A large, rusted metal pipe lies horizontally across the foreground, resting on a sand dune. The pipe's surface is heavily textured with orange-brown rust. The background consists of rolling sand dunes under a clear, light blue sky. The overall scene is bathed in warm, golden light, suggesting a desert environment.

Crescent Steel and Allied Products Limited

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2025

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, 2025, 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, 2025, 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 are the key audit matters:

S. No.	Key audit matters	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 417.979 million and Rs 316.401 million respectively as at June 30, 2025.	Our audit procedures, amongst others, included the following: <ul style="list-style-type: none"> • Obtained understanding of the management’s process of valuation;

S. No.	Key audit matters	How the matter was addressed in our audit
	<p>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.</p> <p>Due to the level of judgements involved in determining fair values of these unquoted investments, we considered this to be a key audit matter.</p>	<ul style="list-style-type: none"> • Read report of management's expert which included the methods of valuation and details about the inputs to the valuation models; • Involved internal valuation specialists 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.
(ii)	Investment in an equity accounted investee	
	<p>(Refer notes 19.1, 38 and 41 to the consolidated financial statements)</p> <p>The Company has disposed shares of Altern Energy Limited during the year and evaluated based on the revised shareholding that the Company directly and / or indirectly has no significant influence as per the requirements of IAS 28 'Investment in Associates'. Accordingly, the outstanding shareholding i.e. 4.86% has been classified as 'Investment held at fair value through profit or loss' as per the requirements of IFRS-9 'Financial Instruments'. This has resulted in recording of impairment amounting to Rs 220.171 million and share of loss amounting to Rs 474.924 million.</p> <p>Being significant event of the year, we considered this to be a key audit matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • Discussed with the management about their process of assessing the reclassification of this investment as 'Investment held at fair value through profit or loss' as per the requirements of IFRS-9 'Financial Instruments'. • Analysed the accounting impacts in relation to recording the disposal and subsequent reclassification. • 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.

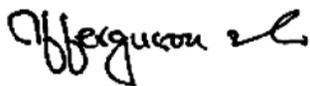
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate 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
Dated: October 05, 2025
UDIN: AR202510056WE8ITDJGF

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2025

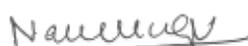
Rupees in '000	Note	2025	2024
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital	7	776,325	776,325
Capital reserves	8	1,020,908	1,050,669
Revenue reserves	8	6,610,099	6,864,102
		8,407,332	8,691,096
LIABILITIES			
Non-current liabilities			
Long term loans	9	132,289	157,163
Lease liabilities	10	157,781	212,702
Deferred income	11	2,763	3,300
Deferred taxation – net	22	18,814	
Deferred liability – staff retirement benefits	47	–	67,937
		311,647	441,102
Current liabilities			
Trade and other payables	12	4,599,295	1,360,688
Unclaimed dividend		111,697	26,188
Mark-up accrued	13	27,284	61,577
Short term borrowings	14	1,974,038	778,487
Current portion of long term loans	9	174,469	270,303
Current portion of lease liabilities	10	44,727	42,285
Current portion of deferred income	11	537	537
		6,932,047	2,540,065
		7,243,694	2,981,167
Contingencies and commitments	15		
Total equity and liabilities		15,651,026	11,672,263

Rupees in '000	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	16	2,162,526	2,352,850
Right-of-use-assets	16	178,578	228,869
Intangible assets	17	-	-
Investment properties	18	133,444	75,406
Investment in equity accounted investees	19	-	2,572,926
Other long term investments	20	938,572	849,507
Long term deposits	21	70,798	71,369
Deferred taxation – net	22	-	28,499
		3,483,918	6,179,426
Current assets			
Stores, spares and loose tools	23	384,837	404,968
Stock-in-trade	24	2,983,801	1,447,594
Trade debts	25	1,641,032	1,472,246
Advances	26	308,226	195,507
Trade deposits and short term prepayments	27	22,211	18,765
Short term investments	28	2,485,852	1,377,114
Other receivables	29	3,457,466	82,308
Taxation – net	30	390,980	157,646
Cash and bank balances	31	78,319	336,689
		11,752,724	5,492,837
Non-current assets held for sale	32	414,384	-
Total current assets		12,167,108	5,492,837
Total assets		15,651,026	11,672,263

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, 2025

Rupees in '000	Note	2025	2024
Sales	33	7,499,843	10,752,196
Less: Sales tax		1,119,193	1,640,585
		6,380,650	9,111,611
Cost of sales	34	4,856,212	6,414,343
Gross profit		1,524,438	2,697,268
Income from investments – net	35	532,884	605,754
		2,057,322	3,303,022
Distribution and selling expenses	36	35,678	55,202
Administrative expenses	37	662,999	523,842
Other operating expenses	38	296,398	271,302
		995,075	850,346
		1,062,247	2,452,676
Other income	39	75,997	107,218
Operating profit before finance costs		1,138,244	2,559,894
Finance costs	40	288,950	497,286
Share of (loss) / profit in equity accounted investees	41	(474,924)	421,030
Profit before taxation from continuing operations		374,370	2,483,638
Taxation	42	(318,783)	(1,128,014)
Net profit for the year from continuing operations		55,587	1,355,624
Net loss from discontinued operation		(98,993)	(83,966)
Net (loss) / profit for the year		(43,406)	1,271,658
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Proportionate share of other comprehensive income / (loss) of equity accounted investees		360	(152)
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) – net of tax		72,214	3,563
Gain on remeasurement of staff retirement benefit plans – net of tax		346,945	145,151
Other comprehensive income for the year		419,519	148,562
Total comprehensive income for the year		376,113	1,420,220

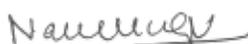
(Rupees)

Basic and diluted – (loss) / earnings per share	43	(0.56)	16.38
Basic and diluted – earnings per share from continuing operations		0.72	17.46

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

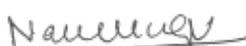
For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
Cash flows from operating activities			
Cash (used in) / generated from operations	44	(701,926)	1,167,857
Tax paid		(520,970)	(73,019)
Finance costs paid		(287,910)	(467,504)
Contribution to gratuity and pension funds		(45,628)	(36,769)
Contribution to Workers' Welfare Fund		(19,015)	-
Contribution to Workers' Profit Participation Fund		(91,876)	(16,134)
Long term deposits - net		35,752	(42,303)
Net cash (used in) / generated from operating activities		(1,631,573)	532,128
Cash flows from investing activities			
Capital expenditure		(587,120)	(251,835)
Proceeds from disposal of operating fixed assets		13,696	224,384
Amount received against non-current assets held for sale	32	250,000	-
Investments - net		236,175	4,179
Dividend income received		869,401	914,456
Interest income received		28,388	29,937
Net cash generated from investing activities		810,540	921,121
Cash flows from financing activities			
Repayment of long term loans - net		(120,191)	(269,370)
Payments against finance lease obligations - net		(88,329)	(77,248)
Proceeds from / (repayment of) short term loans - net		785,571	(246,594)
Dividends paid		(574,368)	(145,158)
Net cash generated from / (used in) financing activities	44.1	2,683	(738,370)
Net (decrease) / increase in cash and cash equivalents		(818,350)	714,879
Cash and cash equivalents at beginning of the year		287,473	(427,406)
Cash and cash equivalents at end of the year	45	(530,877)	287,473

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, 2025

Rupees in '000	Issued, subscribed and paid-up capital	Capital reserves		Total capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Others*		Fair value reserve	General reserve	Unappropriated profit		
Balance as at July 1, 2023	776,325	1,020,908	29,913	1,050,821	(26,581)	3,642,000	1,983,576	5,598,995	7,426,141
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	1,271,658	1,271,658	1,271,658
Other comprehensive (loss) / income for the year	-	-	(152)	(152)	3,563	-	145,151	148,714	148,562
Total comprehensive income for the year	-	-	(152)	(152)	3,563	-	1,416,809	1,420,372	1,420,220
Transactions with owners of the Holding Company									
- distributions									
- Interim dividend @ 20% (i.e. Rs. 2.00 per share) for the year ended									
June 30, 2024	-	-	-	-	-	-	(155,265)	(155,265)	(155,265)
Balance as at June 30, 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 income for the year									
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

* 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, 2025

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 Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. 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 Dalowal, District Faisalabad, Punjab.

1.1.3 The Holding Company is running cotton spinning unit at Jaranwala, District Faisalabad, Punjab. This activity is carried out by the Holding Company under the name and title of "Crescent Cotton Products", a division of the Holding Company.

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 Holding 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 Holding Company's Hadeed (Billet) 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, 2024 has been represented accordingly.

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 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 Companies Ordinance, 1984 (now Companies Act, 2017) as result of a Joint Venture (JV) agreement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

(‘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.

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

The Subsidiary Company had been granted 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 till 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 from continuing operations aggregated to Rs. 6,380.65 million (2024: Rs. 9,111.61 million), out of which 99.46% was generated from Steel division and 0.54% percent from Cotton division.

During the year, KSE-100 index benchmark increased by 60.15 percent closing at 125,627.31 points as of reporting date. The Group generated income from investment amounting to Rs. 532.88 million which includes dividend income amounting to Rs. 114.08 million and unrealized gain amounting to Rs. 268.65 million.

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, 2025. 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:

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP) as are 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 or IFASs, 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 judgement, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. 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 6.2)
- Investments (refer notes 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 6.10)
- Leases (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, 2025

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 Standards and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

The following standards and amendments with respect to the accounting and reporting standards would be effective from the dates mention against the respective standards and amendments:

Standards and amendments	Effective date (Accounting period beginning on or after)
- IFRS 9 'Financial Instruments' (Amendments)	January 1, 2026
- IFRS 7 'Financial Instruments: Disclosures' (Amendments)	January 1, 2026
- IAS 21 'The Effects of Changes in Foreign Exchange Rates' (Amendments)	January 1, 2025

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan

Standards

- IFRS 1 'First-time Adoption of International Financial Reporting Standards'
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The management is in the process of assessing the impact of these standards and amendments on these consolidated financial statements.

6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies are consistently applied in the preparation of these consolidated financial statements and 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 recognizing 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 measured at cost less impairment, 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 and 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

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.

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.

6.3 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 expenditure is 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 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 then 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.

6.4 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 the 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 assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted if material.

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 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 CONSOLIDATED FINANCIAL STATEMENTS

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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.

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 (OCI). 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 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 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 consolidated profit or loss. Net gains and losses (unrealized and realized), including any interest or dividend income, are recognized in 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 debts, cash and cash equivalents, loans and other receivables.

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The Group 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 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 payments are 90 days past due.

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; or
- 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 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 currently has a legal 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.

6.6 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 consolidated 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 Defined benefit plans

Pension and gratuity fund schemes

The Holding Company provides gratuity benefits to all its permanent employees who have completed their minimum qualifying service 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.

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 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.

6.10.3 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 profit or loss over the period of the borrowings on an effective interest basis.

6.12 Leases 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 (i.e. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

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. Both 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.”

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 supply (liquidity damages). 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 consolidated 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 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.

6.20 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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.

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2025	2024		2025	2024
	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 Holding Company held by related parties as at year end are as follows:

	2025		2024	
	(Percentage of holding)	(Number of shares)	(Percentage of holding)	(Number of shares)
Crescent Steel and Allied Products Limited – Gratuity Fund	3.49%	2,712,000	2.50%	1,938,354
Crescent Steel and Allied Products Limited – Pension Fund	7.24%	5,614,435	5.20%	4,038,578
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	0.75%	578,000	0.05%	36,178
Premier Insurance Limited	0.18%	141,500	0.18%	141,500
The Crescent Textile Mills Limited	11.00%	8,538,303	11.00%	8,538,303
Suraj Cotton Mills Limited	0.64%	500,129	1.57%	1,222,000
Pak-Qatar Asset Allocation Plan	5.80%	4,500,000	-	-
Pak Qatar Family Takaful Limited	-	-	8.76%	6,800,000
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	-	-

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

8. RESERVE

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 purpose:

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

General reserve

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

Rupees in '000	Note	2025	2024
9. LONG TERM LOANS			
Secured – Under shariah arrangement			
Long Term Sukuk Certificates	9.1	133,333	400,000
Less: Transaction Cost	9.1.1	(517)	(2,381)
		132,816	397,619
Secured – Under non-shariah arrangement			
Allied Bank Limited	9.2	150,000	-
JS Bank Limited	9.3	23,942	29,847
		306,758	427,466
Less: Current portion shown under current liabilities		174,469	270,303
		132,289	157,163

9.1 During the year ended June 30, 2023, the Holding Company issued 8,000 unlisted, privately placed & secured Sukuk certificates (SUKUK-Al-Istisna) on October 11, 2022, having face value of Rs. 100,000 each, amounting to Rs. 800 million. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk-al-istisna were received on October 11, 2022. The Sukuk certificates carry profit at the rate of 6-months KIBOR + 2% per annum with semi-annual rental payments having tenure of three years from the issue date on arrear basis. Principal repayment installment had commenced from April 2023. During the year, the Holding Company has made repayments of Rs. 266.67 million (June 30, 2024: Rs. 266.67 million) and profit on such arrangement ranged from 14.09% to 24.76% (June 30, 2024: 24.08% to 24.76%) per annum.

9.1.1 This represents 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 Holding Company entered into a loan arrangement with Allied Bank Limited for a term of 3 years with a grace period of 1 year. The principal amount of loan is repayable quarterly starting from March 31, 2026. 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 such arrangement ranging from 12.63% to 13.68% per annum.

9.3 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.

9.4 The benefit of subsidized loans under 9.3 has been recognized as deferred income under note 11.

10. LEASE LIABILITIES

Rupees in '000	Minimum lease payments		Future finance costs		Present value of minimum lease payments	
	2025	2024	2025	2024	2025	2024
Not later than one year	67,746	89,736	23,019	47,451	44,727	42,285
Later than one year but no later than five years	180,441	286,753	22,660	74,051	157,781	212,702
	248,187	376,489	45,679	121,502	202,508	254,987
Less: Current portion shown under current liabilities					44,727	42,285
					157,781	212,702

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 (2024: three to five years) and the liability is payable by the month ranging from six to sixty months (2024: six to sixty months). The periodic lease payments include built-in rates of mark-up ranging from 18.22% to 31.53% (2024: 17.04% to 31.12%) per annum. Included in the gross present value of minimum lease payments, is a sum aggregating Rs. 189.6 million (2024: Rs. 193.33 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.

Rupees in '000	Note	2025	2024
11. DEFERRED INCOME			
Opening balance		3,837	4,375
Income recognized during the year	39	(537)	(538)
		3,300	3,837
Less: Current portion shown under current liabilities		(537)	(537)
Closing balance		2,763	3,300

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Rupees in '000	Note	2025	2024
12. TRADE AND OTHER PAYABLES			
Trade creditors		157,423	69,589
Bills payable		38	38
Commission payable		385	385
Accrued liabilities		683,755	703,215
Contract liabilities		2,907,834	12,926
Deposits	32	250,000	-
Infrastructure fee, sales tax and damages	12.2	394,984	323,752
Due to related parties	12.3	24,380	26,234
Payable to provident fund		232	47
Payable to staff retirement benefit funds		-	102
Retention money		2,256	110
Withholding tax payable		5,232	3,272
Workers' Profit Participation Fund	12.4	41,213	94,975
Workers' Welfare Fund		33,879	41,562
Others		97,685	84,481
		4,599,296	1,360,688

12.1 The contract liabilities amounting to Rs. 11.35 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

Rupees in '000	Infrastructure fee (Note 12.2.1)	Sales Tax (Note 12.2.2)	Liquidated damages (Note 12.2.3)	Total
Opening balance as at July 1, 2024	275,089	3,242	45,421	323,752
Accrual for the year	75,047	-	-	75,047
Payments during the year	-	-	(3,815)	(3,815)
Closing balance as at June 30, 2025	350,136	3,242	41,606	394,984

12.2.1 This provision has been recognized against the continuing charge of infrastructure fee/cess on the value of goods imported at a rate of up to one-point-eight-five percent (1.85%), levied by the Government of Sindh through Sindh Finance Act, 1994, and its subsequent versions including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Act). The Act validates the fees/cess levied through the earlier versions of the law and continues the levy. The imposition of an Infrastructure Cess by the Government of Sindh was challenged by the Holding Company in the Sindh High Court (SHC).

The petitions pending against all the versions of the law have been decided by the consolidated judgment dated June 4, 2021 whereby the Court has declared that the first four versions of the law up to the Sindh Finance (Second Amendment) Ordinance, 2001, and their applicability on the petitioners who litigated and were appellants in the earlier round has attained finality and is a past and closed transaction. The SHC judgement validated the recovery of cess/fee effective from December 28, 2006, through the subsequent versions of the law. The Honourable Division Bench of the SHC suspended its judgment till September 3, 2021 and interim arrangement of payment of fifty percent (50%) of the amount of cess and furnishing of bank guarantees for remaining 50% would continue, after which guarantees provided would be en-cashed and 100% of infrastructure cess would be payable.

The Holding Company challenged the judgement of the SHC in the Honorable Supreme Court of Pakistan (SCP); the SCP granted a stay against the judgement of the SHC on September 1, 2021 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. A final judgement on the appeal filed remains pending. The Holding Company continued to use the option of a 50% Bank Guarantee and 50% payment to the ETO. During the year, the Holding Company had opted to issue bank guarantee of 100% ETO on imports.

After promulgation of the Act, the Holding Company instituted legal proceedings against the levy in the SHC, where interim stay was granted on similar terms of payment of 50% of the amount of cess to the GoS and on furnishing of bank guarantees for remaining 50%. Under the arrangement if the Holding Company succeeded in the petition, GoS would refund the amount subject to their right to appeal before SCP.

As of June 30, 2025, the Holding Company has provided bank guarantees amounting to Rs. 271.88 million (2024: Rs. 196.83 million) in favour of Excise and Taxation Department, GoS.

The current year charge has been estimated on the value of imports during the year and forms a component of cost of such imported items. Any subsequent adjustment with respect to increase or decrease in the estimate has been recognized in the profit or loss. Based on the opinion of the Holding Company's legal counsel, the management is confident of favourable outcome of litigation, however, on a prudent basis, full provision has been recognized.

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

12.2.3 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.

Rupees in '000	Note	2025	2024
12.3 Due to related parties			
Premier Insurance Company Limited		-	1,445
Shakarganj Limited		24,380	24,789
		24,380	26,234
12.4 Workers' Profit Participation Fund			
Opening balance		94,975	18,529
Allocation for the year	38	38,113	92,580
		133,088	111,109
Amount paid to the trustees of the fund		(91,875)	(16,134)
Closing balance		41,213	94,975
13. MARK-UP ACCRUED			
Mark-up accrued on :			
- Lease obligations		24	241
- Long term loans		3,074	20,739
- Short term borrowings	13.1	24,186	40,597
		27,284	61,577

13.1 This includes mark-up accrued amounting to Rs. Nil million (2024: Rs. 24.82 million) on shariah based finance arrangement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
14. SHORT TERM BORROWINGS			
Secured from banking companies			
Running finances under mark-up arrangements	14.1	609,196	199,216
Short term loans	14.2 & 14.4	1,364,842	579,271
		1,974,038	778,487

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. 1,150 million (2024: Rs. 1,100 million) out of which Rs. 300 million (2024: Rs. 400 million), Rs. 100 million (2024: Rs. 100 million) and Rs. 900 million (2024: Rs. 400 million) are interchangeable with letter of credit, letter of guarantee facility and short term loan, respectively. During the year, mark-up on such arrangements ranged between 12.69% to 23.71% (2024: 22.23% to 24.91%) per annum.

14.2 Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 6,565 million (2024: Rs. 4,500 million) out of which Rs. 2,900 million (2024: Rs. 4,000 million), Rs. 300 million (2024: Rs. 205 million) and Rs. 400 million (2024: 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 13.12% to 23.46% (2024: 21.91% to 25.22%) per annum.

14.3 The facilities for opening letters of credit amounted to Rs. 6,050 million (2024: Rs. 4,650 million) out of which Rs. 765 million (2024: Rs. 400 million), Rs. 4,200 million (2024: Rs. 4,000 million) and Rs. 200 million (2024: Rs. 205 million) are interchangeable with short term running finance, short term loans and letter of guarantee respectively as mentioned in notes 14.1 and 14.2 above. The facility for letters of guarantee as at June 30, 2025 amounted to Rs. 4,629.3 million (2024: Rs. 2,713.28 million). Amounts unutilized for letters of credit and guarantees as at June 30, 2025 were Rs. 4,486.71 million and Rs. 897 million (2024: Rs. 3,489.60 million and Rs. 996.58 million), respectively.

14.4 This includes an amount of Rs. 147.84 million (2024: Rs. 579.28 million) outstanding against Islamic mode of financing.

14.5 The above facilities are expiring on various dates with maturity period upto March 31, 2026. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 28.2.2), and lien over import / export documents. Further, these facilities (refer notes 14.1 to 14.3) are also secured against pledge of shares amounting to Rs. 190.76 million owned by CS Capital (Private) Limited.

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. 35.773 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.

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 SHC against the SRB and GoS in which SHC granted interim relief to the Holding Company.

Subsequently, the writ was decided in light of SCP’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.

15.2 Commitments

15.2.1 Aggregate amount of guarantees issued on behalf of the Group against various contracts aggregated to Rs. 3,732.25 million (2024: Rs. 1,717.65 million). This includes guarantee issued by Islamic banks amounting to Rs. 50.18 million (2024: Rs. 204.35 million).

15.2.2 Commitments in respect of capital expenditure contracted for as at June 30, 2025 amounted to Rs. Nil million (2024: Rs. 46.08 million).

15.2.3 Commitments under letters of credit as at June 30, 2025 amounted to Rs. 1,563.29 million (2024: Rs. 434.97 million).

Rupees in ‘000	Note	2025	2024
16. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS			
Operating fixed assets	16.1	1,929,642	2,064,089
Capital work-in-progress	16.4	232,884	288,761
		2,162,526	2,352,850
Right-of-use assets	16.1	178,578	228,869
		2,341,104	2,581,719

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

16.1 Operating fixed assets and right-of-use assets

Description	Land		Buildings		Office premises	Plant and machinery owned	Electrical/ office equipment and installation	Furniture and fittings	Computers	Motor vehicles owned	Right-of-use assets		Total	
	Freehold	Leasehold including improvements	On freehold land	On leasehold land							Plant and machinery	Motor vehicles		
Rupees in 1000														
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	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	2,292,958
Additions / transfers	-	4,072	56,396	-	-	399,018	75,472	6,137	7,667	48,492	597,254	-	-	597,254
Disposals / transfer (at NBV)	-	-	-	-	-	-	-	-	-	(3,001)	(3,001)	-	(615)	(3,616)
Transfer to investment properties (at NBV)	(41,823)	(19,465)	-	-	-	-	-	-	-	-	(61,288)	-	-	(61,288)
Inter-transfer (at NBV)	-	-	-	-	-	-	-	-	-	2,540	2,540	-	(2,540)	-
Transfer to non-current assets held for sale (at NBV)	-	-	(187,410)	-	-	(259,981)	(129)	-	-	-	(447,520)	-	-	(447,520)
Depreciation charge	-	(2,170)	(19,943)	(1,593)	(900)	(139,453)	(3,816)	(1,578)	(4,900)	(48,079)	(222,432)	(36,175)	(10,961)	(269,568)
Balance as at June 30, 2025	207,403	24,885	248,516	16,885	825	1,125,259	95,868	8,999	10,385	190,617	1,929,642	153,938	24,640	2,108,220
Gross carrying value as at June 30, 2025														
Cost	207,403	33,627	496,338	97,627	27,481	3,214,036	162,990	42,136	83,763	326,858	4,692,259	235,585	53,352	288,337
Accumulated depreciation	-	(8,742)	(247,822)	(80,742)	(26,656)	(2,088,777)	(67,122)	(33,137)	(73,378)	(136,241)	(2,762,617)	(81,647)	(28,712)	(110,359)
Net book value	207,403	24,885	248,516	16,885	825	1,125,259	95,868	8,999	10,385	190,617	1,929,642	153,938	24,640	2,108,220
Net book value as at June 30, 2024														
Balance as at July 1, 2023 (NBV)	249,226	30,884	352,695	2,564	2,606	1,165,202	11,717	6,252	7,368	106,444	1,934,958	26,568	56,284	2,017,810
Additions / transfers	-	17,839	75,225	17,541	-	314,150	15,492	-	5,794	118,761	564,802	210,000	-	210,000
Disposals / transfers (at NBV)	-	-	-	-	-	(210,000)	-	-	(326)	(9,064)	(219,390)	(16,092)	(778)	(16,870)
Depreciation charge	-	(6,275)	(28,447)	(1,627)	(881)	(143,677)	(2,868)	(1,812)	(5,218)	(25,476)	(216,281)	(30,363)	(16,750)	(263,394)
Balance as at June 30, 2024 (NBV)	249,226	42,448	399,473	18,478	1,725	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	2,292,958
Gross carrying value as at June 30, 2024														
Cost	249,226	60,906	760,526	97,627	27,481	3,323,591	93,637	35,379	76,097	306,261	5,030,731	235,586	60,566	5,326,883
Accumulated depreciation	-	(18,458)	(361,053)	(79,149)	(25,756)	(2,197,916)	(69,296)	(30,939)	(68,479)	(115,596)	(2,966,642)	(45,473)	(21,810)	(3,033,925)
Net book value	249,226	42,448	399,473	18,478	1,725	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	2,292,958
Depreciation rate (% per annum)	-	-	1-5	5-10	10	5-20	5-20	10	33.33	20	10	10	20	20

16.1.1 During the year, assets having net book value Rs. 2.54 million (2024: Rs. 16.09 million) were transferred from right-of-use assets to operating fixed assets.

Rupees in '000	Note	2025	2024
16.1.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	34.1	227,141	240,502
Distribution and selling expenses	36	902	902
Administrative expenses	37	41,525	21,845
Capital work-in-progress		-	145
		269,568	263,394

16.2 Property, plant and equipment as at June 30, 2025 include items having an aggregate cost of Rs. 1,570.63 million (2024: Rs. 1,572.25 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	14,504.40	Sq feet
Building	Nooriabad, District Jamshoro	261,257.10	Sq feet
Building	Jaranwala, District Faisalabad	340,455	Sq feet
Building	Dalowal, District Faisalabad	30,484	Sq feet
Land			
Lease hold	Nooriabad, District Jamshoro	30.0	Acre
Freehold land	Dalowal, District Faisalabad	13.9	Acre
Freehold land	Jaranwala, District Faisalabad	35.5	Acre

Rupees in '000	Note	2025	2024
16.4 Capital work-in-progress			
Advances to suppliers		22,135	22,135
Civil work		-	4,579
Project under development	16.4.1	163,455	157,885
Plant and machinery		47,294	104,162
	16.4.2	232,884	288,761

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. The Group has estimated that at present condition the project has a market value of more than USD 2.5 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

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

Rupees in '000	Land	Building	Plant and machinery	Others	Total
Balance as at July 1, 2024	22,135	4,579	104,162	157,885	288,761
Additions	-	63,883	334,962	36,523	435,368
Transfer to non-current assets held for sale	-	-	(16,864)	-	(16,864)
Transfer to long term deposits	-	(28,625)	-	-	(28,625)
Transfers to operating fixed assets	-	(39,837)	(405,919)	-	(445,756)
Balance as at June 30, 2025	22,135	-	16,341	194,408	232,884

17. INTANGIBLE ASSETS

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

Rupees in '000	Note	2025	2024
Net book value as at July 1		-	1,427
Amortization	17.1	-	(1,427)
Net book value as at June 30		-	-
Gross book value as at June 30, 2025			
Cost		82,099	82,099
Accumulated amortization		(79,459)	(79,459)
Accumulated impairment loss		(2,640)	(2,640)
		(82,099)	(82,099)
Net book value		-	-
Amortization rate (% per annum)		33.33	33.33

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

18. INVESTMENT PROPERTIES

Rupees in '000	Note	Land		Buildings		Office premises	Total
		Freehold land	Leasehold including improvements	On freehold land	On leasehold land		
Net carrying value as at June 30, 2025							
Opening balance		45,497	20,872	8,233	804	-	75,406
Transfer 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	18.2	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
Net book value as at June 30, 2024							
Opening balance		45,497	23,122	9,533	886	-	79,038
Depreciation charge		-	(2,250)	(1,300)	(82)	-	(3,632)
Balance as at June 30, 2024 (NBV)		45,497	20,872	8,233	804	-	75,406
Gross carrying value as at June 30, 2024							
Cost		45,497	44,835	13,000	1,758	29,830	134,920
Accumulated depreciation		-	(23,964)	(4,767)	(954)	(29,830)	(59,515)
Net book value		45,497	20,871	8,233	804	-	75,405
Depreciation rate (% 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 amounting to Rs. 394.26 million (2024: Rs. 404.92 million), which is determined by 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	Saddar, Karachi	4,854.2	Sq feet
Building	Port Qasim Authority, Karachi	415.6	Sq feet
Building	Ferozpur, Lahore	35,839.8	Sq feet
Land			
Freehold land	Ferozpur, Lahore	5.1	Acre
Freehold land	Gawadar	3.0	Acre
Freehold land	Bhone, District Jhang	19.1	Acre
Leasehold land	Port Qasim Authority, Karachi	2.0	Acre

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19. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
		Quoted			
-	63,967,500	Altern Energy Limited (Chief Executive Officer - Mr. Umer Shehzad Sheikh)	19.1	-	2,572,926
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer - Mr. Muhammad Saifullah)	19.1	-	-
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer - Mr. Shahryar Mazhar)	19.1	-	-
				-	2,572,926

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

June 30, 2025					
	Note	Altern Energy	Shakarganj Limited	Crescent Socks (Private) Limited	Total
Rupees in '000					
Opening balance as at July 1, 2024		2,572,926	-	-	2,572,926
Share of loss	19.1.1	(474,924)	-	-	(474,924)
Share of equity	19.1.1	360	-	-	360
Dividend received		(753,916)	-	-	(753,916)
Shares disposed		(608,484)	-	-	(608,484)
Impairment loss		(220,171)	-	-	(220,171)
Retained interest transferred to short term investments		(515,791)	-	-	(515,791)
Closing balance as at June 30, 2025		-	-	-	-

June 30, 2024					
		Altern Energy	Shakarganj Limited	Crescent Socks (Private) Limited	Total
Rupees in '000					
Opening balance as at July 1, 2023		2,918,012	30,274	-	2,948,286
Share of profit		450,963	(29,933)	-	421,030
Share of equity		189	(341)	-	(152)
Dividend received		(796,238)	-	-	(796,238)
Closing balance as at June 30, 2024		2,572,926	-	-	2,572,926

19.1.1 These figures are based on unaudited condensed interim financial information of these companies as at March 31, 2025. The latest financial statements / condensed interim financial information of these companies as at June 30, 2025 are not presently available.

Rupees in '000	2025	2024
19.2 Market value of investments in associates is as follows:		
Quoted		
Altern Energy Limited	–	1,498,759
Shakarganj Limited	2,392,325	1,392,051
	2,392,325	2,890,810

(Percentage of holding)	Note	2025	2024
19.3 Percentage of holding of equity in associates is as follows:			
Altern Energy Limited	19.3.1	–	17.60
Shakarganj Limited		28.01	28.01
Crescent Socks (Private) Limited		48.99	48.99

19.3.1 The Group holds 4.86% (2024: 17.60%) shareholding in Altern Energy Limited and has representation on its Board of Directors. The Group has disposed shares of Altern Energy Limited during the year and evaluated based on the revised shareholding that the Group directly and / or indirectly has no significant influence as per the requirements of IAS 28 'Investment in Associates'. Accordingly, the outstanding shareholding i.e. 4.86% has been classified as 'Investment held at fair value through profit or loss' as per the requirements of IFRS-9 'Financial Instruments'.

19.4 The latest financial statements / condensed interim financial information of these companies as at June 30, 2025 are not presently available. The following is summarized financial information of associated companies as at March 31, 2025 and for the twelve months ended March 31, 2025 based on their respective 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:

Rupees in '000	Altern Energy Limited		Shakarganj Limited	
	2025	2024	2025	2024
For the period ended 31 March				
Revenues	–	14,271,966	19,120,811	21,850,669
Profit / (loss) after tax	–	5,210,235	(3,416,209)	(2,161,090)
Other comprehensive income / (loss)	–	1,790	146,508	(271,555)
Total comprehensive income / (loss)	–	5,212,025	(3,269,701)	(2,432,645)
Attributable to non-controlling interests	–	2,287,454	(412,172)	(85,722)
Attributable to owners of the investee company	–	2,924,571	(2,857,529)	(2,346,923)
	–	5,212,025	(3,269,701)	(2,432,645)

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Rupees in '000	Altern Energy Limited		Shakarganj Limited	
	2025	2024	2025	2024
As at March 31				
Non current assets	-	10,863,081	19,056,146	20,121,661
Current assets	-	22,646,915	6,528,162	7,759,901
Non current liabilities	-	(1,047,602)	(4,665,944)	(4,724,383)
Current liabilities	-	(4,982,446)	(14,488,538)	(13,096,428)
Dividend and other adjustments	-	(1,447,632)	-	-
Net assets	-	26,032,316	6,429,826	10,060,751
Attributable to non-controlling interests				
of associates	-	11,232,140	1,356,563	1,768,736
Attributable to owners of the parent	-	14,800,176	5,073,263	8,292,015
	-	26,032,316	6,429,826	10,060,751
Reconciliation to carrying amounts:				
Opening net assets	-	28,449,382	10,060,751	12,519,921
Profit / (loss) after tax	-	5,210,235	(3,416,209)	(2,161,090)
Other comprehensive income / (loss)	-	1,790	146,508	(298,080)
Reserves	-	-	(361,224)	-
Dividend paid	-	(7,629,091)	-	-
Closing net assets	-	26,032,316	6,429,826	10,060,751
Group's interest in net assets of				
investee at end of the period	-	2,604,831	892,894	2,322,519
Fair value and other adjustments	-	(31,905)	(8,832)	(8,832)
Effect of difference in Group's accounting policy	-	-	(884,062)	(2,313,687)
Carrying amount of interest in equity accounted investees at end of the year	-	2,572,926	-	-

19.4.1 These figures are based on the unaudited condensed interim consolidated financial information as at March 31, 2025 and March 31, 2024 including its subsidiary company Rousch (Pakistan) Power Limited being managed by Power Management Company holding 59.98% shares.

19.4.2 Altern Energy Limited and its subsidiaries, Power Management Company (Private) Limited and Rousch (Pakistan) Power Limited, are engaged in power generation activities. The registered office and principal office of Altern Energy Limited is situated at Ferozepur Road, Lahore. Whereas, Shakarganj Limited (SL) is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn and its subsidiary, Shakarganj Food Products Limited has principal activity of manufacturing, processing and sale of food products. The registered office of SL is situated in Gulberg-III, Lahore.

19.4.3 The auditors of Shakarganj Limited had expressed an adverse opinion on the financial statements for the year ended September 30, 2024. The Group has assessed the impact and concluded that it does not significantly affect the consolidated financial statements.

Rupees in '000	Note	2025	2024
20. OTHER LONG TERM INVESTMENTS			
Fair value through other comprehensive income (FVOCI)	20.1	204,192	106,575
Fair value through profit or loss (FVTPL)	20.2	734,380	742,932
		938,572	849,507

20.1 Fair value through other comprehensive income (FVOCI)

The Group holds investment in ordinary shares in the following listed investee company:

2025	2024		Note	2025	2024
Number of shares	Name of Investee Company			Rupees in '000	
		Quoted			
8,522,178	7,977,178	The Crescent Textile Mills Limited	20.1.1	204,192	106,575

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)

2025	2024		Note	2025	2024
Number of shares	Name of Investee Company			Rupees in '000	
		Unquoted			
18,814,423	18,814,423	Shakarganj Food Products Limited		417,979	529,513
9,625,000	9,625,000	Central Depository Company of Pakistan Limited (CDC)		316,401	213,419
2,403,725	2,403,725	Crescent Bahuman Limited	20.2.1	-	-
1,047,000	1,047,000	Crescent Industrial Chemicals Limited	20.2.1	-	-
				734,380	742,932

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

Rupees in '000	2025	2024
21. LONG TERM DEPOSITS		
Security deposits		
- leasing companies	54,529	55,099
- others	16,269	16,270
	70,798	71,369

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Rupees in '000	Note	2025	2024
22. DEFERRED TAXATION – NET			
Deferred tax credits / (debits) arising in respect of:			
Taxable temporary differences			
Accelerated tax depreciation / amortization		386,366	331,802
Fair value adjustment in unquoted investment through reserves		30,119	30,119
Unrealized gain on fair value through profit or loss investments		277,147	187,222
Share of profit from equity accounted investees		–	333,157
		693,632	882,300
Deductible temporary differences			
Deferred liability – Defined benefit plan		–	(7,468)
Lease obligations – net		(9,257)	(10,186)
Provision for slow moving stores, spares and loose tools		(44,218)	(39,971)
Provisions for doubtful trade debts, doubtful advances and others		(163,533)	(134,271)
Discounting on long term deposit		(1,582)	(2,262)
Realized losses on fair value through profit or loss		23	(4,505)
Unrealized gain / (loss) on fair value through OCI		11,863	(4,303)
Provisions for impairment of fixed assets		(53,455)	(33,954)
Provision of Gas Infrastructure Development Cess		(6,316)	(6,316)
Excess of minimum tax over corporate tax	22.2	(107,289)	(229,810)
Excess of alternate corporate tax over minimum tax	22.2	–	(136,658)
Tax losses	22.2	(287,596)	(287,637)
Provision for diminution in the value of investments		(13,458)	(13,458)
		(674,818)	(910,799)
		18,814	(28,499)
22.1 Break up of deferred tax charge is as following:			
Profit or loss		31,147	539,817
Other comprehensive income		16,166	136,917
Set-off of losses with the Subsidiary Company		–	3,218
		47,313	679,952

22.2 The accumulated tax losses, excess of minimum tax over corporate tax and excess of alternate corporate tax of the Holding Company as at June 30, 2025 aggregated Rs. 1,105.7 million (2024: Rs. 1,363.89 million) in respect of which the Holding Company has recognized deferred tax asset amounting to Rs. 401.58 million (2024: Rs. 654.105 million). The existing unutilized tax losses solely represents tax depreciation and tax amortization which can be utilized for an indefinite period against future taxable profits. The Holding Company carries out periodic assessment to determine the benefit of the loss and minimum tax that the Holding Company would be able to set off against the taxable profits and tax liability in future years. The amount of this benefit has been determined based on the 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.

Rupees in '000	Note	2025	2024
23. STORES, SPARES AND LOOSE TOOLS			
Stores		86,585	132,941
Spare parts		406,612	369,758
Loose tools		5,168	4,759
		498,365	507,458
Less: Provision for slow moving items	23.1	(113,528)	(102,490)
		384,837	404,968
23.1 Movement in provision for slow moving items:			
Opening balance		102,490	80,325
Provision made during the year	38	11,038	22,165
Closing balance		113,528	102,490
24. STOCK-IN-TRADE			
Raw materials			
Hot rolled steel coils (HR coil)		1,713,626	441,151
Coating materials		311,976	480,129
Steal scrap		2,327	11,999
Others		353,078	331,071
Raw cotton		100,206	-
Stock-in-transit		25,913	-
	24.2	2,507,126	1,264,350
Work-in-process	24.2 & 34.1	57,023	60,546
Finished goods - net	24.2 & 34.1	398,907	99,278
Scrap / cotton waste		20,745	23,420
		476,675	183,244
		2,983,801	1,447,594

24.1 Stock amounting to Rs. 0.158 million (2024: Rs. 0.158 million) is held by third party.

24.2 Stock-in-trade as at June 30, 2025 includes items valued at net realisable value (NRV). Charge in respect of stock written back to NRV was amounting to Rs. 20.6 million (2024: Rs. 11.29 million) has been recognized in cost of goods sold.

Rupees in '000	Note	2025	2024
25. TRADE DEBTS			
Secured			
Considered good		196,540	437,386
Unsecured			
Considered good	25.1	1,444,492	1,034,860
Considered doubtful		27,529	23,774
		1,472,021	1,058,634
Impairment loss on trade debts	25.3	(27,529)	(23,774)
		1,641,032	1,472,246

25.1 This includes amount due from Pak Elektron Limited (related party) amounting to Rs. 23.47 million (2024: Rs. 45.55 million). Maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balance was Rs. 41.63 million (2024: Rs. 74.17 million).

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Rupees in '000	Note	2025	2024
25.2	The aging of amount due from related parties:		
Not past due		5,890	40,484
Past due 1 – 30 days		5,138	5,000
Past due 30 – 180 days		12,377	-
Past due 180 days		62	62
		23,467	45,546
25.3	Movement in impairment loss on trade debts		
Opening balance		23,774	18,401
Charge of impairment	38	3,755	5,373
Closing balance		27,529	23,774

25.3.1 This includes provision recorded against the amount due from the related party amounting to Rs. 0.38 million (2024: Rs. 0.74 million).

Rupees in '000	Note	2025	2024
26.	ADVANCES		
	Unsecured		
	Advances – considered good		
Staff		123	3
Suppliers for goods and services		44,654	193,725
Contract cost		261,890	-
Advances to others		1,559	1,779
	Advances – considered doubtful		
Suppliers for goods and services		47	47
Provision for doubtful advances		(47)	(47)
		-	-
		308,226	195,507
27.	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposits	27.1	9,939	6,999
Prepayments		12,272	11,766
		22,211	18,765

27.1 This include cash margin on bank guarantees issued in favour of Punjab Power Development Board (PPDB) amounting to Rs. 3.045 million (2024: Rs. 3.045 million).

Rupees in '000	Note	2025	2024
28.	SHORT TERM INVESTMENTS		
Amortized cost	28.1	87,000	244,360
Fair value through profit or loss (FVTPL)	28.2	2,248,852	1,132,754
Investment in commodity		150,000	-
		2,485,852	1,377,114

28.1 This represents investment in term deposit receipt by Holding Company, carrying markup ranging from 8.94% to 18% (2024:18% to 18.75%) maturing on June 27, 2026.

28.2 Fair value through profit or loss (FVTPL)

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
29,325,723	11,846,098	Quoted – investments	28.2.1	2,248,852	1,132,754
1,996	1,996	Innovative Investment Bank Limited		2,777	2,777
		Less: Provision for impairment		(2,777)	(2,777)
				-	-
			28.2.3	2,248,852	1,132,754

28.2.1 Quoted – investments

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

Shariah Compliant Investments

2025	2024	Name of investees	2025	2024
Number of shares / units			Rupees in '000	
-	75,000	Agritech Limited	-	1,534
118,000	-	AGP Limited	22,533	-
10,000	-	At-Tahur Limited	402	-
300,000	409,500	Avanceon Limited	14,637	22,121
200,000	-	Barkat Frisian Agro Limited	8,190	-
250,000	30,000	Cherat Cement Limited	72,575	4,894
20,000	-	Citi Pharma Limited	1,679	-
-	100,000	Dewan Cement Limited	-	854
572,000	41,000	Engro Holdings Limited	104,424	13,641
232,822	413,000	Engro Fertilizer Limited	43,209	68,649
460,000	360,000	Engro Polymer and Chemical Limited	14,513	16,171
485,000	-	Fauji Cement Company Limited	21,665	-
-	176,944	Fast Cables Limited	-	4,231
1,100,000	-	Faysal Bank Limited	76,692	-
-	2,500	Gandhara Industries Limited	-	683
17,000	-	Haleon Pakistan Limited	12,518	-
-	1,040,424	Pak Qatar Asset Management Company	-	104,043
197,400	225,700	International Industries Limited	34,942	44,172
200,000	200,000	International Steels Limited	18,540	16,910
800,000	322,100	Interloop Limited	54,208	22,814
-	200,000	Kot Addu Power Company Limited	-	6,622
-	500,000	Kohinoor Energy Limited	-	20,355
38,000	14,000	Lucky Cement Limited	13,499	12,694
25,000	-	Maple Leaf Cement Factory Limited	2,107	-

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2025	2024	Name of investees	2025	2024
Number of shares / units			Rupees in '000	
272,700	20,000	Mari Energies Limited	170,953	54,247
519,500	289,225	Meezan Bank Limited	172,500	69,238
152,500	42,000	Millat Tractors Limited	85,196	26,715
558,000	277,700	Oil and Gas Development Company Limited	123,072	37,592
-	1,000,000	Pakistan International Bulk Terminal Limited	-	6,170
700,000	538,840	Pakistan Petroleum Limited	119,119	63,104
490,000	351,800	Pakistan State Oil Company Limited	184,990	58,473
-	100,000	Pakistan Refinery Limited	-	2,320
64,000	-	Sazgar Engineering Works Limited	72,948	-
30,000	-	Nishat Chunian Power Limited	729	-
-	10,000	Nishat Mills Limited	-	708
200,000	35,000	Systems Limited	21,428	14,641
196,000	292,000	Tariq Glass Industries Limited	49,229	34,033
10,000	18,000	Sui Northern Gas Pipelines Limited	1,167	1,142
-	25,000	The Organic Meat Company Limited	-	880
988,000	675,000	The Hub Power Company Limited	136,156	110,079
4,020	1,472,341	Pak Qatar Income Plan	532	149,001
9,211,967	9,184,098		1,654,352	988,731

Non-Shariah Compliant Investments

2025	2024	Name of investees	2025	2024
Number of shares / units			Rupees in '000	
17,663,256	-	Altern Energy Limited	195,002	-
305,000	202,500	Fauji Fertilizer Company Limited	119,685	33,084
852,500	1,533,500	HBL Growth Fund - Class A	9,548	10,688
-	725,000	HBL Investment Fund - Class A	-	2,016
50,000	-	Lalpir Power Limited	1,305	-
800,000	-	Matco Foods Limited	39,282	-
6,000	-	Pakistan Aluminium Beverage Cans Limited	866	-
287,000	164,000	Pakistan Oilfields Limited	169,379	80,351
150,000	37,000	Thal Limited	59,433	17,884
20,113,756	2,662,000		594,500	144,023
29,325,723	11,846,098		2,248,852	1,132,754

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

Rupees in '000	2025	2024
Name of investees		
Altern Energy Limited	171,327	1,491,643
The Crescent Textile Mills Limited	154,913	84,868
AGP Limited	6,684	-
Avanceon Limited	14,637	9,994
Cherat Cement Company Limited	58,060	-
Engro Fertilizer Limited	26,168	68,649
Engro Holdings Limited	63,896	-
Engro Polymer and Chemicals Limited	6,058	4,133
Fauji Cement Company Limited	20,548	-
Fauji Fertilizer Company Limited	98,103	33,084
Faysal Bank Limited	52,290	-
HBL Investment Fund - Class A	-	1,390
HBL Growth Fund - Class A	9,548	5,942
Interloop Limited	33,880	5,107
International Industries Limited	21,666	44,171
International Steels Limited	11,773	16,910
Lucky Cement Limited	-	12,694
Mari Energies Limited	80,336	54,247
MATCO Foods Limited	24,550	-
Meezan Bank Limited	156,064	63,253
Millat Tractors Limited	55,866	-
Oil and Gas Development Company Limited	94,328	36,915
Pakistan Oilfields Limited	141,134	58,862
Pakistan Petroleum Limited	111,666	57,618
Pakistan State Oil Company Limited	144,655	51,386
Sazgar Engineering Works Limited	34,195	-
Tariq Glass Industries Limited	12,559	5,827
Thal Limited	29,717	-
The Hub Power Company Limited	117,828	110,079
	1,752,449	2,216,772

28.2.3 This represents investment in ordinary shares of listed companies and certificates 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.

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Rupees in '000	Note	2025	2024
29. OTHER RECEIVABLES			
Dividend receivable		1,296	2,701
Provision there against		(886)	(886)
		410	1,815
Receivable against sale of shares		37,596	1,651
Receivable against commodity	29.1	16,500	16,500
		54,096	18,151
Provision there against		(17,723)	(17,723)
		36,373	428
Receivable against rent from investment property		45	345
Claim receivable		461	461
Due from related parties	29.2	1,704	4,459
Sales tax refundable	29.3	689,894	20,867
Margin on letter of credit		3,471	-
Margin on letter of guarantee		2,411,491	21,464
Receivable from staff retirement benefits funds	47.1.3	312,797	29,640
Others		820	2,829
		3,457,466	82,308

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

Rupees in '000	2025	2024
29.2 Due from related parties		
The Crescent Textile Mills Limited	571	552
Premier Insurance Limited	54	-
Shakarganj Food Products Limited	1,079	3,907
	1,704	4,459

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

Rupees in '000	2025	2024
The Crescent Textile Mills Limited	817	996
Premier Insurance Limited	791	-
Shakarganj Food Products Limited	4,138	4,437
	5,746	5,433

29.2.2 The aging of amount due from related parties:

	2025	2024
Not yet due	377	1,137
Past due 1 – 30 days	246	454
Past due 31 – 180 days	-	983
Past due 180 days	1,081	1,885
	1,704	4,459

29.3 Sales tax refundable

29.3.1 This includes payment made to Punjab Revenue Authority (PRA) against order received for non withholding of Punjab sales tax on services and its deposit with PRA. Currently, the appeal is pending adjudication at the Appellate Tribunal Inland Revenue – PRA. After consultation with legal advisor, the management considers that the appeal would be decided in the Holding Company’s favour.

29.3.2 During the year ended June 30, 2020, order under section 11 of the Sales Tax Act, 1990 has been issued and a demand of Rs. 1.83 million was raised in respect of alleged short deposit of sales tax to Hadeed (Billet) Division [before amalgamation, it was Crescent Hadeed (Private) Limited)]. An appeal was preferred with the Commissioner Appeals which was decided in the Holding Company’s favour. The Tax Department has filed an appeal before the Appellate Tribunal against the order of commissioner appeals which is pending adjudication.

29.3.3 During the year ended June 30, 2021, sales tax audit under section 11 of the Sales Tax Act, 1990 has been conducted and a demand order of Rs. 1.01 million has been issued in respect of Hadeed (Billet) Division [before amalgamation, it was Crescent Hadeed (Private) Limited)]. An appeal has been preferred with the Commissioner Appeals which is pending adjudication.

29.3.4 During the year ended June 30, 2023, input tax amounting to Rs. 0.46 million was disallowed by the tax authorities under section 8(1) of the Sales Tax Act, 1990, asserting that the purchases were not related to taxable activity. The Holding Company preferred an appeal under Section 45B of the said Act before the Commissioner Inland Revenue (Appeals), which is currently pending adjudication. Based on the legal advice, the management is confident that the matter will be decided in the Holding Company’s favor.

29.3.5 During the year ended June 30, 2023, an assessment order was passed by the Assistant Commissioner Inland Revenue under Section 11 of the Sales Tax Act, 1990, whereby input tax amounting to Rs. 6.69 million was disallowed in respect of purchases relating to Tax Year 2023.

29.3.6 In the previous years, the Holding Company adopted fixed regime of sales tax for Hadeed (Billet) division whereby sales tax liability was discharged on the basis of units of electricity consumed at Rs. 13 per unit, supported by judgement of the Lahore High Court (LHC) in writ petition no. 243530/2018 instead of ad valorem basis. Subsequently, the department filed Intra Code Appeal (ICA) wide no. 23517/2019 before High Court which is sub-judice. No proceedings have been held till date.

Rupees in ‘000	2025	2024
30. TAXATION – NET		
Advance taxation	4,248,195	3,727,225
Provision for taxation	(3,857,215)	(3,569,579)
	390,980	157,646

30.1 The income tax assessments of the Holding Company have been finalized up to and including Tax Year 2024. Deemed assessments for certain tax years have been amended by the tax authorities on account of various issues as explained below:

- (a) Income tax assessment for Tax Year 2006 has been amended by the Additional Commissioner Inland Revenue (ACIR) by making amendments to reassess loss from Rs. 410.59 million to Rs. 296.87 million. The Holding Company being dissatisfied, contested the same before Commissioner Inland Revenue Appeals (CIRA) after the appeal filed before Appellate Tribunal Inland Revenue (ATIR) was dismissed in entirety. Department has now filed case in the Lahore High Court (LHC) challenging the ATIR decision, which is pending at adjudication.

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- (b) Income tax assessments of the Holding Company for the Tax Year 2013 have been amended by the Commissioner Inland Revenue (CIR) whereby, tax demands of Rs. 95.94 million have been raised. Appeals had been preferred with the Commissioner (Appeals) where most of the issues were decided in favour of the Holding Company whereas for remaining issues, appeals were preferred before the ATIR by both FBR and the Holding Company. ATIR decided the Holding Company's appeal in the favor of the Holding Company. Department has filed references in LHC against the decisions of ATIR.
- (c) The Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment of the Holding Company for the Tax Years 2009 and 2011 thereby raising demands of Rs. 4.94 million and Rs. 22.22 million, respectively. The Holding Company filed appeals with the CIRA in which majority of the issues were decided in the Holding Company's favour in case of Tax Year 2009 and the case was remanded back to the assessing officer for Tax Year 2011. The Holding Company filed appeal with the ATIR for Tax Year 2009 which is pending adjudication whereas for Tax Year 2011, set aside proceedings have been initiated which have been duly responded to.
- (d) Orders under section 161/205 of the Income Tax Ordinance, 2001 have been issued by the ACIR, whereby demand aggregating to Rs. 8.69 million (inclusive of default surcharge) has been raised in respect of Tax Year 2014 and Rs. 5.79 million in respect of Tax Year 2010. Majority of the matters have been decided in favour of the Holding Company at the Commissioner (Appeals) level, whereas appeals have been preferred in ATIR for remaining issues.
- (e) During the year ended June 30, 2021, order under section 122(5A) of the Income Tax Ordinance, 2001 has been passed by the CIR in respect of Crescent Hadeed (Private) Limited (previously wholly owned subsidiary – now amalgamated with and into the Holding Company) where expenses to the tune of Rs. 9.5 million have been disallowed. Appeal was preferred with the Commissioner Appeals which was decided against the Holding Company. The Holding Company has now preferred appeal with the ATIR which is pending adjudication.
- (f) During the year ended June 30, 2018, Orders under section 161/205 of the Income Tax Ordinance, 2001 have been issued by the ACIR, whereby demand aggregating to Rs. 4.25 million (inclusive of default surcharge) has been raised in respect of Tax Year 2017. Appeal was preferred with the CIRA where majority of issues were decided in the Holding Company's favour along with rectification of original order. Appeal has been preferred with the ATIR for remaining issues which is pending adjudication.
- (g) Order in respect of Crescent Hadeed (Private) Limited (previously wholly owned subsidiary – now amalgamated with and into the Holding Company) for the Tax Year 2017 under section 214D of the Income Tax Ordinance, 2001 was issued whereby tax demand of Rs. 27.31 million was raised against the Holding Company. The order was challenged at the Commissioner Appeals which was rejected. The Holding Company has now preferred an appeal with the ATIR which is pending adjudication.
- (h) During the year ended June 30, 2021, Orders under section 161/205 of the Income Tax Ordinance, 2001 were issued by the ACIR in respect of Tax Years 2016 through 2019 whereby demands aggregating Rs. 1 million (approximately) were raised for CS Energy (Private) Limited (previously wholly owned subsidiary – now amalgamated with and into the Holding Company). Associated expense has been recognized accordingly in these consolidated financial statements.

- (i) During the year ended June 30, 2023, Orders under section 4C of the Income Tax Ordinance, 2001 were issued by the ACIR in respect of Tax Year 2022 whereby demands aggregating Rs. 126.46 million were raised against the Holding Company. An expense of Rs. 54 million related to these demands have been recognized in these consolidated financial statements. For remaining, the Holding Company has obtained stay from LHC through writ petition. Currently, the appeal is pending adjudication at the CIRA for remaining issue. Based on the consultation with legal advisor, the management considers that the appeal would be decided in the Holding Company's favour.
- (j) During the year ended June 30, 2023, the tax department has revised the assessment due to an objection raised regarding the incorrect add-back of normal depreciation on the addition made in plant and machinery for the Tax Year 2016 for Hadeed (Billet) Division [before amalgamation, it was Crescent Hadeed (Private) Limited]. The assessment order alleges that the Holding Company claimed significant initial allowance and depreciation allowance whereas minimal amount added back as accounting depreciation. Based on the consultation with legal advisor, the management considers that the appeal would be decided in the Holding Company's favour.
- (k) During the year ended June 30, 2023, the Holding Company has been selected by the tax department for an audit under section 177 of the Income Tax Ordinance, 2001 for the Tax Year 2020. A Pre Audit Report has been issued, highlighting observations and requesting data and supporting documentation. The Holding Company has submitted the required information to the Assistant/ Deputy Commissioner of the Federal Board of Revenue (FBR) in response to the report. The case is pending at department level for hearing.
- (l) Income tax assessment of the Holding Company for the Tax Year 2016 have been amended by the CIR whereby tax demand of Rs. 143.8 million has been raised. The Holding Company preferred an appeal before CIRA who vide its order dated April 30, 2019 partially accepted the Holding Company's contentions and reduced the demand to Rs. 18.6 million. The Holding Company filed against the order 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 in favour of the Holding Company by upholding the order of CIRA.

No provision has been made in these consolidated financial statements in respect of demands raised by the tax authorities for tax years as mentioned above. The management, based on the tax consultant's advice, is confident of favourable outcome of these appeals.

Rupees in '000	Note	2025	2024
31. CASH AND BANK BALANCES			
With banks			
– in saving account	31.1	50,624	32,215
– in current accounts		27,695	304,474
	31.2	78,319	336,689

31.1 Mark-up rate on saving account ranged between 9.5% to 19% (2024: 19.5% to 20.5%) per annum.

31.2 This includes balances amounting to Rs. 3.02 million (2024: Rs. 203.55 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 has approved the disposal of plant and machinery and certain other related assets of Hadeed (Billet) segment. Consequently, the operation of Hadeed (Billet) segment has been classified as discontinued operation and presented in note 46.2 .

Further, the Holding Company has entered into an 'Equipment Purchase Agreement' dated February 21, 2025, with respect to the aforementioned assets for a consideration of Rs. 637 million. An amount of Rs. 250 million has been received and presented under trade and other payables. The buyer shall complete the purchase of all assets from the Holding Company in due course.

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

Rupees in '000	Note	2025	2024
33. SALES – NET			
Continuing operations			
Local sales			
Bare pipes	33.1	4,888,284	6,415,711
Pipe coating		90,205	440,750
Coated pipes	33.2	2,175,977	3,423,193
Cotton yarn / raw cotton / polyester		40,559	65,291
Others	33.3	135,493	165,788
Scrap / waste		169,325	241,463
		7,499,843	10,752,196
Sales tax		(1,119,193)	(1,640,585)
		6,380,650	9,111,611
Discontinued operation			
Scrap / waste		35,172	-
Sales tax		(3,870)	-
		31,302	-
		6,411,952	9,111,611

33.1 This is presented net of liquidated damages amounting to Rs. 6.42 million (2024: Rs. Nil million).

33.2 This includes revenue amounting to Rs. 2,030.13 million (2024: Rs. 2,461.64 million) where HRC (Hot Rolled Coil) was supplied by the customer.

33.3 This represents revenue earned from manufacturing of metal structures by cutting, bending and assembling process.

33.4 Revenue is disaggregated by operating segments under note 46.2. Additionally revenue by major customer is disclosed in note 46.4.

Rupees in '000	Note	2025	2024
34. COST OF SALES			
Continuing operations			
Steel segment	34.1	4,690,400	6,188,178
Cotton segment	34.1	107,376	164,972
Energy segment	34.1	58,436	61,193
		4,856,212	6,414,343
Discontinued operation			
Hadeed (Billet) segment	34.1	62,345	60,901
		4,918,557	6,475,244

Rupees in '000	Note	Continuing operations						Discontinued operation				Total	
		Steel segment		Cotton segment		Energy segment		Sub-total		Hadeed (Billet) segment			
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
34.1 Breakup of cost of sales													
Raw materials consumed		3,686,300	4,987,916	-	-	-	-	3,686,300	4,987,916	43,170	-	3,729,470	4,987,916
Cost of raw cotton / polyester sold		-	-	35,503	90,989	-	-	35,503	90,989	-	-	35,503	90,989
Stores and spares consumed		319,079	239,140	609	458	(2,410)	317	317,278	239,915	17	4	317,295	239,919
Fuel, power and electricity		178,801	222,741	18,870	22,707	40	40	197,711	245,488	196	683	197,907	246,171
Salaries, wages and other benefits	34.2	343,554	338,500	34,291	32,250	-	-	377,845	370,750	5,260	6,718	383,105	377,468
Insurance		4,567	6,367	1,821	1,953	1,093	1,124	7,481	9,444	711	820	8,192	10,264
Commission		-	-	-	277	-	-	-	277	-	-	-	277
Repairs and maintenance		34,986	27,266	2,497	1,028	-	-	37,483	28,294	19	235	37,502	28,529
Depreciation	16.1.2	145,723	116,814	9,316	14,307	59,713	59,713	214,752	190,834	12,389	49,668	227,141	240,502
Other expenses		276,806	227,165	1,159	1,004	-	(1)	277,965	228,168	583	2,773	278,548	230,941
		4,989,816	6,165,909	104,066	164,973	58,436	61,193	5,152,318	6,392,075	62,345	60,901	5,214,663	6,452,976
Opening stock of work-in-process		49,506	59,954	11,040	11,039	-	-	60,546	70,993	-	-	60,546	70,993
Closing stock of work-in-process	24	(49,293)	(49,506)	(7,730)	(11,040)	-	-	(57,023)	(60,546)	-	-	(57,023)	(60,546)
		213	10,448	3,310	(1)	-	-	3,523	10,447	-	-	3,523	10,447
Cost of goods manufactured		4,990,029	6,176,357	107,376	164,972	58,436	61,193	5,155,841	6,402,522	62,345	60,901	5,218,186	6,463,423
Opening stock of finished goods		99,278	111,099	-	-	-	-	99,278	111,099	-	-	99,278	111,099
Closing stock of finished goods - net	24	(398,907)	(99,278)	-	-	-	-	(398,907)	(99,278)	-	-	(398,907)	(99,278)
		(299,629)	11,821	-	-	-	-	(299,629)	11,821	-	-	(299,629)	11,821
		4,690,400	6,188,178	107,376	164,972	58,436	61,193	4,856,212	6,414,343	62,345	60,901	4,918,557	6,475,244
34.2 Detail of salaries, wages and other benefits													
Salaries, wages and other benefits	34.2.1	326,949	303,465	32,141	29,834	-	-	359,090	333,299	5,097	6,473	364,187	339,772
Pension fund	34.2.2	11,086	23,637	1,303	1,475	-	-	12,389	25,112	-	-	12,389	25,112
Gratuity fund	34.2.2	(1,739)	5,067	-	72	-	-	(1,739)	5,139	-	-	(1,739)	5,139
Provident fund contributions		7,258	6,331	847	869	-	-	8,105	7,200	163	245	8,268	7,445
		343,554	338,500	34,291	32,250	-	-	377,845	370,750	5,260	6,718	383,105	377,468

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34.2.1 This includes contribution amounting to Rs. 0.65 million (2024: Rs. 10 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 Holding Company. The Holding Company does not have any right in the residual interest of the Fund.

Rupees in ‘000	2025		2024	
	Pension	Gratuity	Pension	Gratuity
34.2.2 Staff retirement benefits				
Current service costs	9,004	6,004	10,458	3,031
Interest costs	36,741	15,988	45,300	8,637
Return on plan assets, excluding interest income	(33,356)	(23,731)	(30,646)	(6,529)
	12,389	(1,739)	25,112	5,139

Rupees in ‘000	Note	2025	2024
35. INCOME FROM INVESTMENTS – NET			
Dividend income	35.1	114,080	120,033
Realized gain on sale of FVTPL investments – net	35.1	138,623	56,847
Unrealized gain on FVTPL investments – net	35.1	268,645	419,905
Income from Treasury Bills		–	1,846
Rental income from investment properties	35.2	7,605	6,806
Other income		3,931	317
		532,884	605,754

35.1 Break up of dividend income, realized gain / (loss) and unrealized gain is as follows:

Rupees in ‘000	Dividend income	Realized gain / (loss)	Unrealized gain
Shariah compliant investee companies	62,006	159,122	185,511
Non – Shariah compliant investee companies	52,074	(20,499)	83,134
	114,080	138,623	268,645

35.1.1 Unrealized gain amounting to Rs. 88.38 million (2024: Rs. 3.56 million) was recognized in the other comprehensive income during the year.

35.1.2 Income from investment was categorized as Shariah / Non-Shariah compliant investee companies on the basis 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. 5.48 million (2024: Rs. 4.61 million).

36. DISTRIBUTION AND SELLING EXPENSES

Rupees in '000	Note	Continuing operations						Discontinued operation		Total	
		Steel segment		Cotton segment		Sub-total		Hadeed (Billet) segment			
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salaries, wages and other benefits	36.1	9,818	10,403	2,926	2,471	12,744	12,874	1,453	1,222	14,197	14,096
Consultant fee		-	23,963	-	-	-	23,963	-	-	-	23,963
Travelling, conveyance and entertainment		919	1,116	41	32	960	1,148	22	21	982	1,169
Depreciation	16.1.2	902	902	-	-	902	902	-	-	902	902
Insurance		61	75	-	-	61	75	-	-	61	75
Postage, telephone and telegram		90	70	66	69	156	139	2	12	158	151
Advertisement		4,529	4,206	-	-	4,529	4,206	-	-	4,529	4,206
Bid bond expenses		318	43	-	-	318	43	-	-	318	43
Legal and professional charges		4,326	5,357	-	-	4,326	5,357	-	-	4,326	5,357
Others		9,852	4,971	1,830	1,524	11,682	6,495	604	530	12,286	7,025
		30,815	51,106	4,863	4,096	35,678	55,202	2,081	1,785	37,759	56,987
36.1 Detail of salaries, wages and other benefits											
Salaries, wages and other benefits		8,240	9,041	2,375	2,014	10,615	11,055	1,177	1,162	11,792	12,217
Pension fund	36.1.1	835	721	286	239	1,121	960	144	-	1,265	960
Gratuity fund	36.1.1	348	300	120	99	468	399	60	-	528	399
Provident fund contributions		395	341	145	119	540	460	72	60	612	520
		9,818	10,403	2,926	2,471	12,744	12,874	1,453	1,222	14,197	14,096

Rupees in '000	2025		2024	
	Pension	Gratuity	Pension	Gratuity
36.1.1 Staff retirement benefits				
Current service costs	920	(1,823)	400	235
Interest costs	3,754	(4,854)	1,732	671
Return on plan assets, excluding interest income	(3,409)	7,205	(1,172)	(507)
	1,265	528	960	399

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37. ADMINISTRATIVE EXPENSES

Rupees in '000	Note	Continuing operations								Discontinued operation				Total	
		Steel segment		Cotton segment		Energy segment		IID segment		Sub - total		Hadeed (Billet) segment			
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salaries, wages and other benefits	37.1	261,460	218,387	4,838	29,300	-	-	21,882	21,402	288,180	269,089	9,442	8,312	297,622	277,401
Rents, rates and taxes		6,282	9,158	426	583	-	-	2,475	822	9,183	10,563	96	584	9,279	11,147
Travelling, conveyance and entertainment		8,065	13,648	296	880	-	-	413	663	8,774	15,191	247	115	9,021	15,306
Fuel and power		21,165	20,366	1,086	1,689	-	-	893	1,052	23,144	23,107	4,165	4,309	27,309	27,416
Postage, telephone and telegram		3,223	5,809	78	778	-	-	170	303	3,471	6,890	24	47	3,495	6,937
Insurance		4,642	2,468	52	209	1	1	275	186	4,970	2,864	58	82	5,028	2,946
Repairs and maintenance		53,540	15,525	203	888	-	-	3,757	802	57,500	17,215	338	120	57,838	17,335
Auditors' remuneration	37.2	6,963	5,389	103	503	143	119	905	753	8,114	6,764	-	-	8,114	6,764
Legal, professional and corporate service charges		53,983	29,376	3,217	3,133	22	1,701	9,202	1,784	66,424	35,994	47	-	66,471	35,994
Advertisement		4,645	2,527	-	14	-	-	243	129	4,888	2,670	-	-	4,888	2,670
Donations	37.3	106,715	87,159	-	200	-	-	5,644	5,124	112,359	92,483	-	-	112,359	92,483
Depreciation	16.1.2 & 18.1	38,156	17,178	507	1,464	3	8	5,545	4,988	44,211	23,638	564	1,840	44,775	25,478
Amortization	17.1	-	1,214	-	157	-	-	-	56	-	1,427	-	-	-	1,427
Printing, stationery and office supplies		4,103	4,909	3	369	-	-	329	373	4,435	5,651	8	1	4,443	5,652
Newspapers, subscriptions and periodicals		5,847	765	700	769	1,365	987	499	52	8,411	2,573	-	-	8,411	2,573
Others		13,578	5,711	53	560	-	-	5,304	1,452	18,935	7,723	880	714	19,815	8,437
		592,367	439,589	11,562	41,496	1,534	2,816	57,536	39,941	662,999	523,842	15,869	16,124	678,868	539,966
37.1 Detail of salaries, wages and other benefits															
Salaries, wages and other benefits		229,380	177,273	4,300	21,029	-	-	19,395	17,699	253,075	216,001	9,285	8,178	262,360	224,179
Pension fund	37.1.1	25,278	27,411	294	6,460	-	-	1,630	2,637	27,202	36,508	-	-	27,202	36,508
Gratuity fund	37.1.1	(1,974)	7,280	135	1,195	-	-	164	518	(1,675)	8,993	-	-	(1,675)	8,993
Provident fund contributions		8,776	6,423	109	616	-	-	693	548	9,578	7,587	157	134	9,735	7,721
		261,460	218,387	4,838	29,300	-	-	21,882	21,402	288,180	269,089	9,442	8,312	297,622	277,401

Rupees in '000		2025		2024	
		Pension	Gratuity	Pension	Gratuity
37.1.1 Staff retirement benefits					
Current service costs		19,769	5,779	15,204	5,304
Interest costs		80,671	15,390	65,858	15,115
Return on plan assets, excluding interest income		(73,238)	(22,844)	(44,554)	(11,426)
		27,202	(1,675)	36,508	8,993

Rupees in '000	Note	2025	2024
37.2 Auditors' remuneration			
Audit fee		5,379	4,293
Certifications, tax and other assurance services		983	1,118
Out of pocket expenses		1,247	913
Sales tax		505	440
	37.2.1	8,114	6,764

37.2.1 Audit fee includes services for audit of annual unconsolidated and consolidated financial statements including audit of annual individual financial statements of the subsidiary companies of the Group, 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	
			2025	2024
Rupees in '000				
Mr. Ahsan M. Saleem	Director	The Citizens Foundation Plot No. 20, Sector - 14, New Brookes Chowrangi, Korangi Industrial Area, Karachi	97,824	73,631

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

Rupees in '000	Note	2025	2024
38. OTHER OPERATING EXPENSES			
Continuing operations			
Exchange loss		11,880	-
Impairment of capital work-in-progress		-	66,445
Impairment loss on trade debts	25.3	3,755	5,373
Provision for:			
- Workers' Profit Participation Fund	12.4	38,113	92,580
- Workers' Welfare Fund		11,332	33,922
- Doubtful advances		-	40,892
- Slow moving stores, spares and loose tools - net	23.1	11,038	17,165
Fixed assets written off		109	5,346
Impairment on equity accounted investee	19.1	220,171	-
Others		-	9,579
		296,398	271,302
Discontinued operation:			
Impairment on non-current assets held for sale	32	50,000	-
Provision on slow moving stores, spares and loose tools - net		-	5,000
		346,398	276,302

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Rupees in '000	Note	2025	2024
39. OTHER INCOME			
<i>Income from financial assets / liabilities</i>			
Return on deposits – from conventional banking		28,388	29,937
Gain on realization of deposit		3,861	-
Exchange gain		-	25,397
Liabilities written-back		4,000	989
Unwinding of discount on long term deposit		2,695	1,923
		38,944	58,246
<i>Income from non-financial assets / liabilities</i>			
Gain on disposal of operating fixed assets		10,080	4,994
Deferred income amortized	11	537	538
Land licensing fee		-	36,000
Rent income		6,890	7,440
Insurance claim		7,565	-
Others		11,981	-
		37,053	48,972
		75,997	107,218
40. FINANCE COSTS			
Mark – up on short term loans – Shariah arrangement		52,306	76,905
Interest on Non – Shariah Arrangement			
– finance lease obligations		35,633	45,803
– long term loans		65,031	136,716
– running finances		38,730	113,811
– short term loans		85,590	114,249
Bank charges		11,660	9,958
		288,950	497,442
41. SHARE OF (LOSS) / PROFIT IN EQUITY			
ACCOUNTED INVESTEEES			
Altern Energy Limited	19.1	(474,924)	450,963
Shakarganj Limited		-	(29,933)
		(474,924)	421,030
42. TAXATION			
Current			
– for the year		289,504	589,532
– for prior years		(1,868)	(1,335)
		287,636	588,197
Deferred			
		31,147	539,817
		318,783	1,128,014

Rupees in '000	2025	2024
42.1 Relationship between taxation expense and accounting profit		
Profit before taxation from continuing operations	374,370	2,483,638
Tax at the applicable rate of 29% (2024: 29%)	108,567	720,255
Tax effect of inadmissible expenses / losses	7,397	89,685
Tax effect of income taxed at a lower rate	(130,095)	(134,664)
Tax effect arising due to super tax	202,293	188,930
Tax effect of discontinued operation	(28,708)	(24,350)
Tax effect of change in effective tax rate and others	161,197	289,493
Prior year tax effect	(1,868)	(1,335)
	318,783	1,128,014
43. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE		
Net (loss) / profit for the year	(43,406)	1,271,658
Net profit for the year from continuing operations	55,587	1,355,624
Net loss from discontinued operation	(98,993)	(83,966)
		(Number of shares)
Weighted average number of ordinary shares in issue during the year	77,632,491	77,632,491
		(Rupees)
Basic and diluted – (loss) / earnings per share	(0.56)	16.38
Basic and diluted – earnings per share from continuing operations	0.72	17.46
Basic and diluted – loss per share from discontinued operation	(1.28)	(1.08)

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Rupees in '000	Note	2025	2024
44. CASH GENERATED FROM OPERATIONS			
Profit before tax		495,548	2,399,672
Adjustments for non cash charges and other items :			
Depreciation on operating fixed assets, right-of-use assets and investment properties	16.1.2 & 18	272,963	267,027
Amortization of intangible assets	17	-	1,427
Charge for the year on staff retirement benefit funds	47.1.7	37,972	77,111
Dividend income	35.1	(114,080)	(120,033)
Unrealized gain on FVTPL investments - net	35.1	(268,645)	(419,905)
Realized gain on FVTPL investments - net	35.1	(138,623)	(56,847)
Provision for slow moving stores, spares and loose tools - net	23.1	11,038	22,165
Charge of impairment loss on trade debts	38	3,755	5,373
Provision for Workers' Welfare Fund	38	11,332	33,922
Provision for Workers' Profit Participation Fund	38	38,113	92,580
Financial assets written off	38	109	5,346
Return on deposits	39	(28,388)	(29,937)
Gain on disposal of operating fixed assets	39	(10,080)	(4,994)
Deferred income amortized	39	(537)	(538)
Provision for doubtful advances	38	-	40,892
Unwinding of discount on long term deposit	39	(2,695)	(1,923)
Liabilities written back	39	(4,000)	(989)
Gain on realization of deposit	39	(3,861)	-
Impairment of capital work-in-progress	38	-	66,445
Impairment of non-current asset held for sale	32	50,000	-
Finance costs	40	288,950	497,442
Share of (loss) / profit from equity accounted investees	41	474,924	(421,030)
Impairment loss	19.1	-	-
Working capital changes		(1,815,721)	(1,285,349)
Cash (used in) / generated from operations		(701,926)	1,167,857
Changes in:			
- Stores, spares and loose tools		9,093	(87,426)
- Stock-in-trade		(1,536,207)	(178,627)
- Trade debts		(172,541)	(1,013,576)
- Advances		(112,719)	(63,027)
- Trade deposits and short term prepayments		(3,446)	(2,076)
- Other receivables		(3,053,954)	244,099
- Trade and other payables		3,054,053	(184,716)
		(1,815,721)	(1,285,349)

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

Rupees in '000	Long term loans	Lease liabilities (Including mark-up accrued)	Short term borrowings	Unclaimed dividend	Total
Note	9	10 & 13	14		
Opening balance as at July 1, 2024	427,466	255,228	579,271	26,188	1,288,153
Proceeds from long term loans	150,000	-	-	-	150,000
Repayment of long term loans	(270,191)	-	-	-	(270,191)
Proceeds from short term borrowings	-	-	3,938,369	-	3,938,369
Repayment of short term borrowings	-	-	(3,152,798)	-	(3,152,798)
Dividends paid	-	-	-	(574,368)	(574,368)
Lease payments	-	(88,329)	-	-	(88,329)
	(120,191)	(88,329)	785,571	(574,368)	2,683
Dividends declared	-	-	-	659,877	659,877
Amortization of transaction cost	(517)	-	-	-	(517)
Interest accrued on lease obligation	-	35,633	-	-	35,633
	(517)	35,633	-	659,877	694,993
Closing balance as at June 30, 2025	306,758	202,532	1,364,842	111,697	1,985,829

Rupees in '000	Note	2025	2024
44.2 The cash flows from discontinued operation are as follows:			
Net cash flows from operating activities		12,820	(12,912)
Net cash flows from investing activities		-	-
Net cash flows from financing activities		-	-
		12,820	(12,912)

45. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	14.1	(609,196)	(199,216)
Term deposits receipt		-	150,000
Cash and bank balances	31	78,319	336,689
		(530,877)	287,473

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 of generating and supplying electricity / power (note 1.1.5); and
- Hadeed (Billet) segment – It comprises of manufacturing billets (note 1.1.6).

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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 segment:

	Continuing operations				Discontinued operation		Total
	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	
Rupees in '000							
For the year ended June 30, 2025							
Sales - net	6,346,278	34,372	-	-	6,380,650	31,302	6,411,952
Cost of sales	4,690,400	107,376	58,436	-	4,856,212	62,345	4,918,557
Gross profit / (loss)	1,655,878	(73,004)	(58,436)	-	1,524,438	(31,043)	1,493,395
Income from investments - net	-	-	-	532,884	532,884	-	532,884
	1,655,878	(73,004)	(58,436)	532,884	2,057,322	(31,043)	2,026,279
Distribution and selling expenses	30,815	4,863	-	-	35,678	2,081	37,759
Administrative expenses	592,367	11,562	1,534	57,536	662,999	15,869	678,868
Other operating expenses	74,783	1,297	147	-	76,227	50,000	126,227
	697,965	17,722	1,681	57,536	774,904	67,950	842,854
	957,913	(90,726)	(60,117)	475,348	1,282,418	(98,993)	1,183,425
Other income	54,643	13,096	3,861	4,397	75,997	-	75,997
Operating profit / (loss) before							
finance costs	1,012,556	(77,630)	(56,256)	479,745	1,358,415	(98,993)	1,259,422
Finance costs	288,329	87	2	532	288,950	-	288,950
Share of loss in equity accounted							
investees	-	-	-	(474,924)	(474,924)	-	(474,924)
Profit / (loss) before taxation	724,227	(77,717)	(56,258)	4,289	594,541	(98,993)	495,548
Taxation							318,783
Loss for the year							176,765
For the year ended June 30, 2024							
Sales	9,056,280	55,331	-	-	9,111,611	-	9,111,611
Cost of sales	6,188,178	164,972	61,193	-	6,414,343	60,901	6,475,244
Gross profit / (loss)	2,868,102	(109,641)	(61,193)	-	2,697,268	(60,901)	2,636,367
Income from investments - net	-	-	-	605,754	605,754	-	605,754
	2,868,102	(109,641)	(61,193)	605,754	3,303,022	(60,901)	3,242,121
Distribution and selling expenses	51,106	4,096	-	-	55,202	1,785	56,987
Administrative expenses	439,589	41,496	2,816	39,941	523,842	16,124	539,966
Other operating expenses	220,296	46,573	4,433	-	271,302	5,000	276,302
	710,991	92,165	7,249	39,941	850,346	22,909	873,255
	2,157,111	(201,806)	(68,442)	565,813	2,452,676	(83,810)	2,368,866
Other income	92,665	11,029	-	3,524	107,218	-	107,218
Operating profit / (loss) before							
finance costs	2,249,776	(190,777)	(68,442)	569,337	2,559,894	(83,810)	2,476,084
Finance costs	488,561	5,881	2	2,842	497,286	156	497,442
Share of profit in equity accounted							
investees	-	-	-	421,030	421,030	-	421,030
Profit / (loss) before taxation	1,761,215	(196,658)	(68,444)	987,525	2,483,638	(83,966)	2,399,672
Taxation							1,128,014
Profit for the year							1,271,658

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 (Billet) 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 Steel segment represents an aggregate amount of Rs. 6,050.79 million (2024: Rs. 8,694.83 million) of total Steel segment revenue of Rs. 6,346.28 million (2024: Rs. 9,056.28 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 31.42 million (2024: Rs. 55.33 million) of total Cotton segment revenue of Rs. 34.37 million (2024: Rs. 55.33 million).

46.5 Geographical information

46.5.1 All Group's revenue from external customers by geographical location is within Pakistan.

46.5.2 All non-current assets of the Group as at June 30, 2025 and 2024 were located and operating in Pakistan.

46.6 Segment assets and liabilities

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

Rupees in '000	Continuing operations				Discontinued operation		Total
	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	
As at June 30, 2025							
Segment assets for reportable segments	9,284,478	310,514	487,405	3,540,293	13,622,690	450,949	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	89,724	78,610	18,184	4,316,102	90,124	4,406,226
Unallocated corporate liabilities and deferred income							2,837,468
Total liabilities as per consolidated statement of financial position							7,243,694

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Rupees in '000	Continuing operations				Discontinued operation		Total
	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	
As at June 30, 2024							
Segment assets for reportable segments	4,747,273	182,806	572,814	2,072,518	7,575,411	621,933	8,197,344
Investment in equity accounted investees	-	-	-	2,572,926	2,572,926	-	2,572,926
Unallocated corporate assets							901,993
Total assets as per consolidated statement of financial position							11,672,263
Segment liabilities for reportable segments	1,265,608	97,287	81,191	157,936	1,602,022	86,102	1,688,124
Unallocated corporate liabilities and deferred income							1,293,043
Total liabilities as per consolidated statement of financial position							2,981,167

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

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

Cash and bank balances, borrowings and related mark-up receivable there-from 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

Rupees in '000	Continuing operations				Discontinued operation		Total
	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	
For the year ended June 30, 2025							
Capital expenditure	574,532	7,723	5,569	-	587,824	-	587,824
Depreciation and amortization	184,781	9,823	59,716	5,690	260,010	12,953	272,963
Non-cash items other than depreciation and amortization	347,609	3,872	149	(48,495)	303,135	204	303,339

Rupees in '000	Continuing operations				Discontinued operation		Total
	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	
For the year ended June 30, 2024							
Capital expenditure	247,154	-	-	690	247,844	-	247,844
Depreciation and amortization	136,108	15,928	59,866	5,044	216,946	51,508	268,454
Non-cash items other than depreciation and amortization	660,237	17,513	(202)	(1,015,342)	(337,794)	5,556	(332,238)

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, 2025. The projected unit credit method, using the following significant assumptions, has been used for the actuarial valuation:

Rupees in '000	2025		2024	
	Pension	Gratuity	Pension	Gratuity
Financial assumptions				
- Discount rate used for interest cost in profit or loss charge	15.25%	15.25%	16.25%	16.25%
- Discount rate used for year end obligation	12.00%	12.00%	15.25%	15.25%
- Expected rate of increase in salaries	12.00%	12.00%	15.25%	15.25%
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:

Rupees in '000	Note	2025			2024		
		Pension	Gratuity	Total	Pension	Gratuity	Total
Present value of defined benefit obligations	47.1.4	936,364	216,051	1,152,415	804,399	173,925	978,324
Fair value of plan assets	47.1.5	(1,112,267)	(352,945)	(1,465,212)	(736,462)	(203,565)	(940,027)
(Asset) / liability recognized in consolidated statement of financial position		(175,903)	(136,894)	(312,797)	67,937	(29,640)	38,297

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Rupees in '000	Note	2025			2024			
		Pension	Gratuity	Total	Pension	Gratuity	Total	
47.1.3	Movement in the net defined benefit (asset) / liability							
	Opening balance	67,937	(29,640)	38,297	237,901	41,889	279,790	
	Net benefit cost charged to profit or loss	47.1.7	40,857	(2,885)	37,972	62,580	14,531	77,111
	Remeasurements recognized in other comprehensive income	47.1.8	(252,195)	(91,243)	(343,438)	(206,190)	(75,645)	(281,835)
	Contributions by the Holding Company	47.1.5	(32,502)	(13,126)	(45,628)	(26,354)	(10,415)	(36,769)
	Closing balance		(175,903)	(136,894)	(312,797)	67,937	(29,640)	38,297
47.1.4	Movement in the present value of defined benefit obligations							
	Opening balance	804,399	173,925	978,324	701,907	160,692	862,599	
	Current service costs	29,693	9,960	39,653	26,062	8,570	34,632	
	Interest costs	47.1.7	121,167	26,524	147,691	112,890	24,423	137,313
	Benefits paid		(19,722)	-	(19,722)	(14,399)	(20,788)	(35,187)
	Remeasurement loss / (gain) of defined benefit obligation		827	5,642	6,469	(22,061)	1,028	(21,033)
	Closing balance		936,364	216,051	1,152,415	804,399	173,925	978,324
47.1.5	Movement in the fair value of plan assets							
	Opening balance	736,462	203,565	940,027	464,006	118,803	582,809	
	Contributions by the Holding Company		32,502	13,126	45,628	26,354	10,415	36,769
	Interest income on plan assets	47.1.7	110,003	39,369	149,372	76,372	18,462	94,834
	Benefits paid		(19,722)	-	(19,722)	(14,399)	(20,788)	(35,187)
	Return on plan assets, excluding interest income		253,022	96,885	349,907	184,129	76,673	260,802
	Closing balance		1,112,267	352,945	1,465,212	736,462	203,565	940,027
47.1.6	Actual return on plan assets		363,025	136,254	499,279	260,501	95,135	355,636

47.1.7 Following amounts have been charged in the profit or loss in respect of these benefits:

Rupees in '000	2025			2024		
	Pension	Gratuity	Total	Pension	Gratuity	Total
Current service costs	29,693	9,960	39,653	26,062	8,570	34,632
Interest costs	121,167	26,524	147,691	112,890	24,423	137,313
Expected return on plan assets	(110,003)	(39,369)	(149,372)	(76,372)	(18,462)	(94,834)
Charge recognized in profit or loss	40,857	(2,885)	37,972	62,580	14,531	77,111

47.1.8 Following amounts of remeasurements have been charged in other comprehensive income in respect of these benefits:

Rupees in '000	2025			2024		
	Pension	Gratuity	Total	Pension	Gratuity	Total
Remeasurement:						
Actuarial gain from changes in demographic assumptions	(33,410)	(9,331)	(42,741)	-	-	-
Actuarial gain from change in financial assumptions	(19,930)	(82)	(20,012)	(5,275)	(21)	(5,296)
Experience adjustments	54,167	15,055	69,222	(16,786)	1,049	(15,737)
	827	5,642	6,469	(22,061)	1,028	(21,033)
Return on plan assets, excluding interest income	(253,022)	(96,885)	(349,907)	(184,129)	(76,673)	(260,802)
Remeasurement gains recognized in the other comprehensive income	(252,195)	(91,243)	(343,438)	(206,190)	(75,645)	(281,835)
47.1.9 Total defined benefit cost recognized in profit or loss and other comprehensive income	(211,338)	(94,128)	(305,466)	(143,610)	(61,114)	(204,724)
Weighted average duration of the defined benefit obligation (years)	10.50	1.84		11	2.00	
Analysis of present value of defined benefit obligation						
Type of Members:						
Pensioners	34	-		34	-	
Beneficiaries	91	91		82	82	
Vested / Non-Vested						
Vested benefits	874,594	189,175	1,063,769	737,566	149,183	886,749
Non - vested benefits	61,770	26,876	88,646	66,833	24,742	91,575
	936,364	216,051	1,152,415	804,399	173,925	978,324

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Rupees in '000	2025			2024		
	Pension	Gratuity	Total	Pension	Gratuity	Total
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	31,939	12,446	44,385	10,765	5,097	15,862
Debt instruments						
AA-	2,996	-	2,996	-	-	-
AAA	2,500	2,500	5,000	2,500	2,500	5,000
A+	-	-	-	3,017	-	3,017
CCC+	219,808	2,614	222,422	-	-	-
CCC	-	-	-	282,452	55,701	338,153
	225,304	5,114	230,418	287,969	58,201	346,170
Equity instruments						
Cement	2,900	-	2,900	8,818	-	8,818
Chemicals	-	-	-	256	-	256
Banks	15,797	-	15,797	1,952	-	1,952
Engineering	659,290	313,589	972,879	218,692	104,690	323,382
Fertilizer	24,788	1,159	25,947	10,421	482	10,903
Insurance	84	-	84	74	-	74
Oil and Gas Exploration Companies	40,952	4,522	45,474	12,509	3,644	16,153
Oil and Gas Marketing Company	481	-	481	218	-	218
Refineries	149	-	149	-	-	-
Investment Company	20,992	-	20,992	629	-	629
Gas Distribution Company	476	-	476	424	-	424
Pharmaceuticals	1,721	-	1,721	684	-	684
Power Generation and Distribution	42,206	13,781	55,987	42,014	16,308	58,322
Sugar and Allied Industries	7,924	2,334	10,258	4,611	1,358	5,969
Technology and Communication	859	-	859	661	-	661
Textile Composite	13,552	-	13,552	1,771	-	1,771
	832,171	335,385	1,167,556	303,734	126,482	430,216
Mutual funds						
Income Fund	22,853	-	22,853	131,148	13,785	144,933
Equity Fund	-	-	-	2,846	-	2,846
	1,112,267	352,945	1,465,212	736,462	203,565	940,027

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:

Rupees in '000	Pension	Gratuity
Discount rate +1%	(89,210)	(3,678)
Discount rate -1%	107,450	4,280
Salary increase +1%	14,016	4,267
Salary decrease -1%	(12,249)	(3,733)
Pension indexation rate increase +1%	101,550	-
Pension indexation rate decrease -1%	(87,151)	-

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 profit or loss for the year ending June 30, 2026:

Rupees in '000	Pension	Gratuity
Current service cost	31,344	10,876
Interest cost on defined benefit obligation	111,127	15,534
Interest income on plan assets	(134,619)	(32,921)
	7,852	(6,511)

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, 2025 was Rs. 18.62 million (2024: Rs. 15.69 million). Reporting year end of Provident Fund Financial Statements are December 31, and June 30, for Steel & IID Division, and Cotton & Hadeed Division, respectively.

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:

	Carrying amount				Fair Value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees in '000 June 30, 2025									
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 measured 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	-	-	-	-
Mark-up accrued	-	-	-	27,284	27,284	-	-	-	-
Short term borrowings	-	-	-	1,974,038	1,974,038	-	-	-	-
Unclaimed dividend	-	-	-	111,697	111,697	-	-	-	-
	-	-	-	3,838,439	3,838,439	-	-	-	-

Rupees in '000

June 30, 2024

	Carrying amount				Fair Value				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet									
financial instruments									
Financial assets									
measured at fair value									
Recurring fair value measurements									
Investments									
- Listed equity securities	1,132,754	106,575	-	-	1,239,329	1,239,329	-	-	1,239,329
- Unlisted equity securities	742,932	-	-	-	742,932	-	-	742,932	742,932
	1,875,686	106,575	-	-	1,982,261	1,239,329	-	742,932	1,982,261
Financial assets not									
measured at fair value									
Deposits	-	-	78,368	-	78,368	-	-	-	-
Short term investments	-	-	244,360	-	244,360	-	-	-	-
Trade debts	-	-	1,472,246	-	1,472,246	-	-	-	-
Other receivables	-	-	31,801	-	31,801	-	-	-	-
Bank Balances	-	-	336,689	-	336,689	-	-	-	-
	-	-	2,163,464	-	2,163,464	-	-	-	-
Financial liabilities not									
measured at fair value									
Long term loans	-	-	-	427,466	427,466	-	-	-	-
Lease liabilities	-	-	-	254,987	254,987	-	-	-	-
Trade and other payables	-	-	-	884,201	884,201	-	-	-	-
Mark-up accrued	-	-	-	61,577	61,577	-	-	-	-
Short term borrowings	-	-	-	778,487	778,487	-	-	-	-
Unclaimed dividend	-	-	-	26,188	26,188	-	-	-	-
	-	-	-	2,432,906	2,432,906	-	-	-	-

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 as disclosed in note 18.2. The valuations are conducted by the valuation experts appointed by the Group. The valuation experts used a market based approach to arrive at the fair value of the Group's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative 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, 2025 for unquoted equity investments measured at fair value in the consolidated 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 - Weighted Average Cost of Capital	5.00% 20.45%
			- The expected free cash flows were higher / (lower) - 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	6.50%
	The valuation model considers the present value of future dividends, discounted using Weighted Average Cost of Capital.	- Weighted Average Cost of Capital	15.05%
			The estimated fair value would increase / (decrease) if: - 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, 2024	
- Shakarganj Food Products Limited	529,513
- Central Depository Company of Pakistan Limited (CDC)	213,419
	742,932
Fair value recognized in profit or loss during the year	
- Shakarganj Food Products Limited	(111,534)
- Central Depository Company of Pakistan Limited (CDC)	102,982
	(8,552)
Balance at June 30, 2025	
- Shakarganj Food Products Limited	417,979
- Central Depository Company of Pakistan Limited (CDC)	316,401
	734,380

Sensitivity analysis

For the fair value of unquoted equity investments, reasonably possible changes at June 30, 2025 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Rupees in '000	Profit or loss	
	Increase	Decrease
Shakarganj Food Products Limited		
- Expected cash flows (10% movement)	48,363	(48,363)
- Terminal growth rate (100 bps)	21,128	(18,560)
- Weighted Average Cost of Capital (100 bps)	(29,697)	33,839
Central Depository Company of Pakistan Limited		
- Dividend growth rate (100 bps)	24,684	(19,513)
- Weighted Average Cost of Capital (100 bps)	(18,063)	22,850

49. FINANCIAL INSTRUMENTS

The Group 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 counter-parties 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 is as follows:

Rupees in '000	2025	2024
Deposits	80,737	78,368
Short term investments	237,000	244,360
Trade debts	1,641,032	1,472,246
Other receivables	2,454,775	31,801
Bank balances	78,319	336,689
	4,491,863	2,163,464

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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 management has set a maximum credit period of 15 days in respect of Cotton segment's sales to reduce the credit risk.

All the trade debtors at the reporting date represent domestic parties.

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

Rupees in '000	2025	2024
Steel segment	1,638,305	1,472,052
Cotton segment	564	-
IID	2,150	-
Hadeed (Billet) segment	13	194
	1,641,032	1,472,246
The aging of trade debts at the reporting date is		
Not past due	220,759	1,171,633
Past due 1 – 30 days	10,393	6,328
Past due 31 – 180 days	271,432	252,514
Past due 180 days	1,165,977	65,545
	1,668,561	1,496,020
Less: Impaired loss	27,529	23,774
	1,641,032	1,472,246

The movement in the allowances for impairment in respect of trade debts and advances is given in note 25.3.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before June 30, 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Holding 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 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 counter-parties 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 funds can be assessed with reference to external credit rankings as follows:

Rupee in '000	Rankings		Ranking	2025	2024
	Short term	Long term	Agency		
Mutual Funds					
HBL Growth Fund (A)	A+	AAA	VIS	9,548	10,688
HBL Investment Fund (A)	A+	AAA	VIS	-	2,016
Pak Qatar Asset Management Company	-	AA	Pacra	532	253,044
				10,080	265,748

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 and 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. 237 million 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.

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

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

Rupees in '000	2025							
	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
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

Rupees in '000	2024							
	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
Financial liabilities								
Long term loan	427,466	427,466	-	134,826	135,170	137,139	11,304	9,027
Lease liabilities	254,987	376,489	-	45,713	43,856	79,629	208,136	-
Trade and other payables	884,201	884,201	-	884,201	-	-	-	-
Unclaimed dividend	26,188	26,188	26,188	-	-	-	-	-
Mark-up accrued	61,577	61,577	-	61,577	-	-	-	-
Short term borrowings	778,487	778,487	199,216	579,271	-	-	-	-
	2,432,906	2,554,408	225,404	1,705,588	179,026	216,768	219,440	9,027

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:

Rupees in '000	2025	
	USD	Euro
Outstanding letters of credit	557,100	185,385
Rupees in '000	2024	
	USD	Euro
Outstanding letters of credit	1,418,260	-

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
USD to PKR	279.35	283.17	283.76	278.34
Euro to PKR	303.97	306.01	332.66	297.69

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

Rupees in '000	2025	2024
USD	15,563	40,161
Euro	5,635	-
	21,198	40,161

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:

	2025	2024	2025	2024
	Effective interest rate (Percentage)		Carrying amount (Rupees in '000)	
Financial liabilities				
Variable rate instruments:				
Long term loan	14.09 - 24.76	24.08 - 24.76	306,758	427,466
Lease liabilities	18.22 - 31.53	17.04 - 31.12	202,508	254,987
Short term borrowings	12.69 - 23.71	21.91 - 25.22	1,974,038	778,487

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.

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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 loss 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 2024.

Rupees in '000	Profit and loss 100 bp	
	Increase	Decrease
As at June 30, 2025		
Cash flow sensitivity – Variable rate financial liabilities	(24,833)	24,833
As at June 30, 2024		
Cash flow sensitivity – Variable rate financial liabilities	(14,609)	14,609

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

49.3.3 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:

Rupees in '000	2025	2024
Effect on profit	224,885	113,275
Effect on equity	20,419	10,658
Effect on investments	245,304	123,933

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

50. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

Rupees in '000	Chief Executive		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Managerial remuneration (including incentives)	62,505	48,164	-	-	141,138	106,732	203,643	154,896
Fees	-	-	5,995	5,560	-	-	5,995	5,560
Contributions to								
- Gratuity fund	2,487	2,007	-	-	5,200	3,789	7,687	5,796
- Pension fund	5,970	4,818	-	-	13,571	10,546	19,541	15,364
- Provident fund	2,985	2,409	-	-	6,715	5,157	9,700	7,566
Others	8,064	21,129	-	-	11,643	18,261	19,707	39,390
	82,011	78,527	5,995	5,560	178,267	144,485	266,273	228,572
Number of persons	1	1	7	7	17	16	25	24

50.1 During the year remuneration paid to the non-executive Chairman of the Board of Directors amounted to Rs. 2.4 million (2024: Rs. 2.05 million).

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

50.3 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:

Rupees in '000				2025	2024
Name	Nature of relationship	Basis of relationship	Nature of transaction		
Altern Energy Limited	Associated company	10.02%	Dividend income	753,916	796,238
			Dividend received	753,916	796,238
			Sale of investment	606,408	-
Shakarganj Limited	Associated company	21.93% holding	Services rendered	1,558	1,629
			Payment made	5,857	-
			Dividends paid	1,530	360
			Rent	144	-
			Reimbursable expenses	6,860	6,884

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Rupees in '000				2025	2024
Name	Nature of relationship	Basis of relationship	Nature of transaction		
Crescent Socks (Private) Limited	Associated company	48.99% holding	Payments received against services rendered	-	600
Shakarganj Food Products Limited	Related party	Subsidiary	Reimbursable expenses	3,633	4,269
		Company's related party	Services rendered	3,318	3,187
			Rent	2,486	2,755
			Payments received	5,000	4,000
			Investment in commodity	150,000	-
			Gain on investment	3,931	-
The Crescent Textile Mills Limited	Related party	Common directorship	Rent	2,010	3,940
			Payments received against services rendered	3,779	7,656
			Reimbursable expenses	1,788	4,019
			Dividends paid	72,576	17,077
			Dividend income	-	565
			Dividend received	-	565
Premier Insurance Limited	Related party	Common directorship	Insurance premium	14,085	8,602
			Insurance premium paid	15,582	7,162
			Dividends paid	1,203	283
The Citizens Foundation	Related party	Common directorship	Donations given	97,824	73,631
Indus Valley School of Arts and Architecture	Related party	Common directorship	Donation given	-	3,142
Pakistan Centre For Philanthropy	Related party	Common directorship	Annual membership fee	396	360
			Payment annual membership fee	396	360
Pak Qatar Asset Management Company Limited	Related party	Common directorship	Investment in units of mutual funds	810,830	649,000
			Redemption of investment in units of mutual funds	927,966	501,582
			Dividend received	593	-
			Dividend paid	-	15,450
Pak-Qatar Asset Allocation Plan	Related party	Common directorship	Loan repayment	56,667	40,000
			Profit repayment	13,238	26,970
			Dividends paid	46,938	-
Pak Qatar Family Takaful Company Limited	Related party	Common directorship	Payments made	63,783	-
			Payments received	63,783	-

Rupees in '000				2025	2024
Name	Nature of relationship	Basis of relationship	Nature of transaction		
Pak-Qatar Income Plan	Related party	Common directorship	Sale of investment	191,070	15,271
			Purchase of investment	40,405	164,000
			Dividend income	1	-
			Dividend received	1	-
Pak-Qatar Monthly income Plan	Related party	Common directorship	Sale of investment	68	-
			Purchase of investment	69	-
Pak-Qatar Cash Plan	Related party	Common directorship	Sale of investment	86,091	-
			Purchase of investment	86,000	-
Jubilee General Insurance Limited	Related party	Common directorship	Insurance premium	7,104	-
			Insurance premium paid	7,104	-
Pakistan Stock Exchange Limited	Related party	Common directorship	Annual charges	1,223	-
			Annual charges paid	1,223	-
Pak Elektron Limited	Related party	Common directorship	Sales made	91,852	152,014
			payment received	113,931	146,569
Meezan Bank Limited	Related party	Common directorship	Dividend income	11,399	2,463
			Dividend received	11,399	2,463
International Steels Limited	Related party	Common directorship	Dividend income	600	1,090
			Dividend received	600	1,090
			Sale of investment	-	4,918
Trustees Shakarganj Mills Limited - Provident Fund	Related party	Associated company's retirement benefit plan	Dividends paid	1,432	337
Trustees Shakarganj Mills Limited - Provident Fund Gratuity Fund	Related party	Associated company's retirement benefit plan	Dividends paid	570	134
Trustees Shakarganj Mills Limited - Provident Fund Pension Fund	Related party	Associated company's retirement benefit plan	Dividends paid	952	224
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	2,324	1,342
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Employees benefit fund	Contributions made	13,126	10,518
			Dividends paid	18,386	3,877
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Employees benefit fund	Contributions made	32,502	26,601
			Dividends paid	38,403	8,077

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Rupees in '000				2025	2024
Name	Nature of relationship	Basis of relationship	Nature of transaction		
Crescent Steel and Allied Products Limited – Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contributions made	15,995	14,426
			Dividends paid	1,056	248
Crescent Hadeed (Private) Limited – Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contributions made	296	356
CSAP – Staff Benevolent Fund	Staff welfare fund	Employees welfare fund	Contributions made	654	10,000
			Dividends paid	308	72
Key management personnel	Related parties	Executives	Remuneration and benefits	222,879	223,012
			Dividend paid	36,607	9,662
Chairman of the Board	Related party	Chairman	Honorarium	2,400	2,050
Directors and their spouses	Related parties	Directors	Meeting fee	3,595	3,510
			Dividend paid	24,787	4,488

- 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 Holding Company. 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, 2025 and 2024 are included in issued, subscribed and paid-up capital (note 7.1), trade and other payables (note 12.3), investment in equity accounted investees (note 19), other receivables (note 29.2), administrative expenses (note 37.3) and staff retirement benefits (note 47).

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:

Rupees in '000	Note	2025	2024
Total debt	52.1.1	2,483,304	1,460,940
Less: Cash and bank balances		78,319	336,689
Net debt		2,404,985	1,124,251
Total equity	52.1.2	8,407,332	8,691,096
Total capital		10,812,317	9,815,347
Gearing ratio		22.2%	11.5%

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 (2024: 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 41,175.3 tons (2024: 59,453.3 tons) line pipes of varied sizes and thickness. Actual production is equivalent to 82,286.1 tons (2024: 97,542.9 tons) when translated to the notional pipe size of 30" diameter.

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 98,072 meters (2024: 230,275 meters) of different diameter pipes and 319,711 square meters surface area was achieved during the year (2024: 553,906 square meters surface area). Actual production is in line with market demand.

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For the year ended June 30, 2025

53.2 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 (2024: 9,197,007 kilograms). Actual production converted into 20s count was Nil kilograms for Nil shifts (2024: Nil kilograms for Nil shifts).

53.3 Energy segment

The plant's installed production capacity was 118,856 MWh (2024: 118,856 MWh) and the actual production achieved during the year was Nil (2024: Nil). Reason for underutilization was that no power was supplied to FESCO, Hadeed (Billet) segment (internal customer) and Shakarganj Limited (external customer).

53.4 Hadeed segment

The designed capacity of Plant is 85,000 mtons (2024: 85,000 mtons) of billets per annum, but the total production during the year was Nil (2024: Nil) of billets. Unit would not be operated on self-generated (Inter division) power supply that was only compatible during crushing season of three months and two months on bagasse (purchased) on off and on basis. The Group has classified plant and machinery and certain other related assets as non-current assets held for sale.

54. SHARIAH COMPLIANCE DISCLOSURE

Rupees in '000	Note	Non-shariah compliant	Shariah compliant	Total
Consolidated statement of financial position				
Long term loans	9	173,942	132,816	306,758
Lease liabilities	10	202,508	-	202,508
Short term borrowings	14	1,826,198	147,840	1,974,038
Other long term investments	20	734,380	204,192	938,572
Short term investments	28	831,498	1,654,354	2,485,852
Cash and bank balances	31	75,299	3,020	78,319
Consolidated statement of profit or loss and other comprehensive income				
Sales (gross)	33	-	7,535,015	7,535,015
Dividend income	35	52,074	62,006	114,080
Realized (loss) / gain on sale of investments	35	(20,499)	159,122	138,623
Unrealized gain on sale of investments	35	83,134	185,511	268,645
Return on deposits	39	28,388	-	28,388
Finance costs	40	236,644	52,306	288,950

55 GENERAL

55.1 Number of employees

The total number of employees, including contractual employees, of the Group as at June 30, 2025 were 406 (2024: 431) and weighted average number of employees were 420 (2024: 434).

The number of factory employees, including contractual employees, of the Group as at June 30, 2025 were 223 (2024: 353) and weighted average number of employees were 288 (2024: 354).

55.2 Comparative information

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of better presentation, However, we have no material reclassifications to report.

55.3 Subsequent event

The Board of Directors of the Holding Company in its meeting held on July 31, 2025 has recommended a final cash dividend of Rs. 2.5 per share for the year ended June 30, 2025. These consolidated financial statements do not reflect the effect of final cash dividend payable as recommended by the Board of Directors.

56 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue in the Board of Directors meeting held on July 31, 2025.



Chief Executive



Director



Chief Financial Officer