributions made	21,254	15,995
			Dividends paid	559	1,056
Crescent Hadeed (Private) Limited - Staff Provident Fund	Retirement benefit fund	-- do --	Contributions made	-	296
CSAP - Staff Benevolent Fund	Staff welfare fund	Employees Welfare fund	Contributions made	45	654
			Dividends paid	2,601	308
Key management personnel	Related parties	Executives	Remuneration and benefits	245,698	222,879
			Dividends paid	9,116	36,607
Chairman of the Board	Related party	Chairman	Honorarium	2,400	2,400
Directors and their spouse	Related parties	Directors	Meeting fee	4,055	3,595
			Dividends paid	23,836	24,787

- 49.1 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.
- 49.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company. There were no transactions with the key management personnel during the year other than their terms of employment / entitlements.
- 49.3 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), long term investments (notes 19), other receivables (note 28.1), administrative expenses (note 36), and staff retirement benefits (note 45).

50. CAPITAL RISK MANAGEMENT

The Company'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 Company's overall strategy remains unchanged.

The Company 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 Company 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 Company 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 Company 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 unconsolidated statement of financial position plus net debt.

50.1 Gearing ratio

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

	Note	2026 ---- Rupees in '000 ----	2025
Total debt	50.1.1	685,977	2,474,225
Less: cash and bank balances		271,888	74,586
Net debt		414,089	2,399,639
Total equity	50.1.2	9,665,992	8,751,767
Total capital		10,080,081	11,151,406
Gearing ratio		4.1%	21.5%

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

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

51. PLANT CAPACITY AND PRODUCTION

51.1 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 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.

NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS

For the year ended June 30, 2026

51.2 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).

51.3 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 Company has classified the plant and machinery and other related assets as non-current assets held for sale.

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

	Note	2026	2025
Disclosures required in relation to the Unconsolidated 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		7,255	23,701
Disclosures required in relation to the Unconsolidated Statement of Financial Position – asset side			
- Long term and short term shariah compliant investments		1,843,041	1,025,382
- Shariah compliant bank deposits, bank balances, and TDRs	30.2	1,767	3,020
Disclosures required in relation to the Unconsolidated Statement of Profit or Loss and Other Comprehensive Income			
- Revenue earned from shariah compliant business segment	32	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		461,057	182,034
- Profit earned from shariah compliant bank deposits, bank balances, or TDRs		8,582	7,324
- Exchange loss on actual currency		6,597	11,880
- Exchange gains earned using conventional derivative financial instruments		-	-
- Profit paid on Islamic mode of financing	39	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	38	5,509	4,000
- Gain on disposal of property, plant and equipment	38	338,365	10,080
- Rent	38	8,088	6,890

	Note	2026	2025
Shariah non compliant income			
- Mark-up on short term loan to subsidiary company	38	529	322
- Return on deposits – from conventional banking	38	18,296	23,991
- Gain on realization of deposit	38	-	3,861
- Unwinding of discount on long term deposit	38	1,618	2,695
- Gain on discounting of provision of infrastructure cess	38	102,921	-
- Others	38	7,836	20,083

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

53. GENERAL

53.1 Number of employees

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

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

53.2 Comparative information

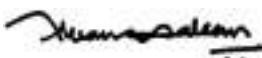
In addition to report the impacts due to the matter as stated in note 1.3, certain corresponding figures have been reclassified and rearranged for the purpose of better presentation and comparison of transactions in these unconsolidated financial statements, the effect of which is not material.

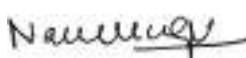
53.3 Subsequent event

The Board of Directors of the 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 unconsolidated financial statements do not reflect the effect of final cash dividend as this is subject to the approval of the shareholders of the Company in the annual general meeting to be held on October 28, 2026.

54. DATE OF AUTHORIZATION FOR ISSUE

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


Chief Executive


Director


Chief Financial Officer

CRESCENT STEEL AND ALLIED PRODUCTS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026



DIRECTORS' REPORT

CONSOLIDATED

The Directors of Crescent Steel and Allied Products Limited (CSAPL) have pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended June 30, 2026. The Group comprises of CSAPL and its wholly owned subsidiary companies namely; CS Capital (Private) Limited, Solution de Energy (Private) Limited and Crescent Continental Gas Pipelines Limited (CCGPL). CCGPL is not carrying on any business operations and accordingly no financial statements are being prepared.

The Directors' Report giving commentary on the performance of CSAPL for the year ended June 30, 2026 has been presented separately.

Group Results

The consolidated financial results of the Group are summarized below:

	2026	2025
	---- Rupees in '000 ----	
Profit before taxation – continuing operations	2,096,462	452,087
Taxation charge	(700,204)	(318,783)
Net profit after taxation – continuing operations	1,396,258	133,304
Net profit / (loss) – discontinued operations	136,455	(176,710)
Net profit / (loss) for the year	1,532,713	(43,406)
Other comprehensive (loss) / income for the year	(51,375)	346,945
	1,481,338	303,539
Transfer of capital reserve	-	30,121
Unappropriated profit brought forward	2,918,903	3,245,120
	4,400,241	3,578,780
Appropriations:		
- Final dividend 2024 @ 35%	-	(271,714)
- First interim dividend 2025 @ 20%	-	(155,265)
- Second interim dividend 2025 @ 30%	-	(232,898)
- Transfer to general reserves	(3,000,000)	-
- Final dividend 2025 @ 25%	(194,081)	-
- First interim dividend 2026 @ 20%	(155,265)	-
	1,050,895	2,918,903
Subsequent event:		
- Final dividend 2025 @ 25%	-	194,081
- Final dividend 2026 @ 35%	271,714	-
- Transfer to general reserves	700,000	3,000,000
Basic and diluted earnings / (loss) per share	Rs. 19.74	Re. (0.56)
Basic and diluted – earnings per share – continuing operations	Rs. 17.99	Rs. 1.72

Pattern of Shareholding

The pattern of shareholding and additional information relating thereto is attached separately.

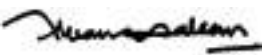
Material Changes and Commitments

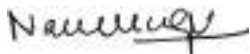
No material changes and commitments affecting the financial position of the Group have occurred between the end of the financial year to which this Balance Sheet relates and the date of the Directors' Report.

Chief Executive's Review

The Directors endorse the contents of the Chief Executive's Review for the year ended June 30, 2026, which gives information on the state of the Group's affairs, operational performance of CSAPL and its subsidiary companies, future prospects of profits along with other requisite information. The contents of the said review shall be read along with this report, Chairman's Review and our report on unconsolidated financial statements and shall form an integral part of the Director's Report in terms of section 227 of the Companies Act, 2017 and the requirements of the Code of Corporate Governance under the Pakistan Stock Exchange (PSX) Rule Book.

By order of the Board


Ahsan M. Saleem
Chief Executive Officer
July 31, 2026


Nadeem Maqbool
Director

ڈائریکٹرز کی رپورٹ - یکجا

کریسنٹ اکیٹل اینڈ الائیڈ پروڈکٹس لمیٹڈ (CSAPL) کے ڈائریکٹرز انتہائی مسرت کے ساتھ گروپ کے سالانہ آڈٹ شدہ یکجا مالیاتی گوشوارے برائے مالی سال اختتامیہ 30 جون 2026 پیش کر رہے ہیں۔ یہ گروپ سی ایس اے پی ایل (CSAPL) اور اس کی مکمل ملکیتی ذیلی کمپنیوں پر مشتمل ہے، جن میں شامل ہیں: سی ایس کپیتل (Capital CS) (پرائیویٹ) لمیٹڈ، سولوشن ڈی انرجی (Solution de Energy) (پرائیویٹ) لمیٹڈ، اور کریسنٹ کانسٹریکشن گیس پائپ لائنز لمیٹڈ (CCGPL) شامل ہیں۔ سی سی پی ایل (CCGPL) اس وقت کوئی کاروباری سرگرمیاں انجام نہیں دے رہی، لہذا اس کے مالیاتی گوشوارے تیار نہیں کیے جا رہے۔

سی ایس اے پی ایل (CSAPL) کی کارکردگی پر تبصرہ کرنے والی ڈائریکٹرز رپورٹ اختتامیہ مالی سال 30 جون 2026 علیحدہ طور پر پیش کی گئی ہے۔

گروپ کے نتائج

گروپ کے یکجا مالیاتی نتائج کا خلاصہ درج ذیل ہے:

2025	2026	
روپے ہزاروں میں		
452,087	2,096,462	منافع قبل از ٹیکس - جاری کاروباری افعال
(318,783)	(700,204)	ٹیکس کی کوئی
133,304	1,396,258	صافی منافع بعد از ٹیکس - جاری کاروباری افعال
(176,710)	136,455	صافی نقصان - معطل کاروباری افعال سے
(43,406)	1,532,713	صافی منافع برائے سال
346,945	(51,375)	دوران سال دیگر مجموعی جامع آمدن
1,690,224	1,481,338	کپیتل ریزرو کی منتقلی
30,121	-	گزشتہ فیصلہ شدہ منافع
3,245,120	2,918,903	
3,578,780	4,400,241	
تقسیم:		
(271,714)	-	حتیٰ ڈیویڈنڈ 2024 - 35% @
(155,265)	-	پہلا عبوری ڈیویڈنڈ 2025 - 20% @
(232,898)	-	دوسرا عبوری ڈیویڈنڈ 2025 - 30% @
-	(3,000,000)	جزل ریزرو میں منتقلی
-	(194,081)	حتیٰ ڈیویڈنڈ 2025 - 25% @
-	(155,265)	پہلا عبوری ڈیویڈنڈ 2026 - 20% @
2,918,903	1,050,895	
مابعد واقعات:		
194,081	-	حتیٰ ڈیویڈنڈ 2025 - 25% @
-	271,714	حتیٰ ڈیویڈنڈ 2026 - 35% @
3,000,000	700,000	جزل ریزرو میں منتقلی
Re. (0.56)	Rs. 19.74	بنیادی و تحلیلی شدہ آمدن فی شخص
Rs. 1.72	Rs. 17.99	بنیادی و تحلیلی شدہ آمدن فی شخص - جاری کاروباری افعال

ترتیب حصص داری

شیرز ہولڈنگ کی ترتیب اور اس سے متعلق اضافی معلومات علیحدہ طور پر منسلک کی گئی ہیں۔

اہم تبدیلیاں اور وعدے

اس مالی گوشواروں کے بیان سے متعلقہ مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمیٹی کی مالی حالت پر اثر انداز ہونے والی کوئی اہم تبدیلی واقع نہیں ہوئی۔

چیف ایگزیکٹو کا جائزہ

ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے چیف ایگزیکٹو کے جائزے کی توثیق کرتے ہیں۔ یہ جائزہ گروپ کے امور کی صورتحال، سی ایس اے پی ایل (CSAPL) اور اس کی ذیلی کمپنیوں کی آپریشنل کارکردگی، منافع کے مستقبل کے امکانات اور دیگر ضروری معلومات فراہم کرتا ہے۔ مذکورہ جائزے کے مندرجات کا مطالعہ اس رپورٹ، چیئر مین کے جائزے اور غیر یکجا مالیاتی گوشواروں پر ہماری رپورٹ کے ساتھ ملا کر پڑھا جائے، اور یہ کمپنیز ایکٹ 2017 کی دفعہ 227 اور پاکستان ایکسچینج (PSX) کے رول بک کے تحت کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق ڈائریکٹرز کی رپورٹ کا ایک لازمی حصہ ہوں گے۔

بحکم بورڈ

(Signature)

مدیر مقبول

ڈائریکٹر

(Signature)

احسان ایم سلیم

چیف ایگزیکٹو آفیسر

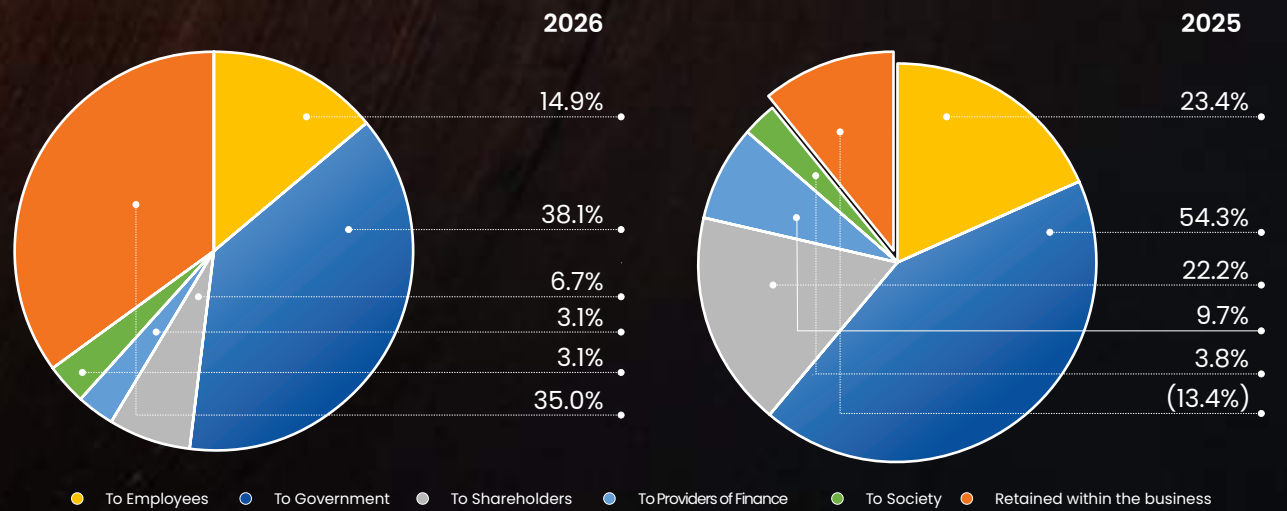
31 جولائی 2026

STATEMENT OF VALUE ADDED

Based on Consolidated Financial Statements

	2026		2025	
	Rupees in '000	%	Rupees in '000	%
Wealth Generated				
Total revenue	10,971,777	100.0%	7,668,972	100%
Bought-in-material and services	(5,732,253)	(52.2%)	(4,699,408)	(61.3%)
	5,239,524	47.8%	2,969,564	38.7%
Wealth Distributed				
To Employees				
Salaries, wages and other benefits	732,170	14.0%	694,924	23.4%
To Government				
Income tax, sales tax, custom duties, WWF and WPPF	2,000,766	38.1%	1,612,627	54.3%
To Shareholders				
Dividend	349,346	6.7%	659,877	22.2%
To Providers of Finance				
Finance costs	161,307	3.1%	288,950	9.7%
To Society				
Donation towards education, health and environment	162,663	3.1%	112,359	3.8%
Retained within the business for future growth				
Depreciation, amortization and retained earnings	1,833,272	35.0%	(399,173)	(13.4%)
	5,239,524	100.0%	2,969,564	100.0%

Distribution of Wealth

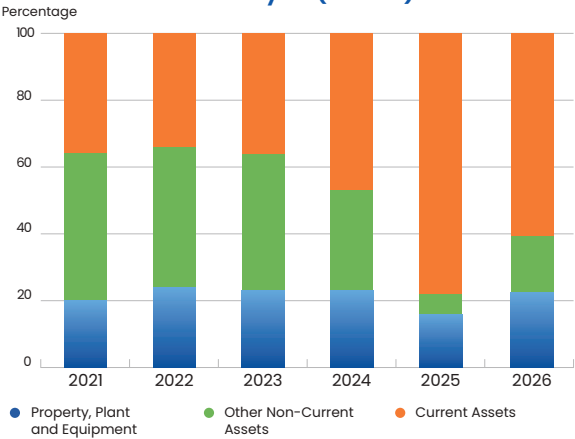


KEY OPERATING AND
FINANCIAL DATA

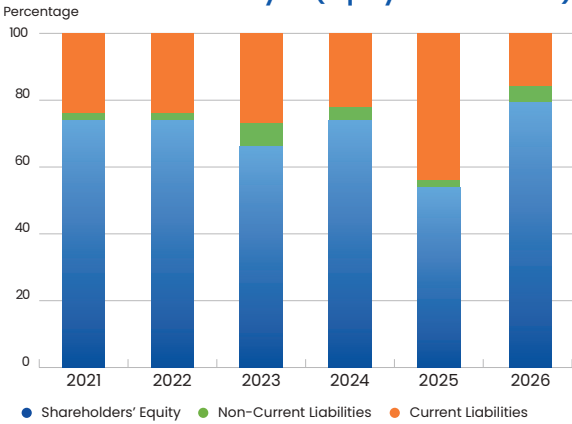
Based on Consolidated Financial Statements for the Current and Past Six Financial Years

Rupees in million	2026	2025	2024	2023	2022	2021	2020
A – Summary of Consolidated Statement of Profit or Loss							
Sales – net	7,936	6,346	9,056	3,396	1,929	3,194	1,504
Cost of sales	(5,922)	(4,749)	(6,249)	(2,520)	(2,104)	(2,770)	(1,490)
Gross profit / (loss)	2,014	1,598	2,807	876	(175)	424	14
Income / (loss) from investments – net	1,006	533	605	67	(206)	356	62
Distribution, selling and administrative expenses	(709)	(682)	(533)	(388)	(278)	(211)	(207)
Other operating expenses	(200)	(295)	(224)	(17)	(35)	(17)	(23)
Other income	147	63	96	76	40	165	21
Operating profit / (loss) before finance costs	2,258	1,216	2,751	614	(655)	718	(133)
Finance costs	(161)	(289)	(491)	(339)	(184)	(175)	(261)
Share of (loss) / profit in equity accounted investees – net of taxation	-	(475)	421	616	86	383	173
Profit / (loss) before taxation from continuing operations	2,096	452	2,681	891	(752)	925	(221)
Taxation (charge) / reversal	(700)	(319)	(1,128)	(108)	140	(134)	263
Net profit / (loss) for the year from continuing operations	1,396	133	1,553	783	(612)	791	42
Net profit / (loss) from discontinued operations	137	(177)	(282)	(193)	(36)	(0)	(62)
Net profit / (loss) for the year	1,533	(43)	1,272	590	(648)	791	(20)
B – Summary of Consolidated Statement of Financial Position							
Current assets	7,650	11,753	5,493	4,101	3,221	3,857	4,489
Stock-in-trade	1,466	2,984	1,448	1,269	1,190	1,237	2,131
Trade debts	1,066	1,641	1,472	464	175	137	226
Current liabilities	2,016	6,932	2,540	3,106	2,253	2,604	4,002
Trade and other payables	1,329	4,599	1,361	1,436	1,184	803	1,115
Unclaimed dividend	116	112	26	16	26	26	26
Property, plant and equipment	2,853	2,341	2,424	2,438	2,108	1,928	2,107
Total assets	12,651	15,651	11,672	11,302	9,469	10,779	11,296
Total Debt	291	1,874	1,261	1,370	503	1,033	2,601
Long term financing (excluding current maturity)	224	290	370	487	117	203	255
Liability against infrastructure cess (excluding current maturity)	116	-	-	-	-	-	-
Deferred income (including current maturity)	3	3	4	5	9	13	13
Deferred liability – staff retirement benefits	-	-	68	280	74	-	24
Short term financing (including current maturity of long-term financing)	562	2,193	1,091	1,574	996	1,737	2,800
Reserves	9,081	7,631	7,915	6,649	6,248	7,192	6,232
Shareholders' equity	9,857	8,407	8,691	7,425	7,024	7,968	7,008
Running finance	496	609	199	691	610	907	454
C – Summary of Consolidated Statement of Cash Flows							
Cash and cash equivalents at the beginning of the year	(531)	287	(427)	(383)	(687)	(586)	(878)
Net cash generated from / (used in) operating activities	3,244	(1,632)	535	(383)	74	1,036	(1,399)
Net cash (used in) / generated from investing activities	(984)	811	918	(573)	859	81	430
Net cash (used in) / generated from financing activities	(1,950)	3	(738)	912	(630)	(1,217)	1,261
Net increase / (decrease) in cash and cash equivalents	309	(818)	715	(44)	304	(101)	292
Cash and cash equivalents at the end of the year	(222)	(531)	287	(427)	(383)	(687)	(586)
Net cash generated from / (used in) operating activities – discontinued operations	11	(222)	(165)	226	235	(103)	228
Net cash generated from investing activities – discontinued operations	418	250	5	2	1	10	-
D – Other Data							
Depreciation and amortization	310	273	268	234	210	220	228
Capital expenditure	1,023	587	252	539	94	68	11
No. of ordinary shares (no. of shares in million)	78	78	78	78	78	78	78
Payments to National Exchequer	2,001	1,613	2,716	1,038	1,631	1,531	1,052

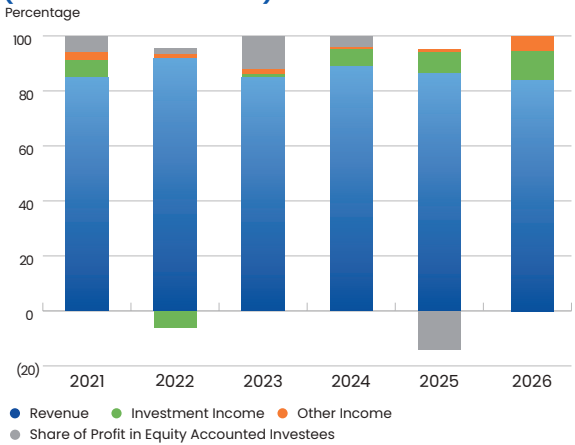
Consolidated Statement of Financial Position Analysis (Assets)



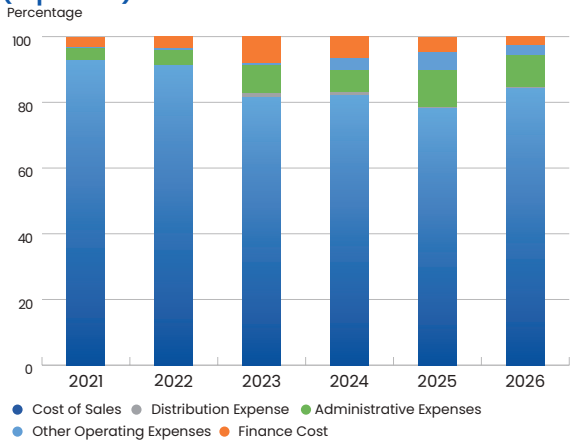
Consolidated Statement of Financial Position Analysis (Equity and Liabilities)



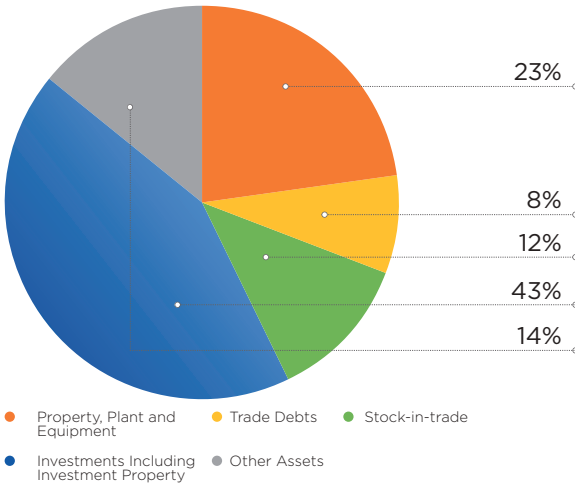
Consolidated Statement of Profit or Loss Analysis (Revenue and Income)



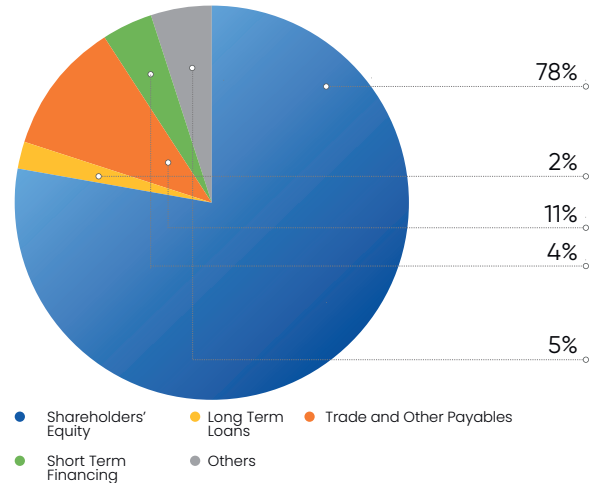
Consolidated Statement of Profit or Loss Analysis (Expenses)



Total Assets as of June 30, 2026



Total Equity and Liabilities as of June 30, 2026



VERTICAL
ANALYSIS

of Consolidated Statement of Financial Position and Consolidated Profit or Loss
For the Last Six Financial Years

Rupees in million	2026	%	2025	%	2024	%	2023	%	2022	%	2021	%
Consolidated Statement of Financial Position												
Property, plant and equipment	2,732	21.6	2,163	13.8	2,353	20.2	2,438	21.6	2,108	22.3	1,928	17.9
Right-of-use assets	121	0.9	179	1.1	229	2.0	83	0.7	110	1.2	132	1.2
Intangible assets	2	-	-	-	-	-	155	1.4	154	1.6	153	1.4
Investment properties	253	2.0	133	0.8	75	0.6	79	0.7	83	0.9	87	0.8
Investment in equity accounted investees	-	-	-	-	2,573	21.9	2,948	26.0	2,332	24.6	3,429	31.8
Other long term investments	1,791	14.2	939	6.0	849	7.3	763	6.8	756	8.0	976	9.1
Long term deposits	59	0.5	71	0.5	71	0.6	27	0.2	29	0.3	24	0.2
Deferred taxation - net	-	-	-	-	29	0.2	708	6.3	676	7.1	193	1.8
Stores, spares and loose tools	494	3.9	385	2.5	405	3.5	340	3.0	171	1.8	163	1.5
Stock-in-trade	1,466	11.6	2,984	19.1	1,448	12.4	1,269	11.2	1,190	12.6	1,237	11.6
Trade debts	1,066	8.4	1,641	10.5	1,472	12.6	464	4.1	175	1.8	137	1.3
Advances	48	0.4	308	2.0	195	1.7	173	1.5	68	0.7	42	0.4
Trade deposits and short term prepayments	25	0.2	22	0.1	19	0.2	17	0.2	28	0.3	293	2.7
Short term investments	3,454	27.3	2,486	15.9	1,377	11.8	834	7.4	780	8.2	522	4.8
Other receivables	538	4.3	3,457	22.1	82	0.7	295	2.6	112	1.2	345	3.2
Taxation - net	285	2.2	391	2.5	158	1.4	673	6.0	690	7.3	1,114	10.3
Cash and bank balances	274	2.2	78	0.5	337	2.9	36	0.3	7	0.1	4	0.0
Non-current assets held for sale	43	0.3	414	2.6	-	-	-	-	-	-	-	-
Total assets	12,651	100	15,651	100	11,672	100	11,302	100	9,469	100	10,779	100
Issued, subscribed and paid-up capital	776	6.1	776	5.0	776	6.6	776	6.9	776	8.2	776	7.2
Capital reserves	1,021	8.1	1,021	6.5	1,051	9.0	1,050	9.3	1,051	11.1	1,050	9.7
Revenue reserves	8,060	63.7	6,610	42.2	6,864	58.8	5,599	49.5	5,197	54.9	6,142	57.0
Shareholders' equity	9,857	77.9	8,407	53.7	8,691	74.4	7,425	65.7	7,024	74.2	7,968	73.9
Long term loans	121	1.0	132	0.8	157	1.3	425	3.8	50	0.5	128	1.2
Lease liabilities	103	0.8	158	1.0	213	1.8	62	0.5	67	0.7	75	0.7
Liability against Infrastructure cess	116	0.9	-	-	-	-	-	-	-	-	-	-
Deferred income	2	-	3	-	3	-	4	-	1	-	4	-
Deferred taxation - net	435	3.4	19	0.1	-	-	-	-	-	-	-	-
Deferred liability - staff retirement benefits	-	-	-	-	68	0.6	280	2.5	74	0.8	-	-
Trade and other payables	1,329	10.5	4,599	29.5	1,361	11.8	1,436	12.8	1,184	12.5	803	7.4
Unclaimed dividend	116	1.0	112	0.7	26	0.2	16	0.1	26	0.3	26	0.2
Mark-up accrued	8	0.1	27	0.2	62	0.5	79	0.7	39	0.4	29	0.3
Short term borrowings	519	4.1	1,974	12.6	778	6.7	1,290	11.4	861	9.1	1,542	14.4
Current portion of long term loans	4	-	174	1.1	270	2.3	270	2.4	113	1.2	159	1.5
Current portion of redeemable capital	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of lease liabilities	40	0.3	45	0.3	42	0.4	14	0.1	22	0.2	36	0.3
Current portion of deferred income	1	-	1	-	1	-	1	-	8	0.1	9	0.1
Total equity and liabilities	12,651	100	15,651	100	11,672	100	11,302	100	9,469	100	10,779	100
Consolidated Statement of Profit or Loss												
Sales - net	7,936	100.0	6,346	100.0	9,056	100.0	3,396	100.0	1,929	100.0	3,194	100.0
Cost of sales	(5,922)	(74.6)	(4,749)	(74.8)	(6,249)	(69.0)	(2,520)	(74.2)	(2,104)	(109.1)	(2,770)	(86.7)
Gross profit / (loss)	2,014	25.4	1,597	25.2	2,807	31.0	876	25.8	(175)	(9.1)	424	13.3
Income / (loss) from investments - net	1,006	12.7	533	8.4	605	6.7	67	2.0	(206)	(10.7)	356	11.1
Distribution and selling expenses	(26)	(0.3)	(30)	(0.5)	(51)	(0.6)	(61)	(1.8)	(11)	(0.6)	(11)	(0.3)
Administrative expenses	(683)	(8.6)	(651)	(10.3)	(482)	(5.3)	(327)	(9.6)	(267)	(13.8)	(200)	(6.3)
Other operating expenses	(200)	(2.5)	(295)	(4.6)	(224)	(2.5)	(17)	(0.5)	(35)	(1.8)	(17)	(0.5)
Other income	147	1.9	63	1.0	96	1.1	76	2.2	40	2.1	165	5.2
Operating profit / (loss) before finance costs	2,258	28.6	1,217	19.2	2,751	30.4	614	18.1	(654)	(33.9)	717	22.5
Finance costs	(161)	(2.0)	(289)	(4.6)	(491)	(5.4)	(339)	(10.0)	(184)	(9.5)	(175)	(5.5)
Share of (loss) / profit in equity accounted investees - net of taxation	-	-	(475)	(7.5)	421	4.6	616	18.1	86	4.5	383	12.0
Profit / (loss) before taxation from continuing operations	2,097	26.6	453	7.1	2,681	29.6	891	26.2	(752)	(38.9)	925	29.0
Taxation (charge) / reversal	(700)	(8.8)	(319)	(5.0)	(1,128)	(12.5)	(108)	(3.2)	140	7.3	(134)	(4.2)
Net profit / (loss) for the year from continuing operations	1,397	17.8	134	2.1	1,553	17.1	783	23.0	(612)	(31.6)	791	24.8
Net profit / (loss) from discontinued operations	136	1.7	(177)	(2.8)	(281)	(3.1)	(193)	(5.7)	(36)	(1.9)	(0)	(0.0)
Net profit / (loss) for the year	1,533	19.5	(43)	(0.7)	1,272	14.0	590	17.3	(648)	(33.5)	791	24.8

HORIZONTAL
ANALYSIS

of Consolidated Statement of Financial Position and Consolidated Profit or Loss
For the Last Six Financial Years

Rupees in million	2026	%	2025	%	2024	%	2023	%	2022	%	2021	%
Consolidated Statement of Financial Position												
Property, plant and equipment	2,732	26.3	2,163	(8.1)	2,353	(3.5)	2,438	15.7	2,108	9.3	1,928	(8.5)
Right-of-use assets	121	(32.4)	179	(21.8)	229	175.9	83	(24.5)	110	(16.7)	132	(21.9)
Intangible assets	2	100.0	-	-	-	(100.0)	155	0.6	154	0.7	153	4.8
Investment properties	253	90.2	133	77.3	75	(5.1)	79	(4.8)	83	(4.6)	87	70.6
Investment in equity accounted investees	-	-	-	(100.0)	2,573	(12.7)	2,948	26.4	2,332	(32.0)	3,429	11.1
Other long term investments	1,791	90.7	939	10.6	849	11.3	763	0.9	756	(22.5)	976	33.5
Long term deposits	59	(16.9)	71	-	71	163.0	27	(6.9)	29	20.8	24	(89.3)
Deferred taxation - net	-	-	-	(100.0)	29	(95.9)	708	4.7	676	250.3	193	(33.7)
Stores, spares and loose tools	494	28.3	385	(4.9)	405	19.1	340	98.8	171	4.9	163	(3.6)
Stock-in-trade	1,466	(50.9)	2,984	106.1	1,448	14.1	1,269	6.6	1,190	(3.8)	1,237	(42.0)
Trade debts	1,066	(35.0)	1,641	11.5	1,472	217.2	464	165.1	175	27.7	137	(39.4)
Advances	48	(84.4)	308	57.9	195	12.7	173	154.4	68	61.9	42	(22.2)
Trade deposits and short term prepayments	25	13.6	22	15.8	19	11.8	17	(39.3)	28	(90.4)	293	343.9
Short term investments	3,454	38.9	2,486	80.5	1,377	65.1	834	6.9	780	49.4	522	53.5
Other receivables	538	(84.4)	3,457	4,115.9	82	(72.2)	295	163.4	112	(67.5)	345	66.7
Taxation - net	285	(27.1)	391	147.5	158	(76.5)	673	(2.5)	690	(38.1)	1,114	(12.4)
Cash and bank balances	274	251.3	78	(76.9)	337	836.1	36	414.3	7	75.0	4	(83.3)
Non-current assets held for sale	43	(89.6)	414	100.0	-	-	-	-	-	-	-	-
Total assets	12,651	(19.2)	15,651	34.1	11,672	3.3	11,302	19.4	9,469	(12.2)	10,779	(4.6)
Issued, subscribed and paid-up capital	776	-	776	-	776	-	776	-	776	-	776	-
Capital reserves	1,021	-	1,021	(2.9)	1,051	0.1	1,050	(0.1)	1,051	0.1	1,050	(3.8)
Revenue reserves	8,060	21.9	6,610	(3.7)	6,864	22.6	5,599	7.7	5,197	(15.4)	6,142	19.5
Shareholders' equity	9,857	17.2	8,407	(3.3)	8,691	17.1	7,425	5.7	7,024	(11.8)	7,968	13.7
Long term loans	121	(8.3)	132	(15.9)	157	(63.1)	425	750.0	50	(60.9)	128	(32.6)
Lease liabilities	103	(34.8)	158	(25.8)	213	243.5	62	(7.5)	67	(10.7)	75	15.4
Liability against Infrastructure cess	116	100.0	-	-	-	-	-	-	-	-	-	-
Deferred income	2	(33.3)	3	-	3	(25.0)	4	300.0	1	(75.0)	4	(42.9)
Deferred taxation - net	435	2,189.5	19	100.0	-	-	-	-	-	-	-	-
Deferred liability - staff retirement benefits	-	-	-	(100.0)	68	(75.7)	280	278.4	74	100.0	-	(100.0)
Trade and other payables	1,329	(71.1)	4,599	237.9	1,361	(5.2)	1,436	21.3	1,184	47.4	803	(28.0)
Unpaid dividend	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend	116	3.8	112	330.8	26	62.5	16	(38.5)	26	-	26	-
Mark-up accrued	8	(70.4)	27	(56.5)	62	(21.5)	79	102.6	39	34.5	29	(47.3)
Short term borrowings	519	(73.7)	1,974	153.7	778	(39.7)	1,290	49.8	861	(44.2)	1,542	(43.0)
Current portion of long term loans	4	(97.7)	174	(35.6)	270	-	270	138.9	113	(28.9)	159	224.5
Current portion of lease liabilities	40	(11.1)	45	7.1	42	200.0	14	(36.4)	22	(38.9)	36	(23.4)
Current portion of deferred income	1	-	1	-	1	-	1	(87.5)	8	(11.1)	9	50.0
Total equity and liabilities	12,651	(19.2)	15,651	34.1	11,672	3.3	11,302	19.4	9,469	(12.2)	10,779	(4.6)
Consolidated Statement of Profit or Loss												
Sales - net	7,936	25.1	6,346	(29.9)	9,056	166.6	3,396	76.1	1,929	(39.6)	3,194	112.3
Cost of sales	(5,922)	24.7	(4,749)	(24.0)	(6,249)	148.0	(2,520)	19.8	(2,104)	(24.0)	(2,770)	85.9
Gross profit / (loss)	2,014	26.1	1,597	(43.1)	2,807	220.3	876	601.6	(175)	(141.2)	424	2,908.8
Income / (loss) from investments - net	1,006	88.7	533	(11.9)	605	803.0	67	132.5	(206)	(157.9)	356	474.2
Distribution and selling expenses	(26)	(14.2)	(30)	(40.7)	(51)	(16.5)	(61)	454.8	(11)	0.3	(11)	19.9
Administrative expenses	(683)	4.9	(651)	35.0	(482)	47.7	(327)	22.3	(267)	33.8	(200)	0.9
Other operating expenses	(200)	(32.2)	(295)	31.4	(224)	1,220.2	(17)	(51.4)	(35)	104.5	(17)	(26.5)
Other income	147	133.3	63	(34.4)	96	27.0	76	87.1	40	(75.6)	165	675.8
Operating profit / (loss) before finance costs	2,258	85.6	1,217	(55.8)	2,751	348.1	614	193.8	(654)	(191.3)	717	639.4
Finance costs	(161)	(44.3)	(289)	(41.2)	(491)	44.9	(339)	84.4	(184)	4.8	(175)	(32.9)
Share of (loss) / profit in equity accounted investees - net of taxation	-	100.0	(475)	(212.8)	421	(31.7)	616	616.3	86	(77.5)	383	121.4
Profit / (loss) before taxation from continuing operations	2,097	363.2	453	(83.1)	2,681	200.8	891	218.5	(752)	(181.3)	925	518.8
Taxation (charge) / reversal	(700)	(119.4)	(319)	71.7	(1,128)	(944.4)	(108)	(177.1)	140	204.5	(134)	(151.0)
Net profit / (loss) for the year from continuing operations	1,397	944.9	134	(91.4)	1,553	98.3	783	227.9	(612)	(177.2)	791	1,782.4
Net profit / (loss) from discontinued operations	136	177.3	(177)	37.0	(281)	(45.3)	(193)	(437.6)	(36)	(8,875.4)	(0)	99.4
Net profit / (loss) for the year	1,533	3,673.4	(43)	(103.4)	1,272	115.6	590	191.0	(648)	(181.8)	791	4,055.2

SUMMARY DATA AND

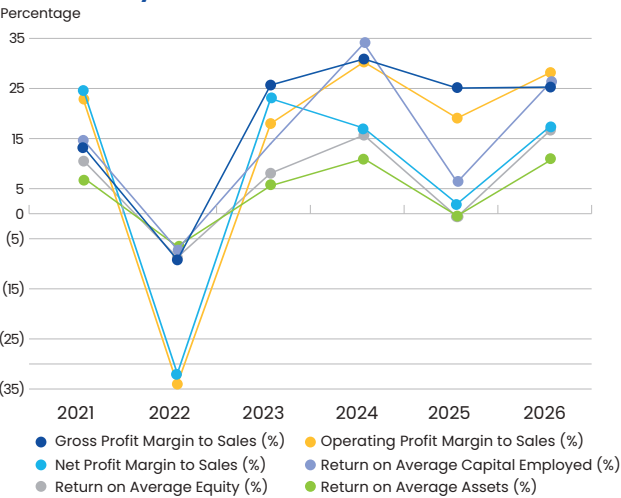
PERFORMANCE INDICATORS

Based on Consolidated Financial Statements for the Current and Past Six Financial Years

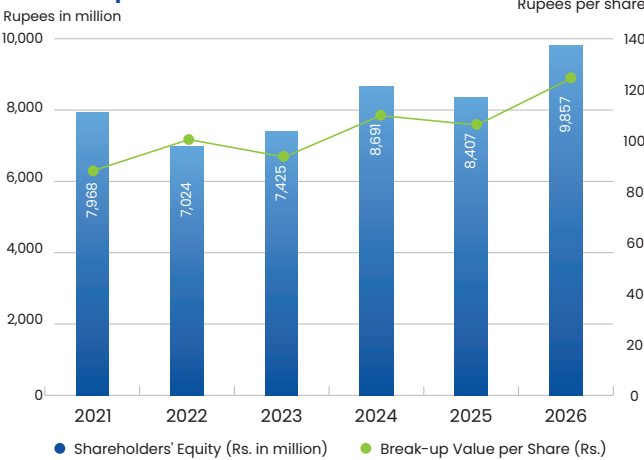
Performance Indicators	2026	2025	2024	2023	2022	2021	2020
A – Profitability Ratios							
Earnings / (loss) before interest, taxation, depreciation and amortization [EBITDA / (LBITDA)] (Rs. in million)	2,780.6	837.4	3,165.4	1,298.1	(325.6)	1,358.8	260.9
Profit / (loss) before taxation and depreciation (Rs. in million)	2,618.9	548.4	2,666.7	930.1	(580.6)	1,144.0	(55.0)
Gross profit / (loss) ratio (%)	25.4	25.2	31.0	25.8	(9.1)	13.3	0.9
Operating profit / (loss) margin to sales (net) (%)	28.3	19.2	30.4	18.1	(33.9)	22.5	(8.8)
Net profit / (loss) margin to sales (net) (%)	17.6	2.1	17.2	23.1	(31.8)	24.8	2.8
EBITDA / (LBITDA) margin to sales (net) (%)	34.6	13.1	34.7	28.7	(4.6)	18.7	6.8
Earnings / (loss) before interest and taxation [EBIT / (LBIT)] (Rs. in million)	2,470.3	564.4	2,897.0	1,063.3	(536.0)	1,138.0	32.0
Operating leverage ratio	12.3	2.7	1.7	8.2	63.2	38.4	3.8
Return on equity (%)	15.5	(0.5)	14.6	8.0	(9.2)	9.9	(0.3)
Return on average equity (%)	18.8	(0.5)	15.8	8.2	(8.6)	10.6	(0.3)
Shareholders' funds (%)	77.9	53.7	74.4	65.7	74.2	73.9	62.0
Return on shareholders' funds (%)	15.5	(0.5)	14.6	8.0	(9.2)	9.9	(0.3)
Return on capital employed (RoCE) (%)	24.5	6.5	32.0	13.4	(7.5)	13.9	0.4
Return on average capital employed (%)	26.3	6.4	34.1	14.1	(7.0)	14.7	0.4
Return on average assets (%)	10.8	(0.3)	11.1	5.7	(6.4)	7.2	(0.2)
Return on investment (%)	20.9	16.2	32.3	3.9	(10.9)	27.6	5.7
Total shareholder return (%)	3.4	128.0	176.8	(48.7)	(50.1)	84.4	20.4
B – Liquidity Ratios							
Current ratio	3.8 : 1	1.7 : 1	2.2 : 1	1.3 : 1	1.4 : 1	1.5 : 1	1.1 : 1
Quick / Acid-test ratio	3.1 : 1	1.3 : 1	1.6 : 1	0.9 : 1	0.9 : 1	1.1	0.6 : 1
Cash to current liabilities (%)	(11.0)	(7.7)	11.3	(13.8)	(17.0)	(26.4)	(14.6)
Cash flows from operating activity (%)	160.9	(23.5)	21.1	(12.3)	3.3	39.8	(35.0)
Cash flows from operations to sales (%)	40.3	(25.4)	5.9	(8.5)	1.0	14.3	(36.6)
Working capital – Net current assets (Rs. in million)	5,633.5	4,820.7	2,952.7	995.0	968.0	1,253.0	487.0
Working capital turnover (times)	1.5	1.6	4.6	4.6	6.4	8.3	7.7
Cashflow to capital expenditures (times)	3.7	(1.2)	4.6	0.1	1.5	18.2	(93.8)
Cashflow to coverage ratio (times)	13.1	(0.4)	0.9	–	0.3	1.2	(0.4)
C – Activity / Turnover Ratios							
Debtors turnover ratio (times)	5.9	4.1	9.4	14.1	45.4	40.0	23.7
No. of days in receivables / Average collection period (days)	61	89	39	26	8	9	15
Inventory turnover ratio (times)	2.7	2.2	4.8	3.0	5.9	4.0	2.6
No. of days in inventory (days)	133	164	77	120	62	91	143
Creditors turnover ratio (times)	12.4	13.7	37.8	11.8	21.6	24.8	4.9
No. of days in creditors / Average payment period (days)	29	27	10	31	17	15	75
Property, plant and equipment turnover (times)	2.8	2.7	3.8	1.9	3.4	3.8	1.8
Total assets turnover (times)	0.6	0.4	0.8	0.4	0.5	0.5	0.3
Operating cycle (days)	165	226	106	115	53	85	83
D – Investment / Market Ratios							
Basic and diluted earnings / (loss) per share (Rs.)	19.74	(0.56)	16.38	7.60	(8.36)	10.18	(0.26)
Price earnings ratio (times)	5.8	–	3.3	2.8	–	8.2	–
Book Value per share	127.0	108.3	112.0	95.7	90.5	102.7	90.3
Price to book ratio (times)	0.9	1.1	0.5	0.2	0.5	0.8	0.5
Dividend yield (%) *	4.8	6.5	10.2	–	–	–	–
Dividend payout ratio (%) *	27.8	N/A	33.6	–	–	–	–
Dividend cover ratio (times) *	3.6	N/A	3.0	–	–	–	–
Cash dividend (Rs. in million) *	427.0	582.2	427.0	–	–	–	–
Cash dividend per share (Rs.) *	5.5	7.5	5.5	–	–	–	–
Market value per share (at the end of the year) (Rs.)	114.1	115.6	54.0	21.5	41.9	83.9	45.5
– Lowest during the year (Rs.)	79.5	51.6	23.1	21.5	34.0	45.8	27.8
– Highest during the year (Rs.)	138.5	136.3	77.9	46.3	93.3	96.4	58.7
Break-up value per share (Rs.)	127.0	108.3	112.0	95.7	90.5	102.7	89.6
Break-up value per share including RP investment at MV (Rs.)	180.3	147.2	157.4	134.6	128.7	155.2	140.3
E – Capital Structure Ratios							
Financial leverage ratio (%)	8.0	29.5	16.8	27.8	15.8	24.3	43.6
Long term debt to equity ratio (%) – Book value	2.3	3.5	4.3	6.6	1.7	2.5	3.6
Long term debt to equity ratio (%) – Market value	2.5	3.2	8.8	29.2	3.6	3.1	7.2
Weighted average of cost of debt (%)	6.0	8.9	20.6	16.8	12.1	6.3	9.0
Long term debt : Equity ratio	2 : 98	3 : 97	4 : 96	6 : 94	2 : 98	2 : 98	4 : 96
Total liabilities to total assets (%)	17.7	46.1	25.5	34.3	25.8	26.0	37.9
Gearing ratio (%)	4.9	22.2	11.4	21.4	13.6	19.5	30.2
Interest coverage (times)	15.3	2.3	6.0	3.1	(1.6)	6.9	0.1
Net asset value per share	127.0	108.3	112.0	95.7	90.5	102.7	90.3
F – Others							
Plant availability (%)							
– Steel Division	30.3	61.8	89.2	95.0	47.7	96.3	88.3
– Energy Division	–	–	–	–	106.5	100.5	90.8
Customer satisfaction index (%)	92.9	95.0	92.5	93.2	95.7	94.0	92.3
Production per employee							
– Steel Division (in tons per employee)	83.9	168.1	227.8	144.4	46.0	82.8	41.9
Revenue per employee (Rs. in million)	20.1	15.7	21.0	5.7	6.1	6.6	5.9
No. of employees	401.0	406.0	431.0	778.0	755.0	789.0	481.0
Staff turnover ratio (%)	31.7	41.7	23.0	209.7	112.8	89.9	90.1
Spares inventory as percentage of assets cost (%)	3.9	2.5	3.5	3.0	1.8	1.5	1.5
Maintenance cost as percentage of operating expenses (%)	67.0	41.8	37.3	60.9	40.4	136.9	35.4

Notes:
* This includes declaration of final cash dividend recommended by the Board of Directors subsequent to year end.
Customer retention ratio cannot be calculated due to nature of business.

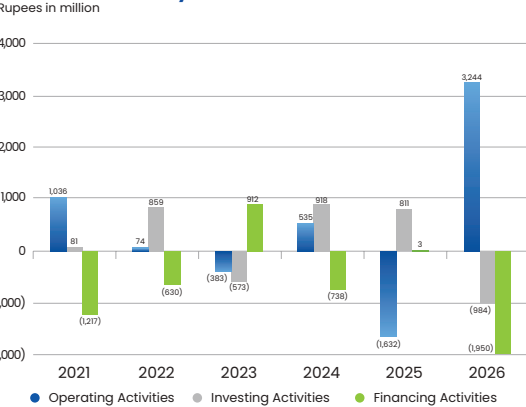
Profitability and Return



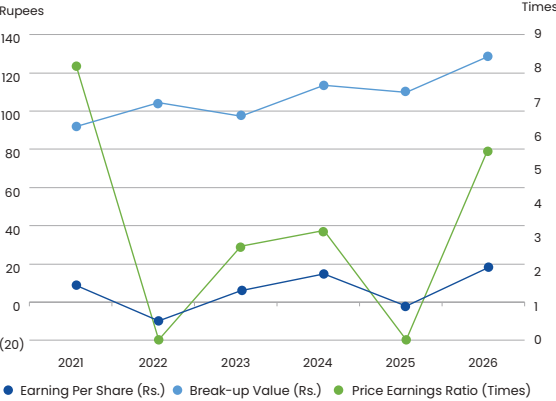
Shareholders' Equity and Break-up Value Per Share



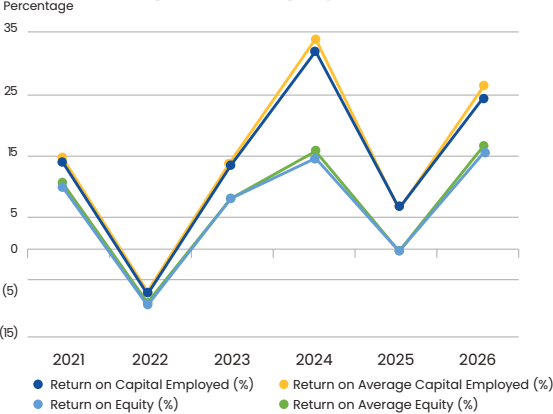
Cash Flow Analysis



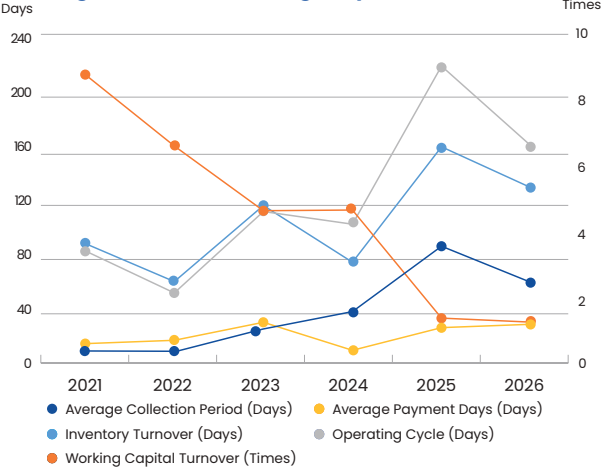
Per Share Result



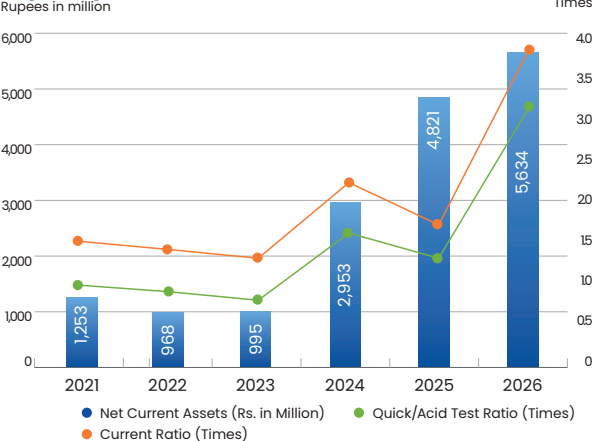
Return on Capital and Equity



Management of Working Capital



Liquidity



COMMENTS ON SIX-YEAR
CONSOLIDATED ANALYSIS

The Group comprises of CSAPL and wholly owned subsidiaries i.e. CS Capital (Private) Limited (CSCL) and Solution de Energy (Private) Limited (SdeE).

Consolidated Profit or Loss:

The variance between the unconsolidated and consolidated financial results primarily reflects the impact of subsidiary balances and share of profit from equity accounted investment.

The Group reported a PAT of Rs. 1,532.7 million for FY26, a significant turnaround from the loss after tax of Rs. 43.4 million recorded in FY25. During FY26, no income was recognized from equity-accounted investments. The Group's performance was supported by a contribution of Rs. 241.8 million from its subsidiary, CS Capital, along with the parent Company's unconsolidated PAT of Rs. 1,291.4 million. FY24 posted the Group's second-highest PAT over the last six years, amounting to Rs. 1,271.7 million, primarily supported by a share of profit (SOP) of Rs. 421.1 million from equity-accounted investments and the Company's unconsolidated PAT.

Over the past six years, FY22 recorded the Group's highest loss after tax of Rs. 648.0 million, despite the Company reporting a PAT in its unconsolidated financial statements. This was primarily due to the treatment of equity accounting, where share of profit amounting to Rs. 85.7 million recorded in consolidated financial statements while dividend income amounting to Rs. 1,183.1 million recorded in unconsolidated financial statements. During FY25, the second highest loss amounting to Rs. 43.4 million was recognized, primarily due to the reclassification and subsequent disposal of its investment in Altern Energy Limited (ALTN), which resulted in an impairment charge of Rs. 220.1 million and share-of-loss of Rs. 474.9 million.

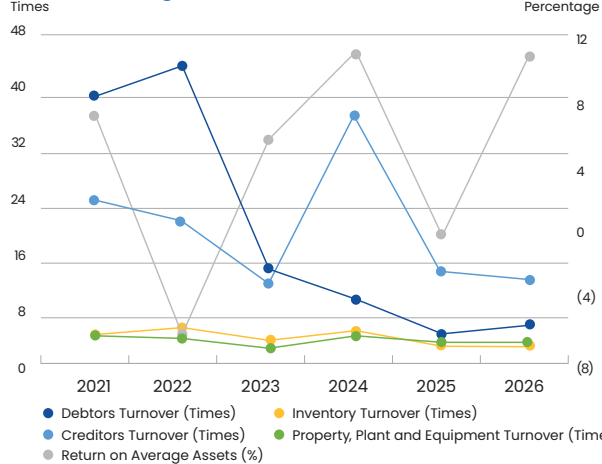
Consolidated Statement of Financial Position:

Over the past six years, the Group's total assets grew by 2.7%, increasing from Rs. 10,779.2 million in FY21 to Rs. 12,651.2 million in FY26. The growth was accompanied by a shift in the Group's asset mix. Investment in equity accounted investees, which peaked at Rs. 3,429 million in FY21 was fully divested by FY25, indicating a shift in investment strategy. Other long-term investments increased from Rs. 976.1 million in FY21 to Rs. 1,791.4 million in FY26.

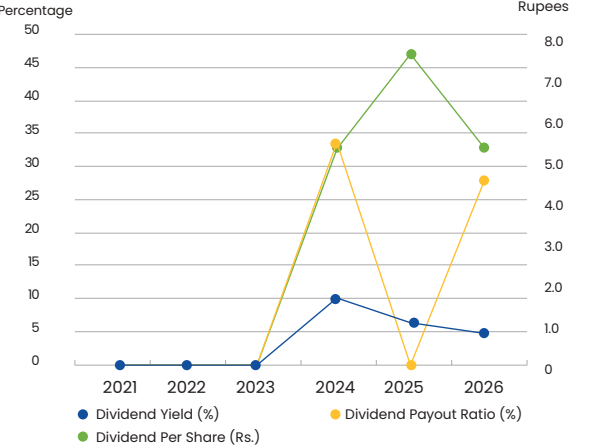
The Group's current asset profile shifted towards more liquid and income-generating assets over the period. Short-term investments increased significantly from Rs. 522.1 million in FY21 to Rs. 3,453.8 million in FY26, reflecting the expansion of the Group's investment activities.

On the equity and liabilities side, shareholders' equity reached a six-year high of Rs. 9,857.4 million in FY26, up from Rs. 7,968.2 million in FY21, reflecting the Group's strengthened financial position. Despite regular dividend distributions of Rs. 5.5 per share and Rs. 7.5 per share in FY26 and FY25, respectively, the Group continued to enhance shareholder value through equity growth.

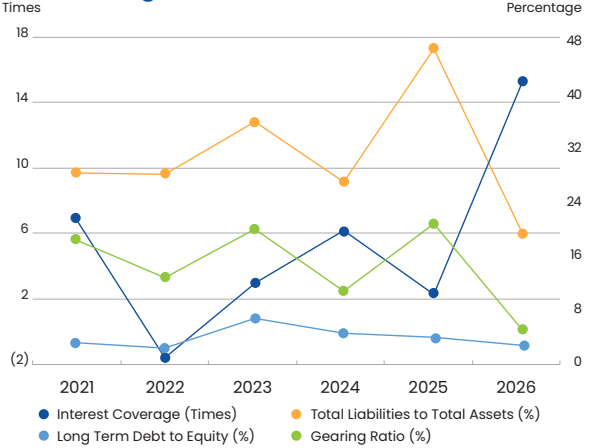
Asset Management



Dividend and Returns



Debt Management





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:

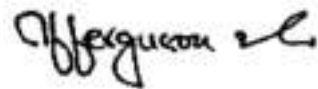
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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

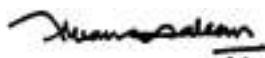
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

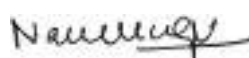
As at June 30, 2026

	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

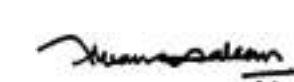
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

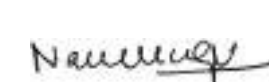
For the year ended June 30, 2026

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

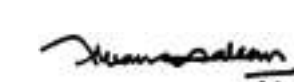

Chief Financial Officer

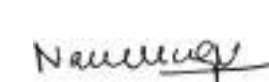
CONSOLIDATED STATEMENT OF
CASH FLOWS

For the year ended June 30, 2026

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

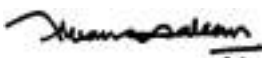

Chief Financial Officer

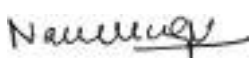
CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

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.

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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.

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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.

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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.

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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.

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- 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.

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	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.

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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	246,516	16,885	825	1,252,259	95,868	8,989	10,385	190,617	19,29,642	153,938	24,540	2,183,220	
Additions / transfers		-	1,950	8,576	-	-	25,940	14,057	2,430	8,197	20,597	28,757	-	-	28,757	
Deposits / transfers (at NBV)	16.5	-	-	-	-	-	-	-	-	(16)	(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)	(300,469)	
Balance as at June 30, 2026		123,333	20,204	224,776	15,293	-	1,092,736	96,035	9,419	11,936	25,618	18,49,950	117,900	3,532	1,970,982	
Gross carrying value as at June 30, 2026																
Cost	16.2	123,333	28,951	400,150	28,984	27,481	2,707,407	168,675	46,673	88,798	480,789	4,075,241	216,863	9,005	4,302,220	
Accumulated depreciation		-	(8,747)	(175,374)	(13,691)	(27,488)	(1,614,671)	(72,640)	(32,254)	(76,862)	(204,671)	(2,226,338)	(99,263)	(5,464)	(2,331,198)	
Net book value		123,333	20,204	224,776	15,293	-	1,092,736	96,035	9,419	11,936	25,618	18,49,950	117,900	3,532	1,970,982	
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	1,255,675	24,341	4,440	7,688	190,665	2,064,089	190,113	38,795	2,283,959	
Additions / transfers		-	4,072	55,396	-	-	399,008	75,472	6,137	7,667	48,492	597,254	-	-	597,254	
Deposits / transfer (at NBV)	16.5	-	-	-	-	-	-	-	-	-	(3,001)	(3,001)	-	(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	-	(25,40)	(2,540)	
Transfer to non-current assets held for sale (at NBV)	32	-	-	(187,410)	-	-	(259,981)	(12)	-	-	-	(447,520)	-	-	(447,520)	
Depreciation charge	16.12	-	(2,170)	(19,943)	(1,593)	(900)	(139,453)	(3,896)	(1,578)	(4,900)	(48,079)	(222,432)	(36,715)	(10,916)	(268,598)	
Balance as at June 30, 2025		207,403	24,885	248,516	16,885	825	1,252,259	95,868	8,989	10,385	190,617	19,29,642	153,938	24,540	2,183,220	
Gross carrying value as at June 30, 2025																
Cost	16.2	207,403	33,827	458,338	97,627	27,481	3,244,036	162,990	42,136	83,763	326,959	4,612,259	235,585	53,352	4,981,96	
Accumulated depreciation		-	(8,742)	(247,822)	(80,742)	(26,656)	(2,088,777)	(67,122)	(33,137)	(73,378)	(136,240)	(2,762,877)	(81,647)	(28,712)	(2,872,976)	
Net book value		207,403	24,885	248,516	16,885	825	1,252,259	95,868	8,989	10,385	190,617	19,29,642	153,938	24,540	2,183,220	
Depreciation rate (% per annum)			1 - 5	5 - 10	5 - 10	10	5 - 20	5 - 20	10	33.33	20	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.

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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).

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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.

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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

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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

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	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	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

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Non-shariah Compliant Investments		Name of investees		
2026 (Number of shares / units)	2025		2026 ----- Rupees in '000 -----	2025
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

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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.

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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

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		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

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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

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	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)

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	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)

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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.

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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)

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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

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	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.

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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.

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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

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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

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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

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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

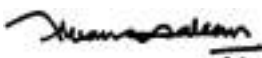
In addition to report the impacts due to the matter as stated in note 1.1.3, certain corresponding figures have been reclassified and rearranged for the purpose of better presentation and comparison of transactions in these consolidated financial statements, the effect of which is not material.

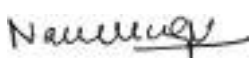
55.3 Subsequent event

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

SHAREHOLDERS'
INFORMATION

Stock Exchange Listing

Crescent Steel and Allied Products Limited is a listed Company, and its shares are traded on the Pakistan Stock Exchange. The Company's shares are quoted in leading dailies under the Engineering Sector with symbol 'CSAP'.

Ownership

On June 30, 2026, there were 5,538 shareholders on record of the Company's ordinary shares.

Annual General Meeting

The annual shareholders meeting will be held on Wednesday, October 28, 2026, at 11:00 AM at the 503-E, Johar Town, Lahore. Shareholders as of October 21, 2026, are encouraged to participate and vote. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company. Proxies should be filed with the company at least 48 hours before the meeting time.

Book Closure

The Share Transfer Books of the Company will remain closed from October 22, 2026, to October 28, 2026 (Both days inclusive). Transfers received in order at the office of our Share Registrar, M/s CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore by the close of business on October 21, 2026, will be treated in time for the entitlement to attend, speak and vote at the Annual General Meeting of the Company.

Share Registrar

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

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

Placement of Financial Statements

The Company has placed the Audited Annual Unconsolidated and Consolidated Financial Statements for the year ended June 30, 2026, along with Auditors and Directors Report thereon on Company's website. All quarterly reports are also regularly posted on the Company's website.

Issues Raised at Last AGM

During the 41st Annual General Meeting of the Company held on October 28, 2025, the members raised some queries on the Financial Statements which were duly responded by the Chairman to the entire satisfaction of the members and no significant issues were raised.

Investor Relations and Grievance Redressal

Investor grievances are addressed through our Company Secretary's office. Investors can lodge queries or complaints regarding information they require or for non-receipt of any right available to them directly to the Company Secretary through the contacts available on our website. A strong investor relations function enables us to provide efficient services to investors and to effectively address and redress the grievances of the investors in a timely manner and to manage recurrences.

Corporate Briefing Summary: Crescent Steel and Allied Products Limited

Crescent Steel and Allied Products Limited (CSAPL) will hold its Corporate Briefing Session for FY26 after Annual General Meeting to be held on October 28, 2026.

NOTICE OF 42nd ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting ("AGM") of the shareholders of Crescent Steel and Allied Products Limited (the "Company") will be held on Wednesday, October 28, 2026, at 11:00 AM, at the at 503-E, Johar Town, Lahore and through video link to transact the following ordinary business:

- To receive, consider and adopt the Chairman's Review Report, the Reports of Directors, and Auditors together with Audited Annual Unconsolidated and Consolidated Financial Statements of Crescent Steel and Allied Products Limited for the year ended June 30, 2026.

As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including the Notice of Meeting, Financial Statements and reports have been uploaded on the website of the Company which can be downloaded using the following link or QR enabled code:



<https://www.crescent.com.pk/uploads/media/annual-report-2026.pdf>

- To approve the payment of final cash dividend of Rs. 3.5 per share (i.e. 35%) in addition to interim cash dividend of Rs. 2 per share each, a total cash distribution of Rs. 5.5 per share (i.e. 55%) for the year ended June 30, 2026.
- To appoint the Company's auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s A. F. Ferguson & Co. Chartered Accountants for appointments as auditors of the Company.

BY ORDER OF THE BOARD


Azeem Sarwar, FCA
Company Secretary

Lahore: October 07, 2026

Notes:

1. Venue and participation by video Link:

In view of the requirements of the Securities and Exchange Commission of Pakistan, the following arrangement have been made by the Company for participation of shareholders in the AGM:

- The venue of the meeting for shareholders who wish to attend the AGM physically will be at 503-E, Johar Town, Lahore.
- The directors and management of the Company may attend the AGM via video link.
- The AGM can be attended by shareholders virtually using smart phones / tablets / computers. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at company.secretary@crescent.com.pk by October 25, 2026.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided with a video link by the Company at the same email address that they emailed the Company with. The Login facility will remain open from the start of the meeting till its proceedings are concluded.

Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if Company receives consent from shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

- (d) Shareholders are requested to notify the change of address, if any, and the email address to comply with the SECP directions issued from time to time.

2. Book Closure and Proxies:

The Share Transfer Books of the Company will remain closed from October 22, 2026, to October 28, 2026 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on October 21, 2026, will be treated in time for the entitlement to attend, speak and vote at the AGM and for payment of final cash dividend.

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking, and voting at the AGM as are available to the members. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form. A Proxy must be a member of the Company.

The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.

3. e-Payment of Dividend:

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

4. Zakat Declarations:

The members of the Company are required to submit a Declaration(s) for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980 to the Company's Share Registrar at the address given herein above.

5. Withholding tax on Dividend

Withholding Tax on cash dividend of those shareholders, whose name will not appear (at the time of issuance/ process of dividend) in the Active Taxpayers List, will be subject to higher rate of tax deduction as required under prevailing Income Tax Laws. Corporate shareholders are also required to update their NTN number NTN certificate to Company's Share Registrar (if shares are held in physical form).

6. Circulation of Financial Statements:

The shareholders who wish to receive hard copy of the Annual Report may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.crescent.com.pk.

7. Unclaimed Dividend / Shares:

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s. Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore, to collect/enquire about their unclaimed dividend / shares, if any.

8. Placement of Financial Statements:

The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended June 30, 2026 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: www.crescent.com.pk

9. Deposit of Physical Shares into CDC Accounts:

As per Section 72 of the Companies Act, 2017, every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e., May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares into the book entry form. For this purpose, the shareholders may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited. It also reduces the risks and costs associated with storing share certificate(s) and replacing lost or stolen certificate(s) as well as fraudulent transfer of shares. For the procedure of conversion of physical shares into book-entry form, you may approach our Share Registrar at the contact information given above.

10. Statutory Code of Conduct at AGM:

Shareholders are requested to observe the Statutory Code of Conduct at the AGM in accordance with Section 215 of the Companies Act, 2017 and Regulation 55 of the Companies Regulations, 2024, whereby shareholders are not permitted to exert influence or approach the Management directly for decisions, which may lead to creation of hurdles in the smooth functioning of the Management. As mentioned in these provisions, shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

اطلاع 42واں سالانہ اجلاس عام

بذریعہ نوٹس بذراطلع کیا جاتا ہے کہ کریڈنٹ اسٹیٹل اینڈ الانیڈ پروڈکٹس لمیٹڈ (کمپنی) کے حصص داران کا 42واں سالانہ اجلاس E-503 جو ہر ٹاؤن لاہور میں اور ویڈیولنک کے ذریعے 28 اکتوبر 2026 بروز بدھ صبح 11:00 بجے درج ذیل عمومی امور کی انجام دہی کیلئے منعقد ہوگا۔

1- 30 جون 2026ء کو ختم ہونے والی سال کیلئے کمپنی کے نظر ثانی شدہ جداگانہ اور مربوط سالانہ مالی حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس، چیئرمین کی جائزہ رپورٹ کو موصول کرنا، ذریعہ غور لانا اور منظور کرنا۔

جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 223 کے تحت اور مورخہ 21 مارچ 2023 کے ایس آر نمبر 2023/(1) 389 کے مطابق، سالانہ رپورٹ بشمول اجلاس کے نوٹس، مالی بیانات اور رپورٹس کمپنی کی ویب سائٹ پر اپ لوڈ کی گئی ہیں، جنہیں درج ذیل لنک یا کیوآر کوڈ کے ذریعہ ڈاؤن لوڈ کیا جاسکتا ہے:

	https://www.crescent.com.pk/uploads/media/annual-report-2026.pdf
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2- 30 جون 2026 کو ختم ہونے والے سال کے لئے 2 روپے فی حصص کے پہلے عبوری نقد منافع کے علاوہ 3.5 روپے فی حصص (یعنی 35 فیصد) کے حتمی نقد منافع کی ادائیگی کی منظوری دینے کے لئے 5.5 روپے فی حصص (یعنی 55 فیصد) کی کل یکیش تقسیم کی جائے گی۔

3- کمپنی کے آڈیٹرز کا تقرر داران کے صلہ خدمت کا تعین کرنا۔ ارکان کو بذریعہ نوٹس بذراطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کی حیثیت سے مقرر کرنے کی سفارش کی ہے۔

بحکم بورڈ


عظیم سرور، FCA
کمپنی سیکریٹری

نوٹس

1- مقام اور شرکت بذریعہ ویڈیولنک

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ضروریات کے پیش نظر، کمپنی کی جانب سے AGM میں شیئرز ہولڈرز کی شرکت کے لیے درج ذیل انتظامات کیے گئے ہیں:

a) اے جی ایم میں شرکت کے خواہشمند شیئرز ہولڈرز کے لیے اجلاس کا مقام E-503 جو ہر ٹاؤن، لاہور ہوگا۔

b) کمپنی کے ڈائریکٹرز اور انتظامیہ ویڈیولنک کے ذریعے اے جی ایم میں شرکت کر سکتے ہیں۔

c) شیئرز ہولڈرز اپنے سارٹ فونز/ٹیبٹ/کمپیوٹر کا استعمال کرتے ہوئے اے جی ایم میں شرکت کر سکتے ہیں۔ ویڈیولنک کے ذریعے اجلاس میں شرکت کے لئے، ممبران اور ان کے پراسیکیز سے درخواست ہے کہ وہ 25 اکتوبر 2026 تک companysecretary@crescent.com.pk پر ای میل کے ذریعے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (دونوں اطراف)/ پاسپورٹ، بورڈ ریزولوشن / پاور آف اٹارنی کی تصدیق شدہ کاپی (کارپوریت شیئرز ہولڈرز کی صورت میں) کے ساتھ مندرجہ ذیل معلومات فراہم کر کے اپنا اندراج کریں۔

ممبر کا نام	شناختی کارڈ نمبر	CDC اکاؤنٹ نمبر/ فوئیڈ نمبر	موبائل نمبر	ای میل ایڈریس

ضروری تصدیق کے بعد رجسٹرڈ ہونے والے ممبروں کو کمپنی کے ذریعہ ایسی ای میل ایڈریس پر ایک ویڈیولنک فراہم کیا جائے گا جس کے ساتھ وہ کمپنی کو ای میل کرتے ہیں۔ لاگ ان کی سہولت میٹنگ کے آغاز سے اس کی کارروائی مکمل ہونے تک کھلی رہے گی۔

لاہور: 07 اکتوبر 2026ء

کمپنیز ایکٹ، 2017 کے سیکشن (2) 132 اور سیکشن (b) 134 کے تحت، اگر کمپنی کو ان شیئرز ہولڈرز کی رضامندی ملتی ہے جو مجموعی طور پر %10 یا اس سے زیادہ شیئرز ہولڈنگ رکھتے ہیں اور جغرافیائی مقام پر مقیم ہیں تاکہ ملاقات میں ویڈیو کانفرنس کے ذریعے شرکت کریں، اور یہ رضامندی ملاقات کی تاریخ سے کم از کم 7 دن قبل حاصل ہو، تو کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت فراہم کرے گی بشرطیکہ اس شہر میں ایسی سہولت دستیاب ہو۔

d) شیئرز ہولڈرز سے درخواست ہے کہ SECP کی جانب سے وقتاً فوقتاً جاری کردہ ہدایات کی تعمیل کے لیے ایڈریس اور ای میل ایڈریس میں کوئی تبدیلی ہونے کی صورت میں اطلاع دیں۔

2- کتابوں کی بندش اور پراسیکیز

کمپنی کی حصص منتقلی کتا ہیں 22 اکتوبر 2026ء تا 28 اکتوبر 2026ء (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی کے شیئرز رجسٹرار دفتر میسرز کارپ ٹیک ایبوسی ایٹس (پرائیویٹ) لمیٹڈ E-503 جو ہر ٹاؤن لاہور پر 21 اکتوبر 2026ء کو کاروبار کے اختتام تک موصولہ منتقلیاں اجلاس عام (AGM) میں شرکت کے استحقاق بولنے اور ووٹ دینے کے حق کیلئے بروقت تصور ہوگی۔

اس میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے اور اس طرح مقرر کردہ پراکسی کو بھی وہی حقوق حاصل ہوں گے، جو شرکت کرنے، بولنے اور ووٹ دینے کے حوالے سے ہیں۔ اے جی ایم میں جیسا کہ اراکین کے لیے دستیاب ہے۔ پراکسی فارم پر دو افراد گواہی دیں گے، جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔ ایک پراکسی کمپنی کا ممبر ہونا ضروری ہے۔

پراکسی اور پاور آف اٹارنی یا دیگر اتھارٹی کا تقرر کرنے والا آلہ جس کے تحت اس پر دستخط کیے گئے ہیں یا پاور آف اٹارنی کی توہیر یا تصدیق شدہ کاپی کمپنی کے رجسٹرڈ آفس میں کم از کم 48 گھنٹے پہلے جمع کرائی جانی چاہیے۔ پراکسی فارم انگلش اور اردو زبانوں میں ممبران کو اے جی ایم کے نوٹس کے ساتھ بھیجے گئے ہیں۔

3- ڈیویڈنڈ کی امی میٹمنٹ

کمپنیز ایکٹ 2017ء کی دفعہ 242 کی پروویژنز کے مطابق فہرستی کمپنیوں کیلئے ضروری ہے کہ کوئی منافع منقسم قابل ادا نقد صورت میں فقط الیکٹرونک موڈ کے ذریعے براہ راست مستحق حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائیگا۔ اس کے مطابق مادی حصص کے مالک حصص داران سے درخواست ہے درج بالا پتہ پر کمپنی کے شیئرز رجسٹرار کو کمپنی کی ویب سائٹ پر دستیاب ای ڈیویڈنڈ فارم پر الیکٹرونک ڈیویڈنڈ مینڈیٹ فراہم کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں، یہ معلومات اپ ڈیٹنگ اور کمپنی کو ارسال کرنے کیلئے سی ڈی ایس یا ٹرسٹینٹس کو مہیا کی جانی چاہئیں۔ جمع نہ کروانے کی صورت میں، آئندہ کے تمام منافع کی ادائیگی روکی جاسکتی ہے۔

4- زکوٰۃ ڈیکلیریشن

کمپنی کے ارکان کو زکوٰۃ اینڈ عشر آرڈیننس 1980 کی شرائط میں زکوٰۃ ایگریمنٹیشن کے لئے کمپنی کے ہاں ڈیکلیریشن جمع کرنا ضروری ہے

5- ڈیویڈنڈ پر وہ ہولڈنگ ٹیکس

ایسے شیئرز ہولڈرز، جن کے نام (ڈیویڈنڈ کے اجراء عمل کے وقت) فعال ٹیکس دہندگان کی فہرست میں شامل نہیں ہوگا، ان کی یکیش ڈیویڈنڈ پر وہ ہولڈنگ ٹیکس کی کوئی موجودہ آئم ٹیکس قوانین کے مطابق زیادہ شرح سے ہوگی۔ شیئرز ہولڈرز کے لیے بھی لازمی ہے کہ اپنے NTN نمبر اور NTN سرٹیفکیٹ کو کمپنی کے شیئرز رجسٹرار کو اپ ڈیٹ کریں (اگر شیئرز فزیکل فارم میں موجود ہیں)۔

6- مالی حسابات کی ترمیم

حصص داران جو مذکورہ بالا دستاویزات کی بارڈ کاپیاں وصول کرنا چاہتے ہوں کمپنی سیکریٹری رشید رجسٹرار کو کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم ارسال کریں اور کمپنی حصص داران کو مطالبہ پر مذکورہ بالا دستاویزات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصص داران جو سالانہ رپورٹ بشمول اجلاس کے نوٹس بذریعہ ای میل بھی وصول کرنا چاہتے ہوں ان سے درخواست ہے کہ کمپنی کی ویب سائٹ www.crescent.com.pk پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

7- ان کلیمڈ ڈیویڈنڈ / شیئرز

حصص داران کے ان کلیم ڈیویڈنڈ ہینڈز، جو کسی وجہ سے اپنے ڈیویڈنڈ یا نوٹس شیئرز کلیم نہیں کر سکے یا اپنے فزیکل حصص حاصل نہیں کر سکے تھے، اگر کوئی ہوں، سے التماس ہے کہ ہمارے شیئرز رجسٹرار میسرز کارپ ٹیک ایبوسی ایٹس (پرائیویٹ) لمیٹڈ، E-503، جو ہر ٹاؤن لاہور سے اپنے ان کلیم ڈیویڈنڈ، اگر کوئی ہوں، کے بارے در یافتہ حاصل کرنے کے لئے رابطہ کریں۔

8- مالی حسابات کی پلیٹسمینٹ

کمپنی نے اپنی ویب سائٹ www.crescent.com.pk پر 30 جون 2026 کو ختم ہونے والے سال کا AGM نوٹس، آڈٹ شدہ جداگانہ اور مربوط سالانہ مالی حسابات معہ ان پر آڈیٹرز اور ڈائریکٹرز کی رپورٹس اور چیئرمین کا جائزہ رکھ دیے ہیں۔

9- CDC اکاؤنٹس میں فزیکل شیئرز جمع کروانا

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق، ہر موجودہ کمپنی اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کرے گی جیسا کہ بیان کیا گیا ہے اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے طے کردہ تاریخ سے، ایک مدت کے اند کمپنیز ایکٹ، 2017 کے آغاز سے چار سال یعنی 31 مئی 2017۔ فزیکل شکل میں حصص رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ براہ کرم اپنے حصص کو بک انٹری فارم میں تبدیل کریں۔ اس مقصد کے لیے، شیئرز ہولڈرز کسی بھی بروکرز یا سرمایہ کار کے اکاؤنٹ کے ساتھ براہ راست سی ڈی سی کے ساتھ سی ڈی سی کا ذیلی اکاؤنٹ کھول سکتے ہیں تاکہ اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں رکھ سکیں۔ یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا جس میں حصص کی محفوظ تحویل اور فروخت بھی شامل ہے، جب وہ چاہیں، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔ یہ شیئرز حقیقیٹ (حقیقیٹ) کو ذخیرہ کرنے اور گشدہ یا چوری شدہ حقیقیٹ کو تبدیل کرنے کے ساتھ ساتھ حصص کی دھوکہ دہی سے متعلق سے وابستہ خطرات اور اخراجات کو بھی کم کرتا ہے۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کے طریقہ کار کے لیے، آپ اوپر دی گئی رابطہ معلومات پر ہمارے شیئرز رجسٹرار سے رجوع کر سکتے ہیں۔

10- AGM میں قانونی ضابطہ اخلاق

شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ AGM میں سٹیچوٹری کوڈ آف کنڈکٹ کی پابندی کریں، جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 215 اور کمپنیز ریگولیشنز 2024 کے ریگولیشن 55 کے تحت ہے، جس کے مطابق شیئرز ہولڈرز کو فیصلوں کے لیے میٹنجمنٹ پر براہ راست اثر ڈالنے یا رابطہ کرنے کی اجازت نہیں ہے، جو میٹنجمنٹ کے ہموار فکشن میں رکاوٹ پیدا کر سکتا ہے۔ جیسا کہ ان دفعات میں ذکر ہے، شیئرز ہولڈرز کو ایسے مواد لانے کی اجازت نہیں جس سے AGM میں شریک افراد یا مقامات کو خطرہ لاحق ہو AGM کے نوٹس میں شامل ایجنڈا آئٹمز تک محدود رہنا ہوگا اور خود کو کسی بھی سیاسی وابستگی ظاہر کرنے کے انداز میں پیش نہیں کرنا ہوگا۔ مزید برآں، کمپنی کمپنیز ایکٹ 2017 کے سیکشن 185 کے تحت اپنی میٹنگز میں کسی بھی شکل میں اپنے شیئرز ہولڈرز کو خائف تقسیم کرنے کی اجازت نہیں ہے۔

PATTERN OF
SHAREHOLDING

As at June 30, 2026

No. of Shareholders	Shareholding		Total Shares held
	From	To	
1,635	1	100	58,576
1,440	101	500	448,915
808	501	1,000	682,116
1,057	1,001	5,000	2,709,424
239	5,001	10,000	1,934,108
81	10,001	15,000	1,050,216
53	15,001	20,000	971,807
35	20,001	25,000	787,639
25	25,001	30,000	707,239
16	30,001	35,000	520,596
13	35,001	40,000	496,885
15	40,001	45,000	639,073
15	45,001	50,000	735,735
7	50,001	55,000	366,410
4	55,001	60,000	228,719
3	60,001	65,000	186,316
4	65,001	70,000	269,719
5	70,001	75,000	366,803
5	75,001	80,000	383,472
1	80,001	85,000	81,250
1	85,001	90,000	87,542
1	90,001	95,000	90,550
12	95,001	100,000	1,192,082
2	105,001	110,000	218,700
3	110,001	115,000	333,513
2	120,001	125,000	249,200
2	125,001	130,000	254,000
1	135,001	140,000	137,500
1	140,001	145,000	141,500
1	145,001	150,000	150,000
2	150,001	155,000	303,657
2	160,001	165,000	330,000
1	165,001	170,000	168,500
1	175,001	180,000	180,000
1	180,001	185,000	181,148
1	185,001	190,000	188,000
1	195,001	200,000	200,000
1	220,001	225,000	221,000
1	235,001	240,000	237,500

No. of Shareholders	Shareholding		Total Shares held
	From	To	
3	245,001	250,000	750,000
1	250,001	255,000	250,812
1	255,001	260,000	260,000
2	265,001	270,000	534,683
1	295,001	300,000	300,000
1	325,001	330,000	329,044
1	345,001	350,000	350,000
1	365,001	370,000	367,540
1	380,001	385,000	383,452
1	415,001	420,000	415,460
1	435,001	440,000	439,000
2	455,001	460,000	916,965
2	495,001	500,000	1,000,000
1	540,001	545,000	541,822
1	650,001	655,000	650,600
1	745,001	750,000	750,000
1	825,001	830,000	827,394
1	905,001	910,000	906,500
1	995,001	1,000,000	1,000,000
1	1,060,001	1,065,000	1,061,326
1	1,190,001	1,195,000	1,191,200
1	1,405,001	1,410,000	1,409,303
1	1,745,001	1,750,000	1,750,000
1	1,840,001	1,845,000	1,843,600
1	1,915,001	1,920,000	1,917,700
1	2,125,001	2,130,000	2,127,959
1	2,215,001	2,220,000	2,218,183
1	2,610,001	2,615,000	2,613,416
1	2,650,001	2,655,000	2,651,333
1	2,710,001	2,715,000	2,712,000
1	2,910,001	2,915,000	2,910,334
1	4,495,001	4,500,000	4,500,000
1	4,740,001	4,745,000	4,743,956
1	5,980,001	5,985,000	5,981,196
1	8,535,001	8,540,000	8,538,303
5,538			77,632,491

CATEGORIES OF
SHAREHOLDING

As at June 30, 2026

Categories of Shareholder	Total	% age
Directors, Chief Executive Officer, Their spouses and Minor Children		
Ahsan Muhammad Saleem	2,613,416	3.4%
Directors		
Ahmad Shafi	415,460	0.5%
Ahmad Waqar	27	0.0%
Muhammad Kamran Saleem	500	0.0%
Nadeem Maqbool	79,713	0.1%
Nihal Cassim	1,750,000	2.3%
Nausheen Ahmad	2	0.0%
Syed Mahmood Ehtishamullah	19,495	0.0%
Director's Spouse		
Shahnaz Ahsan Saleem	650,600	0.8%
	5,529,213	7.1%
List of Associated Companies, Undertakings & Related Parties		
CSAP Staff Benevolent Fund	578,000	0.7%
Shakarganj Limited	180,000	0.2%
Suraj Cotton Mills Limited	827,394	1.1%
The Crescent Textile Mills Limited	8,538,303	11.0%
Trustees Crescent Cotton Products Staff Provident Fund	74,800	0.1%
Trustees Crescent Steel&Allied Prod G.F.	2,712,000	3.5%
Trustees Crescent Steel&Allied Prod Pn.F	5,981,196	7.7%
Trustees Crescent Steel&Allied Prod SPF	124,200	0.2%
M/s. Muhammad Amin Muhammad Bashir Limited	848	0.0%
	19,016,741	24.5%
Mutual Funds and Modarabas		
M/s. Unicap Modaraba	190	0.0%
B.F. Modaraba	50,000	0.1%
CDC - Trustee Meezan Islamic Fund	265,933	0.3%
CDC - Trustee NIT-Equity Market Opportunity Fund	383,452	0.5%
ABA Ali Habib Securities (Pvt) Limited - MF	2,000	0.0%
DCCL - Trustee AKD Islamic Stock Fund	125,000	0.2%
CDC - Trustee Golden Arrow Stock Fund	50,000	0.1%
CDC - Trustee-PQIAAF - Pak-Qatar Asset Allocation Plan IIIA	4,500,000	5.8%
	5,376,575	6.9%
CDC - Trustee National Investment (Unit) Trust		
	1,061,326	1.4%

Categories of Shareholder	Total	% age
Banks, DFIs, NBFCs		
M/s. Saudi Pak Industrial & Agri. Investment Co. Ltd.	110	0.0%
M/s. Islamic Development Bank	4,743,956	6.1%
M/s. Industrial Development Bank Limited	643	0.0%
M/s. Pak Libya Holding Co. (Pvt) Limited	133	0.0%
M/s. Samba Bank Limited	2,381	0.0%
Innovative Investment Bank Limited (Under Liquidation)	1,765	0.0%
National Bank of Pakistan	1,193,600	1.5%
National Asset Management Company Limited	100	0.0%
	5,942,688	7.7%
List of Insurance Companies		
Premier Insurance Limited	141,500	0.2%
Ghaf Limited	5,000	0.0%
	146,500	0.2%
Other Companies (Local and Foreign)		
	9,300,409	12.0%
Public (Local and Foreign)		
	31,259,039	40.3%
Total	77,632,491	100.0%

FINANCIAL
CALENDAR

Results and Dividend Announced FY 2026

RESULT

October 28, 2025	February 04, 2026	April 21, 2026	July 31, 2026
First Quarter ended September 30, 2025, Approved and announced	Half year ended December 31, 2025, Approved and announced	Third Quarter ended March 31, 2026, Approved and announced	Year ended June 30, 2026, Approved and announced

DIVIDEND

Annual – Financial year 2025

Proposed on July 31, 2025	Approved on October 28, 2025	Book Closure on October 22, 2025	Paid on November 07, 2025
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Interim – Financial year 2026

Approved on February 04, 2026	Book Closure on February 18, 2026	Paid on March 02, 2026
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EXPECTED MEETING CALENDAR FY 2027:

The Company follows the period of July 01 to June 30 as the financial year. Financial Results will be announced as per the following schedule:

October 28, 2026	October 28, 2026*	January 28, 2027*	February 04, 2027	April 29, 2027*
Annual General Meeting	First Quarter ending September 30, 2026	Half year ending December 31, 2026	Appointment of Chairman & CEO	Third Quarter ending March 31, 2027
July 31, 2027*	June 24, 2027*			
Year ending June 30, 2027	FY28 Budget Approval			

* Dates are tentative, and the Company reserves the right to change.

BCR CRITERIA
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1.	Organizational Overview and External Environment	Document Name
1.01	Mission, vision, code of conduct, ethical, principal and core values.	33, 64-65
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	5, 36-39
1.03	Geographical location and address of all business units including sales units and plants.	24
1.04	The legislative and regulatory environment in which the company operates.	4-5
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	32
1.06	Name and country of origin of the holding company / subsidiary company, if such companies are a foreign company.	Not applicable
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	32
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	88-89
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	10-15, 187-188
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	185, 187-188
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	36-39
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response. b) The effect of seasonality on business in terms of production and sales.	50-51
1.13	The legitimate needs, interests of key stakeholders and industry trends.	110-115
1.14	SWOT Analysis of the company.	48-49
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	-
1.16	History of major events.	28
1.17	Details of significant events occurred during the year and after the reporting period.	28
2.	Strategy and Resource Allocation	Document Name
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	43-47
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	43-47
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	43-47
2.04	Company's strategy on market development, product and service development.	43-47

2.	Strategy and Resource Allocation	Document Name
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	43-47
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	43-47
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	43-47
2.08	Board's statement on the internal controls including IT controls of the company.	182-183
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	94-97
2.10	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	Not applicable
3.	Risks and Opportunities	Document Name
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	54-61
3.02	Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	54-61
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	54-61
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	54-61
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	54-61
4.	Sustainability Disclosures & Corporate Social Responsibility (CSR)	Document Name
4.01	Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP 'Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following: a) Disclosures of company specific sustainability-related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated; b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company. c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored. d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	Not applicable

4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability: - Social initiatives – financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.; - Environmental initiatives – climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/ financing in green /sustainable project. - Technological innovation – use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs; - Information on consumption and management of materials, energy, water, emissions and waste."	66-73, 124-141, 146-157, 162-173, 182-183
4.03	a) Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee. b) Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	80-81, 92-93
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	-
4.05	Highlights of the company's performance, policies, initiatives for CSR.	66-73, 12-15
5.	Governance	Document Name
5.01	Board composition: a) Leadership structure of those charged with governance; b) Name of independent directors indicating justification for their independence; c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience; d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	76-81, 92-93, 106-107
5.02	A brief description about role of the Chairman and the CEO.	94-101
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	80-81
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives; b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year'; c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	92-93
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	80-81
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	94-101
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	Not applicable
5.08	Details of formal orientation courses for directors.	Not applicable

5.	Governance	Document Name
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	106-107
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	92-93, 104-105
5.11	Disclosure about related party transactions: a) Approved policy for related party transactions; b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding; c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement; d) Disclosure of director's interest in related party transactions; e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	104-105
5.12	Disclosure of Board's Policy on the following significant matters: a) Risk Management and internal control policies. b) Disclosure of director's interest in significant contracts and arrangements. c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. e) Security clearance of foreign directors. f) Board meetings held outside Pakistan. g) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Diversity, Equity & Inclusion (DE&I) policy; and • Employee engagement /feedback. h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions. i) Communication with stakeholders. j) Dividend policy. j) Dividend policy. l) Employee's health, safety and protection. m) Whistle blowing policy n) anti-harassment policy to safeguard the rights and well-being of employees. o) Safety of records of the company.	54-61, 80-81, 102-105, 110-115, 162-177, 278-280, 378
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	182-183
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	80-81
5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives; b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	386-387
5.16	Details about Board meetings and its attendance.	85

5.	Governance	Document Name
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	80-81
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary / subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	388
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy. i) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	104-105
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	104-105
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	182-183
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	94-97
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	116-121, 185

6.	Analysis of the Financial Information	Document Name
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	187-188
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	193-195, 199
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	190-192
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	189
6.05	a) Information about business segment and non-business segment; and b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	36-39, 187-188
6.06	Disclosure of market share of the company and share price sensitivity analysis.	201
6.07	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	185
6.08	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	186
6.09	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	-
7.	Business Model	Document Name
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	34-35
7.02	Explanation of any material changes in the entity's business model during the year.	34-35
8.	Disclosures on IT Governance and Cybersecurity	Document Name
8.01	The Board responsibility statement on the IT system/ controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	182-183
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	182-183
8.03	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	182-183
8.04	Disclosure about company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	182-183
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	182-183

8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	182-183
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	182-183
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	182-183
9.	Future Outlook	Document Name
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	18-23
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward-looking statement.	18-23
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	182-183
9.04	Disclosure about company's future Research & Development initiatives.	-
9.05	Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant	-
10.	Stakeholders Relationship and Engagement	Document Name
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	110-115
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	110-115
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	110-115, 378
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	6-9
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	378
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	378
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	378
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	388
10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	102-103

11.	Striving for Excellence in Corporate Reporting	Document Name
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	94-101
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	389-396
12.	Specific Disclosures of the Financial Statements	Document Name
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	210-283, 302-376
13.	Assessment based on Qualitative Factors	Document Name
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors: a) Clarity, simplicity and lucidity in presentation of Financial Statements; b) Theme on the cover page; c) Effective use of presentation tools, particularly diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report; d) Effectiveness and relevance of photos and graphs; e) Effectiveness of the theme on the cover page.	-
14.	Industry Specific Disclosures (if applicable)	Document Name
a)	Disclosures required for Banking Company (Annexure III).	Not Applicable
b)	Disclosures required for Insurance Company (Annexure IV).	
c)	Disclosures required for Exploration and Production (E&P) Company (Annexure V).	
d)	Disclosures required for State-Owned Entities (SOEs) as per State-Owned Enterprises (Governance and Operations) Act, 2023 (Annexure VI).	

APPENDICES GRI

CONTENT INDEX

The following table is provided to help readers easily locate the relevant information throughout the report. It identifies the GRI Standards applied and lists the disclosures included in the report. Each disclosure is accompanied by a reference to the relevant page of the 2026 Sustainability Report or, where applicable, other publicly available sources.

Key

Statement of use	Crescent Steel and Allied Products Limited has reported in accordance with the GRI Standards for the period 1 July 2025 to 30 June 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	No sector standard is available for our sector.

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	8, 24			
	2-2 Entities included in the organization's sustainability reporting	4			
	2-3 Reporting period, frequency and contact point	4			
	2-4 Restatements of information	4			
	2-5 External assurance	4		Not seeking assurance this year	
	2-6 Activities, value chain and other business relationships	32, 36			
	2-7 Employees	132	2-7b (iii)		
	2-8 Workers who are not employees	-	2-8 a,b,c	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2027
	2-9 Governance structure and composition	76, 80, 88, 90			
	2-10 Nomination and selection of the highest governance body	18			
	2-11 Chair of the highest governance body	80, 106			
	2-12 Role of the highest governance body in overseeing the management of impacts	18, 80			
	2-13 Delegation of responsibility for managing impacts	18			
	2-14 Role of the highest governance body in sustainability reporting	81, 88, 90			
	2-15 Conflicts of interest	102			
	2-16 Communication of critical concerns	80-84, 102			
	2-17 Collective knowledge of the highest governance body	76			
	2-18 Evaluation of the performance of the highest governance body	96			
	2-19 Remuneration policies	96			
	2-20 Process to determine remuneration	96			
	2-21 Annual total compensation ratio	-	2-21a-c	Confidentiality constrain	Sensitive information

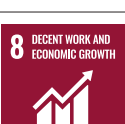
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	18			
	2-23 Policy commitments	33, 80, 102			
	2-24 Embedding policy commitments	110, 178			
	2-25 Processes to remediate negative impacts	102			
	2-26 Mechanisms for seeking advice and raising concerns	102			
	2-27 Compliance with laws and regulations	104			
	2-28 Membership associations	10			
	2-29 Approach to stakeholder engagement	110			
	2-30 Collective bargaining agreements	129			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	40			
	3-2 List of material topics	40-42			
ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	116, 117			
	201-2 Financial implications and other risks and opportunities due to climate change	-		Information unavailable	CSAPL does not have mechanism in place to calculate financial implications of climate change. Expected reporting in 2027
	201-3 Defined benefit plan obligations and other retirement plans	138			
	201-4 Financial assistance received from gov-ernment	117			
MARKET PRESENCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	130			
	202-2 Proportion of senior management hired from the local community	130			
Indirect Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	146-149			
	203-2 Significant indirect economic impacts	146-149, 154			
PROCUREMENT PRACTICES					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 204:Procurement Practices 2016	204-1 Proportion of spending on local suppliers	174			

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
TAX					
GRI 3: Material Topics 2021	3-3 Management of material topics	42			
GRI 207:Tax 2019	207-1 Approach to tax	119			
	207-2 Tax governance, control, and risk management	119-120			
	207-3 Stakeholder engagement and management of concerns related to tax	119-120			
	207-4 Country-by-country reporting	119-120			
ENVIRONMENTAL					
MATERIALS					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	178, 180			
	301-2 Recycled input materials used	170			
	301-3 Reclaimed products and their packaging materials	180			
ENERGY					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	167			
	302-2 Energy consumption outside of the organization	167-169			
	302-3 Energy intensity	162			
	302-4 Reduction of energy consumption	167			
EMISSIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	162-165			
	305-2 Energy indirect (Scope 2) GHG emissions	166			
	305-3 Other indirect (Scope 3) GHG emissions	-		Information unavailable	Reliable Information from value chain is not available
	305-4 GHG emissions intensity	164		Not Applicable	
	305-6 Emissions of ozone-depleting substances (ODS)	163			
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	163			
WATER AND EFFLUENTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	170-171			
	303-2 Management of water discharge related impacts	170-171			
	303-3 Water withdrawal	170-171			
	303-4 Water discharge	170-171			
	303-5 Water consumption	170-171			

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
WASTE					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 306: EFFLUENT AND WASTE 2020	306-1 Waste generation and significant waste-related impacts	169, 170			
	306-2 Management of significant wasterelated impacts	169, 170			
	306-3 Waste generated	169, 170			
	306-4 Waste diverted from disposal	169, 170			
	306-5 Waste directed to disposal	169, 170			
ENVIRONMENTAL COMPLIANCE 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	174			
	308-2 Negative environmental impacts in the supply chain and actions taken	174	a-e	Information unavailable/incomplete	CSAPL does not collect such information due to non-availability and reliability.
LABOUR PRACTICES AND DECENT WORK					
Employment and Labor Relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	134			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	138			
GRI 402: : Labor / Management Relations	402-1 Minimum notice periods regarding operational changes	129, 138 and (One month notice period)			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	129-131			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	129			
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 403: Occupation Health and Safety 2018	403-1 Occupational health and safety management system	142-144			
	403-2 Hazard identification, risk assessment, and incident investigation	142-144			
	403-3 Occupational health services	142-144			
	403-4 Worker participation, consultation, and communication on occupational health and safety	142-144			
	403-5 Worker training on occupational health and safety	142-144			
	403-6 Promotion of worker health	142-144			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	142-144			
	403-8 Workers covered by an occupational health and safety management system	142-144			
	403-9 Work-related injuries	142-144			
	403-10 Work-related ill health	142-144			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and Safety impacts of products and services	178-179			

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
TRAINING					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	131			
	404-2 Programs for upgrading employee skills and transition assistance programs	131, 137-138			
	404-3 Percentage of employees receiving regular performance and career development reviews	129-131			
LOCAL COMMUNITIES					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	110			
	413-2 Operations with significant actual and potential negative impacts on local communities	110			
MARKETING AND LABELING					
GRI 3: Material Topics 2021	3-3 Management of material topics	42, 116			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	179			
	417-2 Incidents of non-compliance concerning product and service information and labeling	179			
	417-3 Incidents of non-compliance concerning marketing communications	179			

UN SUSTAINABLE DEVELOPMENT
GOALS (SDGs)

SDGs		PAGE NO	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	130, 146-148, 154	202-1, 203-2, 413-2
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	110, 116-117, 146, 149	201-1, 203-1 , 203-2, 413-2
	Ensure healthy lives and promote well-being for all at all ages	106, 142-144, 162-164, 169-170	2-27,203-1, 203-2, 305-1, 305-2, 305-3, 305-4, 305-7, 306-1, 306-2 , 403-2, 403-3
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	130-131, 150-152, 156	404-1
	Achieve gender equality and empower all women and girls.	116-117, 129-131, 134, 137-139, 146-149	201-1, 202-1,203-1, 401-1, 401-2, 404-2,404-3, 405-1,
	Ensure availability and sustainable management of water and sanitation for all.	169-171	303-1, 303-2, 303-3, 306-1, 306-2
	Ensure access to affordable, reliable, sustainable and modern energy for all.	116-117, 146, 150, 162-169	201-1, 203-1 302-1, 302-2 , 302-3, 302-4
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	104, 116-117, 129-139, 162-173	2-7,2-30, 201-1, 202-2, 204-1, 203-1, 203-2, 301-1, 301-2, 301-3 302-1, 302-2, 302-3 ,302-4, 303-3, 401-1, 401-2, 403-1, 403-2, 403-3, 404-1, 404-2, 404-3,405-1
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	116-117, 146-149, 162-173, 178-179	201-1, 203-1

SDGs		PAGE NO	GRI STANDARDS DISCLOSURE
	Reduce inequality within and among countries	104, 129-131, 134	2-7 ,401-1,404-3
	Make cities inclusive, safe, resilient and sustainable	146, 149	203-1
	Ensure sustainable consumption and production patterns	162-173, 180-181	301-1,301-2,301-3, 302-1, 302-2,302-3, 303-3,305-1, 305-2,305-3, 305-7,306-1,306-2, 417-1
	Take urgent action to combat climate change and its impacts	162-173	302-1,302-2,302-3,302-4, 305-1,305-2,305-3,305-4
	Conserve and sustainably use the oceans, seas and marine resources	162-163, 169-170	305-1, 305-2, 305-3, 305-4, 305-6, 305-7, 306-1
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	162-165	305-1, 305-2, 305-3, 305-4, 305-7
	Promote just, peaceful and inclusive societies	33, 80, 102-103, 178-179	2-23,2-27, 416-2,417-2,417-3
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	65, 67-73	Not applicable

DEFINITIONS AND
FORMULAS

Term	Explanation
Absentee	An employee absents from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity etc. are excluded.
Base year	Used for comparison in the measure of business activity. The base year for the report is 2025.
Benefit	The direct benefit provided in the form of financial contributions paid by the organization or reimbursement of expenses to employee
Carbon dioxide (CO ₂)	The measure used to compare the emissions from various types of greenhouse gas (GHG). The CO ₂ equivalent for a gas is determined by multiplying the metric tonnes of the gas
Community development	A plan that details actions to minimize, mitigate, or compensate for adverse financial, social, and environmental impacts and find opportunities or actions to enhance the positive impacts of a project on the community
Defined benefit plan	Post-employment benefit plan other than a defined contribution plan
Defined contribution plan	Post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods
Direct (Scope 1) GHG emissions	Direct GHG emissions occur from sources that are owned or controlled by an organization
Employee	An individual who is in an employment relationship with the organization, according to national law or its application
Employee turnover	Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service
Foreign Suppliers	We consider foreign suppliers as those who are situated outside Pakistan.
Grievance mechanism	System consisting of procedures, roles and rules for receiving complaints and providing remedial actions
Governance body	Committee or board responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders
Indirect Energy (Scope 2) GHG emissions	GHG emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization
Injury	Non-fatal or fatal injury arising out of, or in the course of, work
Injury rate	The frequency of injuries, relative to the total time worked by all workers during the reporting period
Local Suppliers	We consider local suppliers as those who operate within the region of our significant locations of operations or are conducting business within Pakistan.
Local minimum wage	Minimum compensation for employment per hour, or other unit of time, allowed under law
Local communities	The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by these operations.
Management approach disclosure	Narrative description of how an organization manages its material topics and their related impacts
Material topic	A topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders
Other indirect (Scope 3) GHG emissions	Indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions
Significant locations of operations	We consider significant locations of operations which are near to our corporate offices in Karachi and Lahore and near our plant sites at Nooriabad, Bhone, and Dalawal.
Senior management	Top ranking members of the management of an organization that include the Chief Executive Officer (CEO) and other individuals reporting directly to the CEO

FORMULAS USED

- A) Standards, methodologies, assumptions, and/or calculation tools used.
- B) Source of the conversion factors used.
- | TYPE OF FUEL | CONVERSION FACTOR FOR CONVERTING IN GIGA JOULES (GJ) |
|-----------------------------|--|
| Coal (metric tonne) | 27 |
| Crude oil (metric tonne) | 44.8 |
| Diesel (metric tonne) | 43.33 |
| Natural Gas (MMBtu) | 1.054615 |
| Electricity (kilowatt-hour) | 0.0036 |
- C) The organisation-specific metric used for the calculation of Emissions Intensity is sales turnover. Emissions intensity constitutes direct GHG emissions from self-generated energy from diesel oil and natural gas at 74.1 and 56.1 MT of CO₂ per GJ as per base year.
- D) Indirect GHG emission factor for electricity purchased from WAPDA is 0.67 kg of CO₂ eqv. /kWh and from that of KE is 0.58 kg of CO₂ eqv. /kWh. It has been assumed that the electricity at Nooriabad and Bhone is supplied from WAPDA, while the electricity at the Head Office in Karachi is supplied by KE as per IPCC standards.

GHG emissions on management best estimates.

TYPE OF FUEL (IN GJ)	IPCC (INTERNATIONAL PANEL ON CLIMATE CHANGE) DEFAULT KG CO ₂ /GJ
Coal	96
Diesel Oil	74.1
Natural Gas	56.1

METRIC	CONVERSION IN LITER
1 cubic meter	1,000 liters
1 tonne of water	1,000 liters

METRIC	CONVERSION IN KG
1 metric ton	1,000 kilograms

- Energy Intensity =
Absolute energy consumption* / organization-specific metric

GHG Emissions Intensity =
Absolute GHG Emissions* / Product or Sales quantity

Reused water (Gallons) =
Net production time x 90

Percentage of reclaimed products and their packaging materials=
Products and their packaging materials reclaimed within the reporting period x 100/ Products sold within the reporting period

Percentage of recycled input materials used (%) =
Total recycled input materials used/ Total input materials used
- Opening No. of Employees =
Closing - Outgoing + Incoming

Average No. Of Employees =
(Opening + Closing) / 2

Rate of Employee Turnover =
(Outgoing / Average No. Of Employees) x 100%

Training hours per employee:
Training hours / number of employees

In time into in cash conversion: Average Salary =
Total Gross Salary of all Employees/ Total Number of Employees

Ratio of standard entry-level wage for workers compared to local minimum wage: Median Wage of all workers who joined in FY26 (July 01, 2025 to June 30, 2026) / Minimum Wage for the Period (Rs. 40,000)

Ratio of Median Wage of Management without Variable Allowances: Median Wage of Management without Variable Allowances (Male/Female) / Minimum Wage for the Period (Rs. 40,000)

Ratio of Median Wage of Management with Variable Allowances: Median Wage of Management with Variable Allowances (Male/Female) / Minimum Wage for the Period (Rs. 40,000)

Ratio of Median Wage of All Workers without Overtime: Median Wage of All Workers without Overtime / Minimum Wage for the Period (Rs. 40,000)

Ratio of Median Wage of All Workers with Overtime: Median Wage of All Workers with Overtime (Male) / Minimum Wage for the Period (Rs. 40,000)

Ratio of Median Wage of All Staff without Variable Allowances: Median Wage of All Staff without Variable Allowances (Male/Female) / Minimum Wage for the Period (Rs. 40,000)

Ratio of Median Wage of All Staff with Variable Allowances: Median Wage of All Staff with Variable Allowances (Male/Female) / Minimum Wage for the Period (Rs. 40,000)

Injury rate (Injuries/day) = Number of injuries / total number of days worked by the total workforce

Occupational Disease rate (Occupational disease cases / day) = Number of occupational disease cases / total number of days worked by the total workforce

Lost day rate (Lost days / day) = Total lost days by the affected workers (due to occupational accidents and diseases) / total number of days scheduled to be worked by the workforce in the reporting period

Absentee rate = [Actual absentee days lost / total days scheduled to be worked by the workforce for the period] x 100

Gender Pay Gap Statement formulas

Mean Gender Pay Gap = (A - B) / A x 100

A = Mean hourly rate of pay of all male full pay relevant employees

B = Mean hourly rate of pay of all female full pay relevant employees

Median Gender Pay Gap = (C - D) / C x 100

C = Median hourly rate of pay of all male full pay relevant employees

D = Median hourly rate of pay of all female full pay relevant employees

Mangrove Plantation – Carbon Storage Formula

Carbon Stored (kg/year) = Number of Trees x 5.91

This assumes each tree stores 5.91 kg of carbon per year.

Carbon Stored (tons/year) = Carbon Stored (kg/year) ÷ 1,000

Gasoline Equivalent (gallons/year) = Carbon Stored (kg) ÷ 8.89

Total Carbon Stored (tons) = Carbon Stored (tons/year) x N

Total Gasoline Equivalent (gallons) = Gasoline Equivalent (gallons/year) x N

Economic Performance:

PBT % of Sales: Profit before Tax/Total Sales

Gross Profit Margin: Sales Revenue/ Gross Income

Value generated per Share: Value generated/ Average Number of Shares Outstanding.

Value distributed per Share: Value generated/ Average Number of Shares Outstanding.

EMISSIONS RESULTS

External Test Results (June 2026).				
Measuring Parameters	Units	Testing Method	SEQS Limits	Test Results
A. Power House – Generators Emission				
a) Cummins 1400 Kva				
CO	Mg/ Nm3	ASTM D-6522	800	670
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	600	310
Particulate Matter	Mg/ Nm3	40 CFR 60	300	46
b) Man M-4002506231I				
CO	Mg/ Nm3	ASTM D-6523	800	640
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	600	299
Particulate Matter	Mg/ Nm3	40 CFR 60	300	42
c) Jenbacher 1350994 1203 Kw				
CO	Mg/ Nm3	ASTM D-6522	800	681
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	600	263

B. Coating Plant Stripping Emission –Furnace/Heaters				
Main Gas Furnace				
CO	Mg/ Nm3	ASTM D-6522	800	56
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	400	35
Pre-Heater 1				
CO	Mg/ Nm3	ASTM D-6522	800	41
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	400	16
Pre-Heater 2				
CO	Mg/ Nm3	ASTM D-6522	800	49
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	400	20
C. Vehicular Emission				
HI-ACE SA-8132				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6522	6	0.77
Noise	Decibels	ASTM E-1124	85	66.4
CAR BWX-021				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6523	6	0.54
Noise	Decibels	ASTM E-1686-16	85	55.3
D. Process Emission				
a) CP STRIPPING				
CO	Mg/ Nm3	ASTM D-6523	800	93
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	400	26
b) Plasma Arc Cutting-1				
CO	Mg/ Nm3	ASTM D-6523	800	109
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	400	60
c) Plasma Arc Cutting-2				
CO	Mg/ Nm3	ASTM D-6523	800	116
Oxides of Nitrogen	Mg/ Nm3	ASTM D-6522	400	69

D. Backup Generators (non-routine; only operative when KESC/WAPDA supply is down)

The following parameters are analyzed: CO, Oxides of Nitrogen, Smoke, SO2, Noise and Particulate matter

GLOSSARY – LIST OF

ABBREVIATIONS

ACIR	Additional Commissioner Inland Revenue
ALTN	Altern Energy Limited
API	American Petroleum Institute
APTMA	All Pakistan Textile Mills Association
ASTM	American Society for Testing and Materials
AWWA	American Water Works Association
BCI	Better Cotton Initiative
BCR	Best Corporate Report
BMR	Balancing, Modernization and Replacement
Board	Board of Directors
BOI	Board of Investment
BU	Business Unit
CCP	Crescent Cotton Products
CDC	Central Depository Company of Pakistan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHEC-AFI	China Harbour Engineering Company – Al Fajr International Joint Venture
CIO	Chief Information Officer
CIR	Commissioner Inland Revenue
CIRA	Commissioner Inland Revenue Appeals
CO	Carbon monoxide
CO2	Carbon dioxide
COVID-19	Coronavirus Disease of 2019
CPEC	China Pakistan Economic Corridor
CSAPL	Crescent Steel and Allied Products Limited
CSCL	CS Capital (Private) Limited
CSR	Corporate Social Responsibility
CVN Test	Charpy V-Notch
Dia	Diameter
DISCOS	Distribution Companies
DRP	Disaster Recovery Plan
DSC	Differential Scanning Calorimeter
E&P	Exploration and Production
EBIT	Earnings before Interest and Taxation
EBITDA	Earnings before Interest, Taxation Depreciation and Amortization
ECL	Expected Credit Loss
EDB	Engineering Development Board of Pakistan

EOBI	Employees’ Old Age Benefit Institute
EPS	Earning Per Share
ERP	Enterprise Resource Planning
ERS	Expeditious Refund System
ESG	Environmental, Social, Governance
FBR	Federal Board of Revenue
FCF	Free Cash Flow
FDI	Foreign Direct Investment
FESCO	Faisalabad Electric Supply Company
FVOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FY	Financial Year
GDP	Gross Domestic Product
GHG	Greenhouse gas
GIDC	Gross Infrastructure Development Cess
GJ	Gigajoule
GoP	Government of Pakistan
GoS	Government of Sindh
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HAZ	Heat Affected Zone
HIRA	Hazard Identification and Risk Assessment
HR	Human Resource
HR Coil	HR Coil Hot Rolled Coil
HRR	Human Resource and Remuneration
HSAW	Helical Sub-merged Arc Welded
HSE	Health, Safety and Environment
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
ICML	Internal Cement Mortar Lining
IFAS	Islamic Financial Accounting Standards
IFAS	Islamic Financial Accounting Standards
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards

IID	Investment and Infrastructure Development
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standards
IT	Information Technology
ITP	Import Trade Prices
KG	Kilo Gram
KIBOR	Karachi Interbank Offer Rate
KWSSIP	Karachi Water and Sewerage Services Improvement Project
Lbs	Pounds
LBIT	Loss Before Interest and Taxation
LBITDA	Loss Before Interest, Taxation, Depreciation and Amortization
LC	Letter of Credit
LED	Light Emitting Diode
LHC	Lahore High Court
LNG	Liquefied Natural Gas
LOI	Letter of Interest
LPS	Loss Per Share
LRQA	Lloyd’s Register Quality Assurance
LSM	Large Scale Manufacturing
MFI	Melt Flow Index
Mg/ Nm3	Milligrams per cubic meter
ML / year	Million Litres per year
MT	Metric tons
MT	Metric ton
MWh	Megawatt-Hour
NBV	Net Book Value
NEQS	National Environmental Quality Standards
NRV	Net Realisable Value
NTDC	National Transmission and Despatch Company
OCI	Other Comprehensive Income
OHSAS	Occupational Health and Safety Management System
OPS	Ounce Per Spindle
OSH&E	Occupational Safety, Health and Environment
PAT	Profit After Tax
PBT	Profit Before Tax
PEPA	Pakistan Environmental Protection Act

PEPCO	Pakistan Electric Power Company
PICG	Pakistan Institute of Corporate Governance
PKR	Pakistani Rupee
PNAC	Pakistan National Accreditation Council
PPA	Power Purchase Agreement
PPDB	Punjab Power Development Board
PSDP	Public Sector Development Programme
PSML	Pakistan Steel Mills Limited
PSX	Pakistan Stock Exchange
PSX	Pakistan Stock Exchange
QMS	Quality Management System
QMS	Quality Management Standard
RoU	Right of Use Asset
SBP	State Bank of Pakistan
SCP	Supreme Court of Pakistan
SdeE	Solution de Energy (Private) Limited
SECP	Securities and Exchange Commission of Pakistan
SEQS	Sindh Environmental Quality Standards
SHC	Sindh High Court
SITE	Sindh Industrial Trade Estate
SMEDA	Small and Medium Enterprise Development Authority
SNGPL	Sui Northern Gas Pipelines Limited
SO2	Sulphur Dioxide
SOP	Standard Operating Procedure
SP	Spiral Pipe
SRB	Sindh Board of Revenue
SSGC	Sui Southern Gas Company Limited
TCF	The Citizens Foundation
TDS	Total Dissolved Solids
THF	The Health Foundation
tCO2e	tonnes carbon di oxide equivalent
TY	Tax Year
UNEP	United Nations Environment Programme
USD	United States Dollars
WMO	World Meteorological Organization
USDA	United States Department of Agriculture
WPPF	Workers’ Profit Participation Fund
WWF	Workers’ Welfare Fund
YoY	Year on Year

FORM OF PROXY

42ND ANNUAL GENERAL MEETING

I/We _____ s/o _____ r/o _____,
being member(s) of Crescent Steel and Allied Products Limited and holder of _____ Shares as per Folio
No. _____/CDC Participation ID # _____ and Sub Account # _____/CDC Investor Account ID
_____ hereby appoint _____ s/o _____
_____ r/o _____ having Folio No. _____ CDC Participation ID # _____ and Sub
Account # _____/CDC Investor Account ID # _____ as my/our proxy to attend, speak and vote for me/
us and on my/our behalf at the Annual General Meeting of Crescent Steel and Allied Products Limited scheduled
to be held on Wednesday, October 28, 2026 at 11:00 am, Lahore, through video-link and any adjournment thereof.

At witness my/our hand this _____ day of _____ 2026.

1. Name _____

CNIC _____

Address _____

2. Name _____

CNIC _____

Address _____

Please affix
here Revenue
Stamps of
Rs. 50/-

Members' Signature

Note:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint another member as proxy.
2. The instrument appointing a Proxy validly filled and signed together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office or the office of the Share Registrar of the Company, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore, not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the guidelines as laid down in circular # 1 dated 26 January 2000 of the Securities & Exchange Commission of Pakistan for appointing Proxies.
4. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
5. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
6. The members who are registered after the necessary verification shall be provided a video-link of the meeting by the Company on the same email address that they emailed the company with.
7. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures and email details of the representative and a copy of CNIC shall be submitted along with proxy form to the Company.

42 واں سالانہ اجلاس