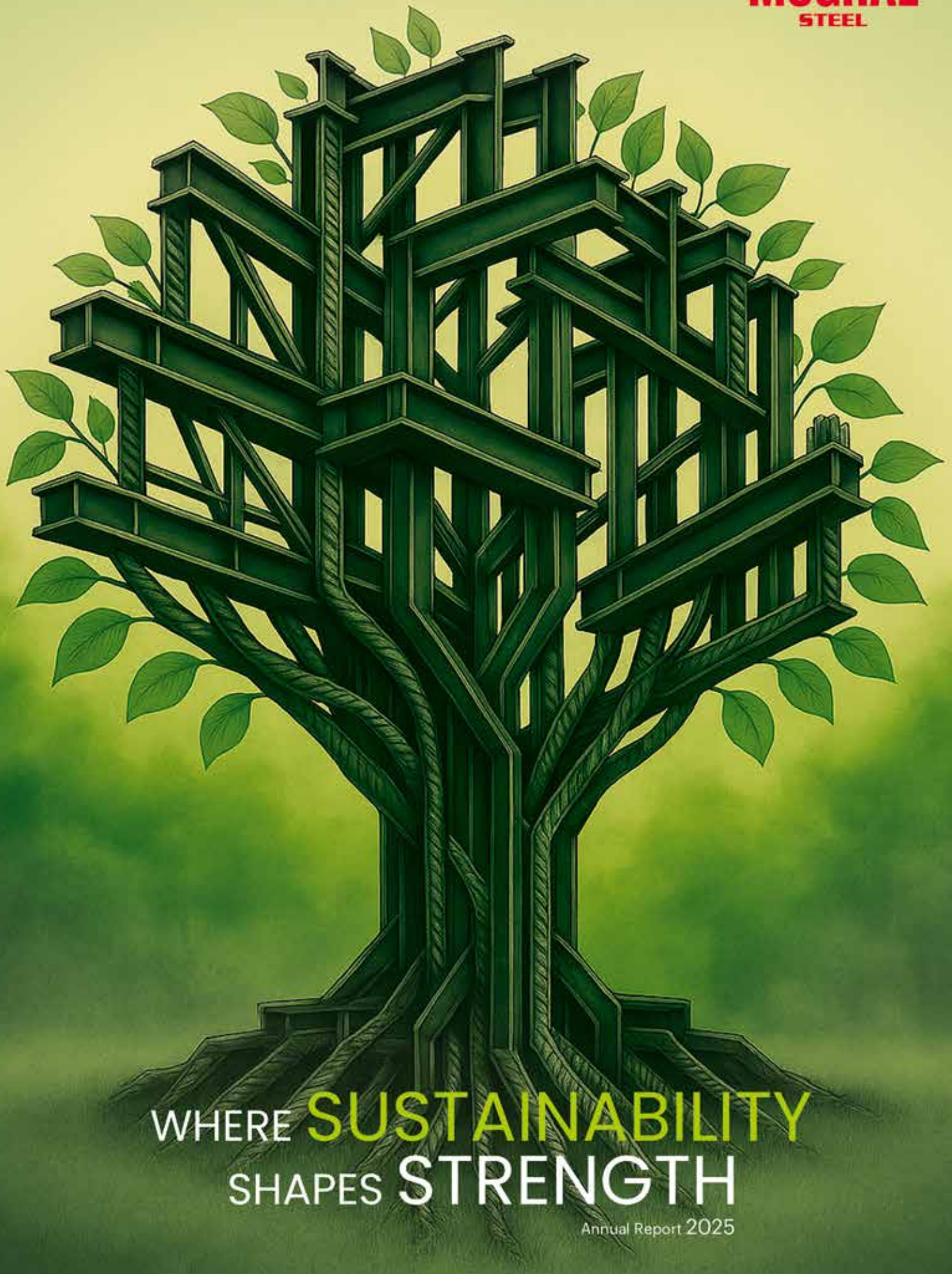


MUGHAL
STEEL



WHERE **SUSTAINABILITY**
SHAPES **STRENGTH**

Annual Report 2025

Where **Sustainability** Shapes **Strength**

Forged over decades of industrial evolution, our journey reflects a tale of grit, adaptation, precision - and now, transformation. Like steel tempered by time and sharpened through challenge, Mughal Steel is shaping Pakistan's future
- stronger, leaner, and greener. With a firm commitment to sustainable practices and low-carbon steel production, we're not just building structures
- we're building a cleaner tomorrow.

ABOUT THIS REPORT

We are pleased to present our annual report for the year ended June 30, 2025. With this report we aim to provide all our stakeholders with a transparent and balanced appraisal of the material issues that faced our business during the year under review. The report should be read in conjunction with the complete set of standalone and consolidated financial statements.

SCOPE AND BOUNDARY OF THIS REPORT

This annual report covers the year from July 01, 2024 to June 30, 2025. The previous annual report covered the 2023-2024 financial year. This annual report provides an account of the Group's operational, financial, economic, social and environmental performance, as well as governance, during the period under review etc.

OUR REPORTS

Annual Report

This printed annual report also available online at www.mughalsteel.com is intended to provide readers with an overview of our operations during the year. It includes messages from leadership, financial and operational reviews, corporate governance and risk management reports, summarized financial statements and information for shareholders.

Annual Financial Statements

The standalone and consolidated financial statements included in this report provide a comprehensive insight into the financial position and performance of the Group for the year under review.

FORWARD LOOKING STATEMENTS

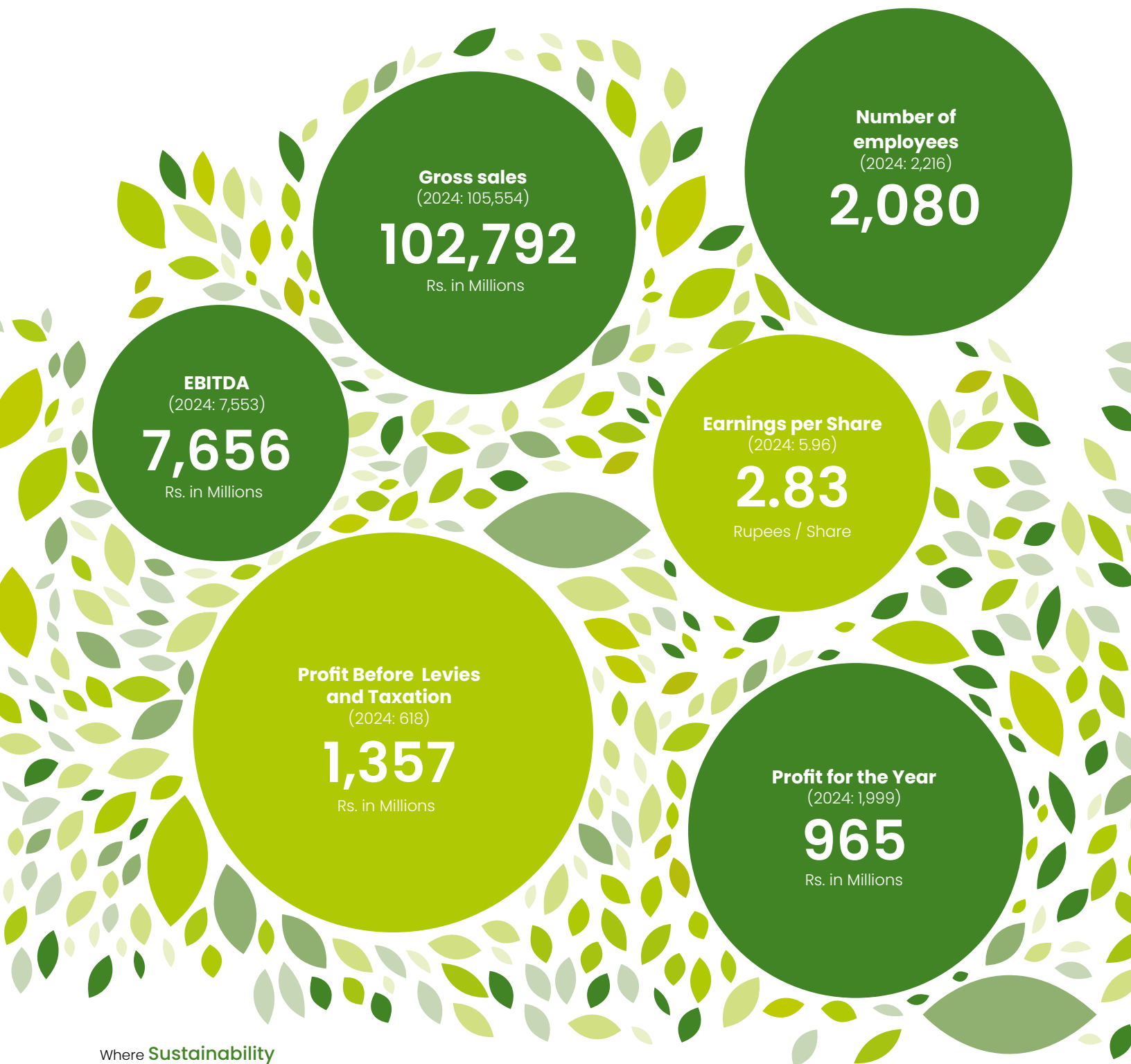
This annual report contains certain "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," or "target." The statements include known and unknown risks and opportunities, other uncertainties and important factors that could turn out to be materially different following the publication of actual results.

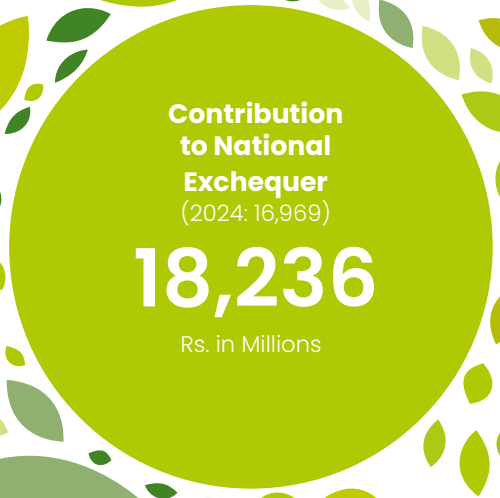
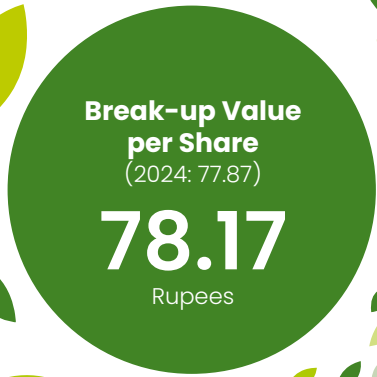
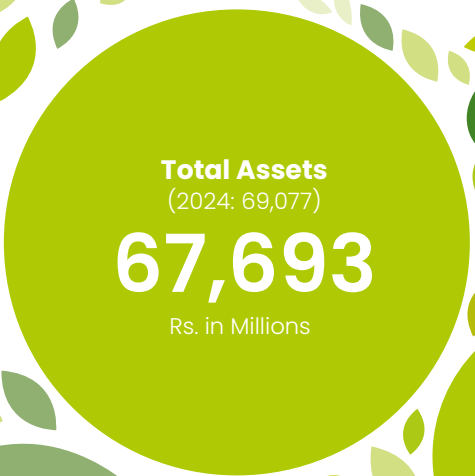
These forward-looking statements speak only as of the date of this document. We undertake no obligation to update publicly or release any revisions to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events.

FEEDBACK

Please provide us with your feedback. We value feedback from our stakeholders and use it to ensure that we are reporting on the issues that are relevant to them. Please take the time to give us your feedback on this report. Your emails are welcomed at fahadhafiez@mughalsteel.com.

KEY FIGURES





CONTENTS

01 ORGANIZATIONAL OVERVIEW

08	10	14	18	20
Vision, Mission & Overall Corporate Strategy	Code of Conduct, Culture, Values and Ethical Principles	Environmental, Social & Governance (ESG)	Company Profile	Key Strengths
22	24	26	27	28
Company Information	Organization's Supply Chain	Awards & Accolades	History of Major Events	Board Profile

02 DIRECTORS' REPORT

34	37	38	55	56
Chairman's Review Report	Chief Executive Officer's Remarks	Directors' Report to the Shareholders	شیر ہولڈرز کے لئے ڈائریکٹرز کی رپورٹ	چیف ایگزیکٹو آفیسر کا تبصرہ

57

چیئرمین کی جائزہ رپورٹ

03 FINANCIAL HIGHLIGHTS

60	61	62	63	64
Horizontal Analysis	Vertical Analysis	Summary of Statement of Cash Flows	Financial Ratios	Graphical Analysis
66	67			
Distribution of Wealth	Results reported in Interim Financial Statements and Final Accounts			

04 FINANCIAL STATEMENTS

70	71	73	74	75
Shariah Review Report	Independent Assurance Report on Compliance With the Shariah Governance Regulations, 2023	Statement of Compliance With Sukuk Features and Shariah Requirements	Independent Auditors' Review Report To The Members	Statements of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019
77	81	82	83	84
Independent Auditors' Report To The Members	Statement of Financial Position	Statement of Profit or Loss	Statement of Comprehensive Income	Statement of Changes In Equity
85	86			
Statement of Cash Flows	Notes to the Financial Statements			

05 CONSOLIDATED FINANCIAL STATEMENTS

148	152	153	154	155
Independent Auditors' Report To The Members	Consolidated Statement of Financial Position	Consolidated Statement of Profit or Loss	Consolidated Statement of Comprehensive Income	Consolidated Statement of Changes In Equity
156	157			
Consolidated Statement of Cash Flows	Notes to the Consolidated Financial Statements			

06 OTHER INFORMATION

226	229	230	234	235	237
Pattern of Shareholding Ordinary Shares	Pattern of Shareholding Ordinary Class - C Shares	Notice of Annual General Meeting	Statement of Material Effects	Form of Proxy	پراکسی فارم





01

ORGANIZATIONAL OVERVIEW

- Vision, Mission & Overall Corporate Strategy
- Code of Conduct, Culture, Values & Ethical Principles
- Environmental, Social & Governance (ESG)
- Company Profile
- Key Strengths
- Company Information
- Organization's Supply Chain
- Awards & Accolades
- History of Major Events
- Board Profile

VISION, MISSION & OVERALL CORPORATE STRATEGY

VISION STATEMENT

To be a leading corporate entity in the steel sector which is recognized both at the industry level and national level, endeavoring to achieve excellence in core business while striving to explore multiple growth opportunities, remaining ethically and socially responsible and strengthening the growing base of satisfied customers by providing quality and durable steel products.

MISSION STATEMENT

To meet the expectations of our customers in providing them with high quality, reliable and durable steel products, through product research, business process and information system improvement and up-gradation of technology. To meet the expectations of our employees by providing opportunities for professional growth and personal welfare. To meet the expectations of our shareholders by enhancing profitability and maximizing returns through achieving excellence in core business and exploring growth opportunities through diversification.

OVERALL CORPORATE STRATEGY

Maintaining our competitive position in the core business by employing professional and technical excellence, exploring new growth opportunities through diversification and creating value for our stakeholders.





CODE OF CONDUCT, CULTURE, VALUES & ETHICAL PRINCIPLES

THE BASIC PRINCIPLES OF OUR CODE OF CONDUCT AND ETHICS

We believe the best way to build and to maintain trust is to conduct every element of our business according to the highest standards of integrity. Our ability to do so rests on the behavior of those who work here, from employees to our Chief Executive Officer to our Directors. To that end, we select our people based not just on their skills, accomplishments and potential, but also on their principles and values.

It is impossible to predict the various different unique circumstances our people will face during their careers. As such, the policies outlined in this Code should be viewed as the baseline of expected behavior. While ethical behavior requires us to comply fully with all laws and regulations, “compliance” with the law is the minimum standard to which we hold ourselves.

Our **Code of Conduct** consists of the following principles which all Directors and employees are required to apply in their daily work and observe in the conduct of Company’s business.

Compliance with Laws, Rules and Regulations

Every Director and employee must comply with all applicable laws, rules and regulations, including those related to insider trading, financial reporting, money laundering, fraud, bribery and corruption.

Personal Conflicts of Interest

Every Director and employee is prohibited from indulging in actions or relationships that create personal conflicts of interest unless approved by the Company. It is important that every Director and employee carefully considers whether any of their activities or relationships, including business or volunteer positions outside the Company, could cause a conflict or the appearance of a conflict with the interests of the Company. Additionally, personal gain or advantage must never take precedence over one’s obligations to the Company. No Director or employee must ever use or attempt to use their position at the Company to obtain any improper personal benefit for themselves, their family member(s) or any other individual or group.

Fair and Ethical Competition

Every Director and employee must deal fairly with customers, suppliers, competitors and each other. No one at the Company may seek competitive advantage through illegal or unethical business practices. Taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice is a violation of this Code.

Protecting Confidential Information

Every Director and employee must maintain the confidentiality of the information with which they are entrusted, including complying with information barrier procedures applicable to our business. The only exception is when disclosure is authorized or legally mandated.

Equal Employment Opportunities and Commitment to Diversity

We do not tolerate any type of discrimination prohibited by law, including harassment. We value diversity as an important asset that enhances our culture, helps us satisfy customers well and maximizes return for shareholders. For us to excel, we must create for our people an inclusive environment that welcomes and supports differences and encourages input from all perspectives.

Political Contributions and Activities

Directors and employees are prohibited from making or soliciting political contributions or engaging in political activities.

Protecting and Properly Using Company's Assets

Everyone should protect the Company's assets and ensure their efficient use. All Company's assets should be used for legitimate business purposes only.

Public Relations

All employees share a responsibility for the Company's good public relations particularly at the community

level. Their readiness to help with religious, charitable, educational and civic activities is accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.

Health & Safety

The Company has strong commitment to the health and safety of its employees and preservation of environment. The Company perseveres towards achieving continuous improvement of its Health, Safety and Environment (HSE) performance by reducing potential hazards, preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.

Non-Retaliation Policy

The Company strictly prohibits retaliation against anyone who reports in good faith a possible violation of the Code, no matter whom the report involves.

We pledge to comply and enforce the basic principles of Code of Conduct and prevent its violation. Any employee observing any violation or abuse of this Code of Conduct may bring the same to the notice of the Management in writing.

CULTURE

Our culture demonstrates the manifestation of shared values and beliefs, which we practice every day to move towards a better and more successful organization. Our values provide the foundation of our culture and bind us into a successful team yearning to outperform the competition.

VALUES

We attribute our persistent growth to the strength of our deep rooted values, which distinguish us and guide our actions. We tend to conduct our business in a socially responsible and ethical manner.



Integrity

We are dedicated to maintaining the highest ethical standards and ensuring openness and honesty in all our dealings by maintaining utmost integrity at all times.



Trust

We trust, respect and support each other, and we strive to earn the trust of our customers and shareholders.



Diversity

We provide equal opportunities to all our employees without any bias against gender, race, ethnicity and religion.



Ingenuity

We seek new opportunities and out-of-the-ordinary solutions. We use our creativity to find unexpected and practical ways to solve problems. Our experience, technology and perseverance enables us to overcome challenges and deliver value.



Teamwork

We are committed to fostering a culture where employees work as a team, listen to and respect each other, provide support to one another, work co-operatively and highly regard one another's views, making our work environment fun and enjoyable.



Excellence

We make sure that we always do what we say we will and strive for excellence and quality in everything that we do.



Customer Satisfaction

Our experience shows that if we satisfy our customers well, our own success will follow.



Personnel Development

We are endeavored to foster a culture where people come first and we hire, develop, train and retain our people to work as synergized teams in line with our mission and vision.



Laws & Regulations

We are dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our continued success depends upon unswerving adherence to this standard.



Fairness

We are devoted to implement such policies and procedures, which translate into fair and equitable treatment of all stakeholders, including selection, hiring, rewarding and compensating all employees.



Innovation

While recognizing that the old way may still be the best way, we constantly strive to find a better way of doing things. We pride ourselves on having pioneered many of the practices and techniques that have become standard in the industry.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

At Mughal Steel, sustainability is not just a commitment—it is embedded in the core of our operations. We remain unwavering in our resolve to drive responsible growth by enhancing safety standards, advancing decarbonization, investing in our people, fostering innovation, and working collaboratively with communities and suppliers—all while operating in harmony with the natural environment.

ENVIRONMENTAL

Energy conservation and decarbonization lie at the heart of Mughal Steel's operational philosophy. As a responsible steel manufacturer, we have consistently pursued green steel production through the adoption of sustainable steel recycling methodologies.

Carbon Footprints / Air Pollution & Emission Reductions

We remain committed to decarbonizing our production processes through a combination of technology, recycling, and energy efficiency. Our steel is manufactured entirely through Electric Induction Furnaces (EIF), which use recycled steel scrap as the primary raw material. This method avoids the high-emission processes associated with conventional iron ore-based steelmaking, resulting in significantly lower carbon emissions per ton of steel produced.

To further reduce our footprint, we have:

- Installed Direct Rolling Technology, which eliminates the need to reheat billets, thereby cutting thermal energy consumption and related carbon emissions.
- Equipped all furnaces with high-efficiency Dust Collection Systems (DCS) that not only control particulate matter but also help capture carbon-laden emissions, converting them into by-products such as zinc ash for use in other industries.

Through sustainable production practices and ongoing technological investments, we ensure that our carbon footprint remains among the low aligning with global ESG expectations and contributing meaningfully to the transition toward a low-carbon economy.

Energy Consumption

We recognize that responsible energy consumption not only reduces operating costs but also plays a critical role in lowering environmental impact and achieving long-term sustainability. Our production facilities are powered by Electric Induction Furnaces (EIF)—a technology that is inherently more energy-efficient and environmentally friendly than traditional blast furnace systems. We have implemented Direct Rolling Technology, which eliminates the need to reheat billets before rolling—cutting down thermal energy consumption significantly. We have deployed European-origin energy-efficient rolling mills, designed to minimize energy loss and improve process reliability. We have set-up automated load management systems, ensuring optimal energy utilization across various production stages. We continue to explore renewable energy options and advanced automation to further reduce our dependence on conventional energy sources and support Pakistan's transition to a more energy-resilient industrial landscape.

Water Treatment / Recycling

Recognizing the growing importance of water conservation, we have invested in a state-of-the-art Water Treatment Plant (WTP) to minimize freshwater consumption and reduce the environmental impact of our steelmaking operations. Our water treatment system is designed to recycle and reuse water multiple times within operations, contributing to the preservation of local water resources.

Renewable Energy Usage

Our commitment to sustainability extends to the heart of our energy infrastructure. We are progressively shifting toward cleaner energy sources to power our operations, reduce reliance on the national grid, and lower our carbon footprint. As part of this transition, we have already commissioned a 1.5 MW solar power plant, which directly contributes to powering our facilities with clean, renewable energy. Complementing this is our 25 MW gas-fired captive power plant which provides reliable and efficient energy with comparatively lower emissions than traditional fuels.

Supply Chain Sustainability

We recognize that the environmental and social impact of our operations extends beyond our factory gates and into the broader ecosystem of vendors, contractors, logistics providers, and service partners. We source recycled steel scrap from verified and responsible suppliers, forming the foundation of our green steel production model. We have transitioned to rail-based scrap transportation, which offers significantly lower carbon emissions compared to traditional road transport.

Sustainable Product Development

Our product portfolio is developed through recycling-based steelmaking, where steel scrap is transformed into high-quality finished goods using energy-efficient Electric Induction Furnaces. This circular approach significantly reduces our reliance on natural resources and avoids the environmental impact of traditional iron ore-based methods. By producing low-carbon steel and maintaining strict emission controls, we meet the rising demand for eco-friendly construction and industrial materials. Through recycled inputs, energy optimization, and cleaner technologies, every ton of steel we deliver supports a greener, more sustainable future, reinforcing our position as a leader in sustainable steel production in Pakistan.

Biodiversity Preservation

We actively support biodiversity preservation in and around our operational areas. We have implemented a range of measures to minimize ecological disturbance and promote sustainable land use, including:

- Dust and emission control systems, reducing air and soil pollution that could affect surrounding flora and fauna
- Water treatment and recycling systems, preventing contamination of local water bodies and maintaining aquatic ecosystems
- Greenbelt development and plantation initiatives within and around our facilities

SOCIAL

Employee Satisfaction and Turnover Rates

We are committed to creating a work environment that fosters engagement, growth, and long-term retention. We conduct internal assessments and feedback mechanisms to identify areas for improvement, and strengthen alignment between individual aspirations and organizational goals. By investing in our workforce, we ensure not only operational excellence but also a motivated team committed to driving sustainable growth.

Diversity and Inclusion: Diversity is a Business Imperative

We believe that a diverse and inclusive workforce fosters innovation, enhances decision-making, and drives sustainable performance. By bringing together individuals from different backgrounds, experiences, and perspectives, we create a culture that is both dynamic and resilient. Our commitment to inclusion extends across all levels of the organization—from shop floor to senior leadership—ensuring equal opportunity regardless of gender, ethnicity, age, or socioeconomic background. We continuously strive to remove barriers, challenge biases, and cultivate an environment where every employee feels respected, empowered, and valued.

Health and Safety Measures

The health, safety, and well-being of our employees and contractors is a top priority and a non-negotiable aspect of our operational philosophy. We have implemented strict SOPs across all production units, including furnaces, rolling mills, and material handling areas. Mandatory PPE usage, access control, and real-time monitoring is ensured in high-risk zones. First aid units, emergency response teams, and fire safety systems are deployed at all major facilities.

Community Investment & Philanthropy

We believe that business success must be shared with the communities we serve. Our commitment to community investment and philanthropy reflects our core values of empathy, responsibility, and nation-building. We actively contribute to the socio-economic development of underserved communities through targeted, high-impact philanthropic initiatives.

Product Safety & Compliance

At Mughal Steel, product safety and regulatory compliance are integral to our quality assurance and brand integrity. We are committed to delivering steel products that not only meet but often exceed the performance, durability, and safety standards required by local and international regulatory frameworks. We ensure strict adherence to Pakistan Standards and Quality Control Authority (PSQCA) specifications and relevant international standards such as ASTM, BS, and ISO and carry out in-house quality control systems, including mechanical and chemical testing of raw materials and finished products.



GOVERNANCE

Board Composition and Diversity

We recognize that a well-structured and a diverse Board of Directors is essential for effective governance, strategic oversight, and long-term value creation. Our Board is comprised of individuals who bring a broad spectrum of experience, expertise, and perspectives, ensuring balanced decision-making and responsible leadership. We are committed to enhancing gender, professional, and cognitive diversity on the Board. Through this balanced composition, we ensure that the Board remains aligned with global corporate governance standards, enabling it to effectively oversee risk, strategy, performance, and stakeholder interests.

Compliance and Ethics

We remain committed to operating in compliance with all applicable laws, regulations, and industry standards—while upholding the highest levels of corporate ethics across all levels of the organization. Active oversight by the Board and Audit Committee, ensuring corporate governance remains robust and aligned with shareholder expectations. By embedding compliance and ethics into our culture, we ensure that its growth is sustainable, responsible, and founded on trust.

Anti-Corruption & Ethics Violations

We firmly believe that ethical integrity is not only a legal obligation but also a core business value that underpins stakeholder trust and long-term sustainability. We have established a clearly defined Code of Conduct, applicable to all employees, directors, and third-party partners. Mughal Steel's leadership is fully committed to fostering a culture of transparency, accountability, and ethical excellence.

Data Privacy & Cybersecurity Incidents

We remain committed to maintaining the confidentiality, integrity, and availability of all business-critical and personal information entrusted to us. We have implemented a comprehensive cybersecurity framework to safeguard data from unauthorized access and cyber threats. As of the latest reporting period, we have not experienced any material cybersecurity breaches or data privacy incidents.

Risk Management

We view risk management as an integral part of our strategic decision-making process and operational execution. Our approach is designed to proactively identify, assess, and mitigate potential risks that could impact our business continuity, financial performance, reputation, and long-term sustainability. We have implemented a structured risk management framework that covers strategic risks, operational risks, financial risks, and environmental, social, and governance (ESG) risks. Oversight by the Board of Directors and Audit Committee, ensuring accountability and alignment with corporate objectives.

COMPANY PROFILE

Mughal Iron & Steel Industries Limited (“Mughal Steel”) was incorporated in 2010 as a public limited company. In 2011, the Company took over the running business of a partnership concern by the name of “Mughal Steel” which had been in the steel business for over 60 years and was being run by the major sponsors of the Company. Today, the Company is one of the leading companies involved in both ferrous and non-ferrous operations in Pakistan.

At Mughal Steel we work with passion and expertise to develop high-quality diversified portfolio of quality products. This means we create value for our customers and can successfully exploit the diverse opportunities in the markets of the future. Depth of technical and managerial expertise, reputation for reliability and a sharply defined business focus, has forged the organization into a modern, highly competitive supplier of quality products. The Company's ability to generate profits throughout the fluctuations of various economic and business cycles is testimony to the strategic initiatives to continuously reinvest, modernize and diversify.

The Company is involved in multidimensional activities. The products are grouped into ferrous and non-ferrous segments. Ferrous segment mainly comprises of billets, girders and steel re-bars while non-ferrous segment mainly comprises of copper ingots, copper granules and related waste. The diversified product and market mix of the Company has been carefully designed to mitigate different risks. Being in the industry for over 5 decades has enabled the Company to carefully nurture this portfolio enabling it to maintain its competitive edge year over year.

The main markets of the Company are domestic housing sector market both in urban and rural areas, large infrastructure projects market and international market for copper products. Demand from rural markets is based upon various crop seasons while demand from urban markets is non-seasonal. Copper products are exported to Peoples' Republic of China. There is no major seasonal impact on demand for copper products except for impact of market shutdowns or holidays.

Steel re-bars cater to both housing sector market and large infrastructure projects market, while girders mainly cater the housing sector market. The housing sector market for steel re-bars comprises mainly of housing sector in the urban areas, whereas, the housing sector market for girders mainly comprises of housing sector in the rural areas.

The large infrastructure projects market on the other hand comprises of demand from different projects initiated by various private sector, public sector and semi-government institutions. Mughal Supreme steel re-bars are used to target the housing sector in the urban areas since steel re-bars are used for construction of roofs in urban areas, whereas G60 steel re-bars are mainly used to cater large infrastructure projects market. On the other hand, since girders are products used for construction of roofs in rural areas, therefore they are used to target the rural housing market.

The quality of all products is ensured at all stages of through systematic and effective adoption, implementation, monitoring and continuous enhancement of quality control systems using latest methods of analysis. All stages of the production process right from the selection of raw materials, processing of materials and the finished products are subjected to rigorous testing, to ensure that each item is of the highest quality. Our laboratory is equipped with traditional chemical and mechanical analytical machines besides the world's renowned Optical Emission Spectrometer of M8 series. The Company has also installed Spectro lab for its girder mill for conducting chemical testing and procured copper content testing guns. The Company is ISO-9001:2015 certified and truly implements Quality Management System.

The management team is being led by Mr. Khurram Javaid, Director and CEO.

KEY BRANDS

- Mughal Supreme
- Mughal Super Girder

MAJOR PRODUCT PORTFOLIO

The Company's main product range comprises of the following products:

- Steel re-bars (G60 / Mughal Supreme)
- Girders
- Billets
- Copper ingots / granules

GROUP COMPANIES

The Company has obtained Group registration which includes the company as holding company and Mughal Energy Limited as its subsidiary company. The Company does not have any other group companies apart from those associated companies which are associated due to common directorship.

ENTITY RATING

Pakistan Credit Rating Agency and VIS Credit Rating Company Limited as per their latest reports till June 30, 2025 have issued following ratings:

Pakistan Credit Rating Agency

Long-Term A+ (A Plus)

1. High credit quality.
2. Low expectation of credit risk.
3. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.

Short-Term A1 (A One)

1. A strong capacity for timely repayment.

VIS Credit Rating Company Limited

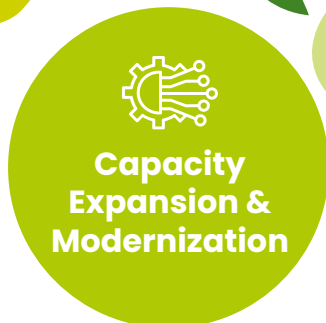
Long-Term A+ (A Plus)

4. Good credit quality
5. Protection factors are adequate
6. Risk factors may vary with possible changes in the economy.

Short-Term A1 (A One)

2. High certainty of timely payments;
3. Liquidity factors are excellent and supported by good fundamental protection factors.
4. Risk factors are minor.

KEY STRENGTHS





COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mirza Javed Iqbal
Mr. Abdul Rehman Qureshi
Mr. Shoaib Ahmed Khan
Ms. Mariam Khawar
Mr. Jamshed Iqbal
Mr. Khurram Javaid
Mr. Muhammad Mubeen Tariq Mughal
Mr. Fazeel Bin Tariq
Mr. Muhammad Mateen Jamshed

AUDIT COMMITTEE

Mr. Abdul Rehman Qureshi
Mr. Shoaib Ahmed Khan
Mr. Mirza Javed Iqbal

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Abdul Rehman Qureshi
Mr. Mirza Javed Iqbal
Mr. Fazeel Bin Tariq

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

Mr. Mirza Javed Iqbal
Mr. Jamshed Iqbal
Ms. Mariam Khawar

CHIEF OPERATING OFFICER

Mr. Shakeel Ahmad Mughal
☎ Tel: +92-42-35960841 Ext: 154
✉ E-mail: Shakeel.ahmad@mughalsteel.com

CHIEF FINANCIAL OFFICER

Mr. Muhammad Zafar Iqbal
☎ Tel: +92-42-35960841 Ext: 138
✉ E-mail: zafariqbal@mughalsteel.com

COMPANY SECRETARY

Mr. Muhammad Fahad Hafeez
☎ Tel: +92-42-35960841 Ext: 155
✉ E-mail: fahadhafeez@mughalsteel.com

SHARE REGISTRAR & TRANSFER AGENT

THK Associates (Private) Limited
📍 Plot No. 32-C, Jami Commercial Street 2,
D.H.A, Phase-VII, Karachi, Pakistan
☎ Tel: +92-21-111-000-322
📠 Fax: +92-21-34168271
✉ Email: sfc@thk.com.pk

STATUTORY AUDITORS

Fazal Mahmood & Company
Chartered Accountants
(A member firm of Prime Global)

Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

SHARIAH ADVISOR

Mufti Imran Khan

LEGAL ADVISOR

Mohsin Tayebali & Co.

TAX ADVISORS

Akhtar Ali Associates
Juris Counsel
Farooq Khan Law Associates
Butt & Company
Punjab Law Associates

SHAREHOLDER COMPLAINT HANDLING CELL

In case of shareholder complaint/queries,
Please Contact:

Mr. Zeeshan Ejaz

☎ Tel: +92-42-35960841 Ext. 136

✉ Email: fahadhafiez@mughalsteel.com

BANKERS / INSTITUTIONS

Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Bank of Punjab (Islamic Taqwa Division)
Bank of Khyber
Bank Makramah Limited
Dubai Islamic Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company Limited
Pak Libya Company Limited

Pak China Investment Company Limited
Standard Chartered Bank Limited
Soneri Bank Limited
Samba Bank Limited
United Bank Limited

GEOGRAPHICAL PRESENCE

Registered / corporate office

📍 31 –A Shadman I Lahore, Pakistan

☎ Tel: +92-42-35960841-3

📠 Fax: +92-42-35960846

Sale centres and warehouse

Badami Bagh Lahore, Pakistan

FACTORY & WAREHOUSES

📍 17-KM Sheikhpura Road Lahore, Pakistan
Jumma Ghoth Karachi, Pakistan

COMPANY WEBSITE

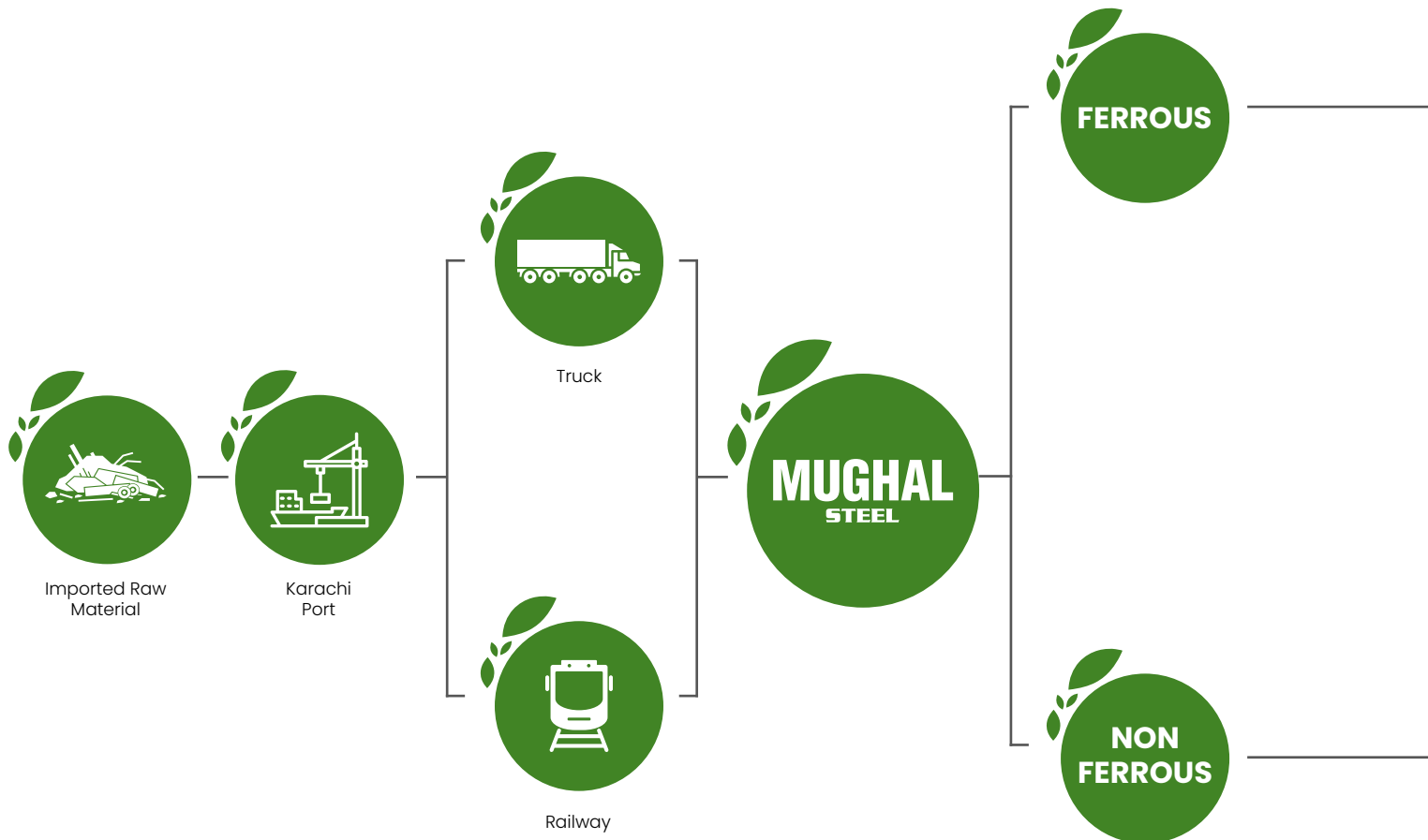
The Company is operating website
www.mughalsteel.com containing
updated information regarding the Company.

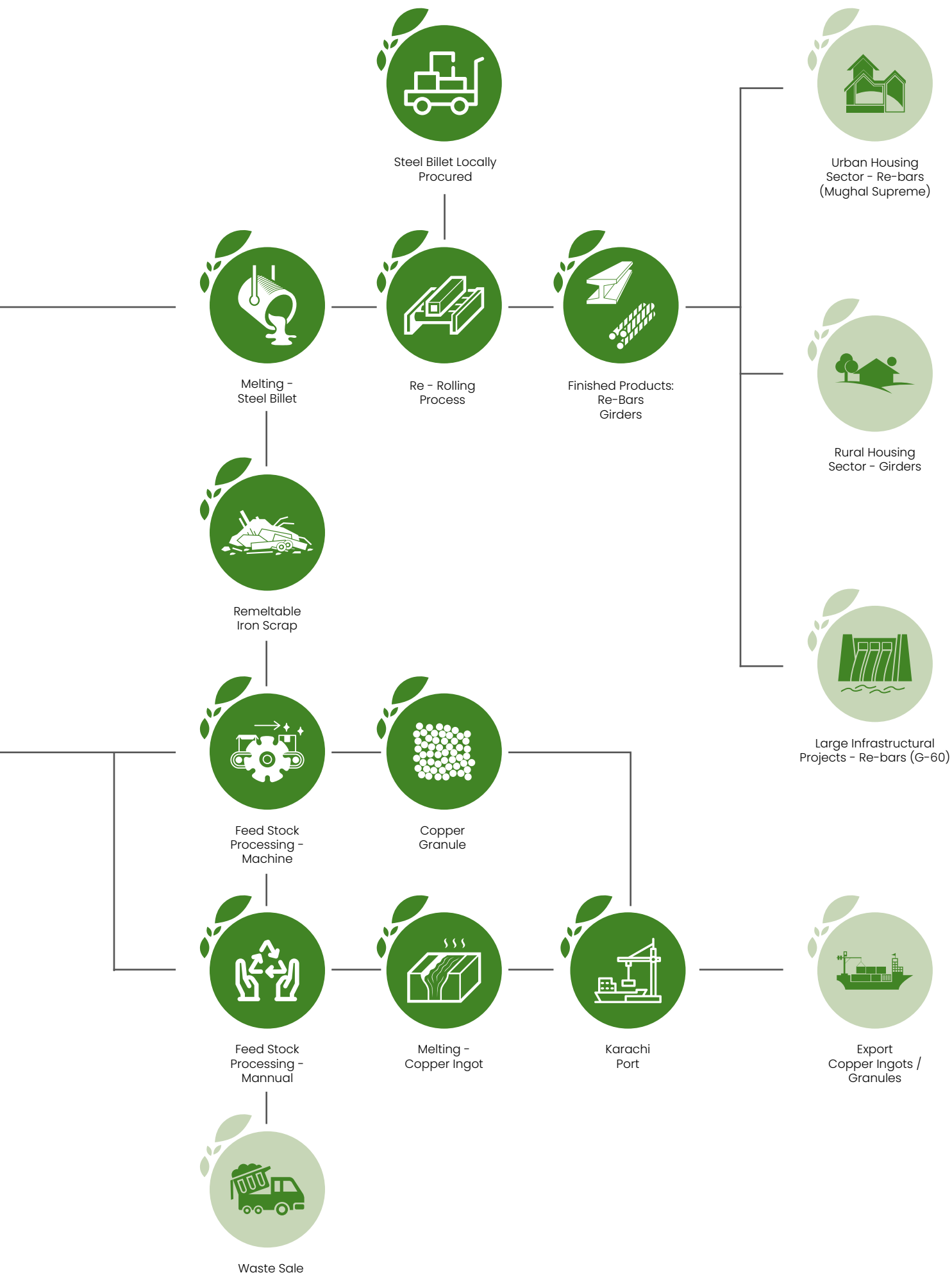
**Note: MISIL's Annual & Interim
Financial Statements are also available
at the above website.**



Scan QR Code
for Website

ORGANIZATION'S SUPPLY CHAIN





AWARDS & ACCOLADES

Over the years, the Company has proudly secured numerous prestigious accolades and accreditations to its credit, including but not limited to Best Corporate Reporting Awards, Exporter of the Year Awards, and CSR Awards. These recognitions, received at national platforms stand as a testament to the Company's adherence to best ethical values, sound management practices, and excellence in corporate reporting. The Company remains committed to promoting accountability and transparency by presenting accurate, factual, informative, and reader-friendly Annual Reports for its valued stakeholders.



HISTORY OF MAJOR EVENTS

The Company follows the period of July 2024 to June 2025 as the financial year.



August
Independence Day Celebrations



September
14th Profit & 10th Principal Payment to Sukuk Certificate-I Holders



September
Approval for BMR of bar re-rolling mill



September
Approval of Annual Accounts for the year ended June 30, 2024



September
3rd Profit Payment to Sukuk Certificate-II Holders



October
Mehfil-e-Milad



October
Final Principal & Profit Payment To Sukuk-III Certificate Holders



October
Issuance of Sukuk-IV Certificate



October
15th Annual General Meeting of the Company



October
Approval of Interim Accounts for the quarter ended September 30, 2024



November
Declaration of Right Shares - Ordinary Class - C shares



November
Corporate Briefing Session - FY 2024



November
Sports Gala



December
15th Profit & 11th Principal Payment to Sukuk Certificate-I Holders



December
Payment 4th Profit Payment to Sukuk Certificate-II Holders



February
Approval of Interim Accounts for the quarter and half year period ended December 31, 2024



February
16th Profit & 12th Principal Payment to Sukuk Certificate-I Holders



March
Issuance of 9.85% Right Issue of Rs. 45/- Per Shares - Ordinary Class - C Right Share



March
Credit of Unpaid Letter of Right into (CDS)



March
Final Profit Payment and Principal Redemption to Sukuk Certificate-II Holders



April
Final Profit Payment and Principal Redemption to Sukuk Certificate-IV Holders



April
Approval of Interim Accounts for the nine months period ended March 31, 2025



June
17th Profit & 13th Principal Payment to Sukuk Certificate-I Holders



June
Listing of Class "C" shares



June
Extra Ordinary General Meeting

BOARD PROFILE

The Board comprises of members having appropriate mix of core competencies, diversity, requisite skills, knowledge and experience. The key skills and experience of the Directors are set out below:



MR. MIRZA JAVED IQBAL

Non – Executive Director – Chairman of the Board

Having joined his family business in 1976, Mr. Javed Iqbal rose to become a pioneer of the steel industry of Pakistan. During his exemplary career, Mr. Iqbal challenged and changed the personal and industry mindset, both within and beyond the business framework. He has not only developed new pathways to achieve energy efficiency and economies of scale, but has made remarkable contributions towards the technological advancement and effective documentation of the national steel industry. With his visionary leadership and unparalleled expertise, Mr. Iqbal has been the driving force behind the Company's success – making the Company reach new heights of growth and expansion.



MR. ABDUL REHMAN QURESHI

Non- Executive Director – Independent

Mr. Qureshi is a law graduate from the Punjab University, Lahore. He is a veteran in the field of corporate law and related matters. He has over the years, served in various capacities erstwhile in Corporate Law Authority (CLA) and the Securities and Exchange Commission of Pakistan (SECP). He has been member of various committees and commissions constituted to review and revamp company law, securities law, insurance law and banking laws. He has attended several international courses, seminars, training programs and workshops on various subjects related to corporate laws and corporate governance particularly in countries like Australia, Japan, India, USA and U.K.



MR. SHOAIB AHMAD KHAN

Non- Executive Director – Independent

Mr. Shoaib holds MSc (DSS) degree from National Defense University, Islamabad and MBA degree from IBA, University of the Punjab, Lahore. He has 35 years of experience in Financial Management, Banking, Accounting & Auditing, Administrative & Regulatory aspects. In addition to above, he has vast experience in project appraisal, monitoring & restructuring and development of strategies. During his career, he remained Director and member finance of National Highway Authority (NHA), Islamabad.



MS. MARIAM KHAWAR

Non- Executive Director - Independent

Ms. Mariam Khawar holds MSc (Statistics) degree from Government College University Lahore (GCU) Pakistan. She is also a fellow member of Institute of Cost & Management Accountants of Pakistan (ICMAP). She has more than 21 years of experience in the fields of Corporate Affairs, Finance, Legal, Administration, and Human Resource.



MR. JAMSHED IQBAL

Executive Director

Mr. Jamshed has over the years played a pivotal role in developing and maintaining the clientele network across Pakistan to ensure that all kinds of geographical requirements are met by the Company, a feat that has resulted in expanded growth of the Company. Today his vast experience and in-depth knowledge of the steel sector and consumer market is highly beneficial at the Board and operational level.



MR. KHURRAM JAVAID

Executive Director - Chief Executive Officer

Mr. Khurram Javaid holds an MBA from the Coventry University, UK. As the company's CEO, Mr. Khurram has spearheaded Mughal Steel's initiatives in transforming the Company into a highly competitive organization through modernization of manufacturing facilities, improving quality of products, developing of diversified product and market portfolio, identifying new markets, strengthening and broadening the sales network within the country, creating efficiencies in inbound logistics and investment in alternate sources of energy. His efforts have resulted in enabling the company to deliver year on year improved performance and to steer through difficult times.



MR. MUHAMMAD MUBEEN TARIQ MUGHAL

Executive Director

Mr. Mubeen has academic background in economics & finance and has done his Executive MBA (Leadership & Strategy) from London Business School (LBS). His astute financial acumen has over the years resulted in improved operational efficiencies, optimum utilization of funds, better working capital management and strengthening of internal and financial controls.



MR. FAZEEL BIN TARIQ

Non - Executive Director

Mr. Fazeel holds a Bachelor's Degree in Business Administration from the Lahore School of Economics, Pakistan and a Postgraduate degree in Professional Accounting from the Swinburne University of Technology, Australia. He has also done Masters in Leadership from Northeastern University, Boston, USA.



MR. MUHAMMAD MATEEN JAMSHED

Non - Executive Director

Mr. Mateen holds a Bachelor's Degree in Business Administration from the Lahore School of Economics, Pakistan.





02

DIRECTORS' REPORT

- Chairman's Review Report
- Chief Executive Officer's Remarks
- Directors' Report To The Shareholders
- شیئر ہولڈرز کے لئے ڈائریکٹرز کی رپورٹ
- چیف ایگزیکٹو آفیسر کا تبصرہ
- چیئرمین کی جائزہ رپورٹ

CHAIRMAN'S REVIEW REPORT

I am pleased to report that the Board demonstrated satisfactory performance and unwavering commitment throughout the year. With foresight, the Board steered the Company through a dynamic environment, setting benchmarks in innovation and value creation.

The Company has a diverse and competent Board of Directors which holds to the Company's vision and mission with the ultimate goal of serving the interests of stakeholders. The objective of the Board has been to ensure that the organization is being managed effectively, in a way that helps it to achieve its objectives whilst also safeguarding the integrity of the organization and the interests of its stakeholders.

Overall, the Board has worked well given its organizational model and board structure, with Board members having the appropriate range of skills, knowledge and experience, as well as the degree of diversity, necessary to enable it to effectively govern the business. The Board committees as well continued to work efficiently as designated by the Board. The position of the Chairman of the Board of Directors and the office of the Chief Executive Officer are held separately, with clear division of roles and responsibilities. The Chairman is entrusted with the leadership of the Board's proceedings, whereas, the CEO is an Executive Director who also acts as the head of the Company's Management. Management is primarily responsible for implementing the strategies as approved by the Board of Directors. It is the responsibility of management to conduct the routine business operations of the Company in accordance with the strategies and goals as approved by the Board.

The role of the Board has remained pivotal in achieving the Company's objectives. The Board regularly reviewed the principal risks and mitigating factors against them. The Board's role in diversifying the product and market portfolio, increasing production capacities, investing in new technologies and cheaper electricity and maintaining sustained production levels has been effective. The contribution and efforts of all Board members has been very vital.

Lastly, I would also like to recognize the efforts of our executive management team for their prudent and insightful leadership during the past year together with their ability to be flexible and react quickly when it became necessary to protect the business against various adversities.

I would also like to express my gratitude for the efforts of all our employees for their dedication and stakeholders for their trust in us.



Mirza Javed Iqbal

Chairman of the Board

Lahore: September 19, 2025





CHIEF EXECUTIVE OFFICER'S REMARKS

FY-2025 marked a cautious yet notable turning point for Pakistan's macro-economic trajectory. While macroeconomic indicators began to show signs of recovery — with stabilizing foreign reserves, reduced inflation, and a softening interest rate regime — the real impact on industry remained muted. Administrative controls on imports, currency pressures, and policy overhangs continued to weigh heavily on operational fluidity. More importantly, the uptick in sentiment was yet to translate into tangible demand — especially for core sectors like construction and infrastructure, where activity remained subdued throughout most of FY 2025.

Despite of the prevailing challenges your Company remained firmly grounded in its strategic focus, operational discipline, and long-term vision. We stood firm navigating volatility with strength forged over time and refined through adversity. Amidst these conditions, Mughal Steel demonstrated resilience, adaptability, and strategic focus.

This year as well, in pursuance of our strategic objective, the Board approved the BMR of our existing bar re-rolling mill, aligning it with future product demands — particularly T-iron and other mini-sections. This shift enhances our ability to serve retail and semi-urban construction markets efficiently, reduces wastage, and maximizes throughput under existing capacity. We also advanced our strategic investment in Mughal Energy Limited, underscoring our commitment to long-term energy independence and cost control. In a landscape where energy security has become pivotal to competitiveness, this move positions Mughal Steel ahead of the curve.

Financially, the Company maintained resilience, improved working capital management, disciplined cost control, and a product mix aligned with evolving market demand helped us sustain margins even amidst modest volume growth. Our agility in navigating material procurement constraints, currency fluctuations, and fiscal changes was central to our performance. More importantly, we continued to prioritize sustainability, governance, and stakeholder value. Our commitment to operational excellence is deeply rooted in a culture shaped by decades of resilience, strategic learning, and ethical leadership.

As we move forward, we remain guided by our core values and the enduring belief that true strength is not inherited — it is forged. Just as steel is strengthened through fire, Mughal Steel emerges from each challenge more capable, more determined, and more aligned with the future. Tempered by time. Sharpened through challenge. That is the story of our past, the strength of our present, and the promise of our future.

Lastly, I'd like to thank our employees, our business partners and our members for their support. In 2025, we will continue to work to further improve our performance. I am confident that the entire Mughal Steel team will collectively work to make us a stronger Company.



Khurram Javaid

Chief Executive Officer / Director

Lahore: September 19, 2025

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Mughal Iron & Steel Industries Limited (the Holding Company) are pleased to present the Annual Report along with Audited Financial Statements for the year ended June 30, 2025.

The Directors' Report has been prepared in accordance with the requirements of section 226-227 and other applicable provisions of the Companies Act, 2017, containing information relating to in respect of both standalone and consolidated financial statements.

GROUP STRUCTURE

Group registration was granted by the Securities and Exchange Commission of Pakistan (SECP) vide its approval dated December 15, 2023. Accordingly, the Company has also annexed consolidated financial statements along with separate financial statements in accordance with the requirements of International Financial Reporting Standards (IFRSs) and the Companies Act, 2017. The Group comprises of:

Holding company:

Mughal Iron & Steel Industries Limited

Subsidiary company:

Mughal Energy Limited

Mughal Energy Limited was incorporated in Pakistan as a public limited company on August 19, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its registered office is situated at 31-A, Shadman I, Lahore. It was acquired by the holding company on November 30, 2023. The acquisition was made with the strategic view of fast tracking the 36.50 MW captive hybrid power plant project being installed by Mughal Energy Limited for supply of electricity to the holding Company, which would not only be beneficial in the form of increased dividend and capital gain but will also strategically place the holding Company at a significant advantageous position amongst its competitors due to available of cheaper and uninterrupted supply of energy. As at June 30, 2025, the ordinary share capital of Mughal Energy Limited comprised of 194.103 million ordinary shares out of which the holding company held 174.692 million ordinary shares constituting 90% of the ordinary shares which are listed on GEM board of Pakistan Stock Exchange Limited and 22.570 million Class-B shares out of which the Company held 22.570 million Class-B shares constituting 100% of Class-B shares which are unquoted. This resulted in the holding company having 99.21% voting power in Mughal Energy Limited as at June 30, 2025.

PRINCIPAL ACTIVITY

The Group's operations comprise of ferrous, non-ferrous and energy business segments. Ferrous and non-ferrous business segments relate to operations of the holding company. Energy business segment relates to operations of the subsidiary company.

The principal activity of the holding company is manufacturing and sale of mild steel products relating to ferrous segment, whereas, the principal activity of the subsidiary company is to carry on the business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith.

OVERVIEW OF PAKISTAN ECONOMY

During FY-2025, Pakistan's economy exhibited signs of cautious optimism. Agriculture continued to lead the recovery. The industrial sector showed gradual revival, while services remained stable amid evolving demand dynamics. The current account recorded a surplus during the first nine months, aided by controlled imports and improved remittances. Foreign exchange reserves strengthened further, supported by inflows under the IMF Extended Fund Facility. Fiscal indicators showed relative improvement, with continued focus on revenue mobilization and expenditure control, resulting in a sustained primary surplus. The exchange rate remained broadly stable, and inflationary pressures slightly eased. However, despite this progress, structural challenges persisted, including elevated energy costs, high interest rates, subdued private investment, and administrative controls on key sectors, which continued to weigh on the pace of broad-based recovery.

OVERVIEW OF STEEL INDUSTRY

During FY-2025, Pakistan's long rolled steel industry exhibited resilience, anchored by a stable organic demand base of 4 to 5 million tons annually. This core demand stems from the country's persistent housing shortage—driven by demographic pressure from a predominantly young population and the resulting high rate of weddings and household formations. These trends continue to spur small to mid-scale construction of rooms, rooftops, flats, and homes. In rural areas, the agriculture sector contributes meaningfully, as farmers traditionally invest crop proceeds in steel-based roofs for housing and structures such as sheds and storage units for livestock. Despite a notable slowdown in real estate and investor-led construction, this organic demand has remained consistent. Additionally, the Federal and Punjab

governments have earmarked significant allocations in their FY2025 budgets toward Public Sector Development Programs (PSDP), which are expected to stimulate infrastructure-related steel demand in the upcoming fiscal year.

OVERVIEW OF COPPER INDUSTRY

The global copper industry in FY-2025 faced notable headwinds due to escalating geopolitical and regulatory developments. The renewed U.S.-China tariff conflict, dampened copper trade sentiment, with China tightening import conditions and diversifying sources. Concurrently, the European Union's enforcement of the Basel Convention amendments—banning the export of electrical waste—further strained global scrap flows. In Pakistan, recent regulatory changes relating to Export Facilitation Scheme (EFS) also had its effect on the copper exports.

CONSOLIDATED BUSINESS, FINANCIAL & OPERATIONAL REVIEW

The consolidated financial highlights for the year ended June 30, 2025 are as follows:

	Year Ended June 30,	
	2025	2024
	Rs. in Millions (Consolidated)	
Gross sales	102,279.112	104,820.678
Gross profit	8,092.63	7,671.388
Profit for the year	852.225	1,907.519
Share of profit attributable to equity holders of holding company	854.214	1,907.570
EPS – Basic & Diluted (Rs.)	2.50	5.68

The entire gross sale and profitability was attributed to ferrous and non-ferrous segments of the holding company. The consolidated net asset base recorded an increase of Rs. 2,570.471 million compared to last year. Resultantly, the net worth as at June 30, 2025 stood at Rs. 28,924.067 million out of which Rs. 28,602.963 million was attributable to the equity holders of the holding company and Rs. 321.104 million was attributable to the non-controlling interest.

Within the ferrous segment, overall volumes witnessed increased. Within the non-ferrous segment overall volumes witnessed decline both in exports and local sales. This was mainly due to shift of focus on increasing ferrous volumes and also reduction of non-ferrous operations due to operational and regulatory hurdles. Gross margins witnessed improvement for both segments. Within the energy segment, since the subsidiary company is yet to

commence commercial operations, therefore, it posted insignificant loss during the year, which was mainly on account of salaries, fee & subscription and various routine expenses. However, profitable results are anticipated post achieving commercial operations.

STANDALONE BUSINESS, FINANCIAL & OPERATIONAL REVIEW

The standalone financial highlights for the year ended June 30, 2025 are as follows:

	Year Ended June 30,	
	2025	2024
	Rs. in Millions (Standalone)	
Gross sales	102,791.772	105,554.327
Gross profit	8,137.973	7,717.627
Profit for the year	965.518	1,999.889
EPS – Basic & Diluted (Rs.)	2.83	5.96

On standalone basis, the holding company posted gross sales of Rs. 102,791.772 million as compared to Rs. 105,554.327 million in the last year. The standalone profit for the year stood at Rs. 965.518 million as compared to Rs. 1,999.889 million in the last year. However, profit before taxation increased to Rs. 1,357.267 million registering significant improvement of 119.33% over the last year. Total net external sales for ferrous segment increased by 6.40%, whereas sales for non-ferrous segment decreased by 34.24% as compared to last year. The variation in the topline in both segments was due to volumetric changes. Gross margins, however for both ferrous and non-ferrous segments witnessed improvement. There was no significant increase in sales and marketing expenses and administrative expenses. Finance costs decreased mainly due to decrease in policy rate.

Long-term loans mainly represented unsecured long-term loan of Rs. 2,500.000 million issued to Mughal Energy Limited, approved by the members of the holding company by way of passing special resolution vide their meeting dated June 20, 2025. As per the agreement in writing, the tenure of the loan is 06 years including a grace period of 1.5 years, provided to support its project financing requirements. It carries mark-up at the rate of 3MK + 2.25% per annum which is above average borrowing cost of the Company.

Overall Inventories decreased due to improved inventory management and reduction in non-ferrous inventory. Trade debts increased due to increase in local ferrous operations, however, none of the balances were considered bad. Loans and advances decreased due to timely repayment of loan to Mughal Energy Limited.

Due from Government also increased due to increase in advance taxes associated with ferrous operations. During the period, multiple sukuks were issued and timely repaid upon maturity, the proceeds from which were utilized to finance the Company's working capital requirements. Trade and other payables increased due to increase in foreign creditors for raw material.

The net asset base recorded an increase of Rs. 2,683.764 million compared to last year. Resultantly, the net worth as at June 30, 2025 stood at Rs. 28,819.255 million as compared to Rs. 26,135.491 million as at June 30, 2024.

The holding company constantly monitors cash flows to ensure overall liquidity and manages its operating cash flows by ensuring tight credit controls, better collections and inventory management. All contingencies and commitments have been disclosed in detail in relevant notes to the financial statements.

Melting furnaces relating to ferrous segment generated an overall production of 300,640 MT, recording an increase of 7.32% from previous year. The overall production of rolling mills was recorded at 305,488 MT, showing an overall increase of 24.38% over the previous year. The overall production of copper ingot melting was recorded at 975 MT as compared to 570 MT of production in the previous year. Recycling plant processed total 38,773 MT of feedstock as compared to 56,537 MT of feedstock processed during the previous year.

SUBSIDIARY COMPANY – MUGHAL ENERGY LIMITED (MEL)

MEL is in the process of installation of a 36.50 MW captive hybrid power plant which will generate and supply electricity to the holding company. Key milestone in the development of the power plant was successfully achieved with the completion of the hydro testing phase which is a critical step in such projects, serving to verify the mechanical integrity and pressure endurance of pipelines, boilers, and related systems before commencing electrical works. The project is now in its final stages.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

Information about segmental review has been given in relevant areas of the Directors' report and also detailed in the relevant notes to the consolidated financial statements.

SUBSEQUENT EVENTS / MATERIAL CHANGES

Except as otherwise disclosed, there were no other material changes or commitments relating to the holding company or its subsidiary company have occurred between the end of financial year to which the financial statements (standalone and consolidated) relate and the date of this report.

DIVIDENDS AND APPROPRIATIONS

The holding company remains committed to maintaining a consistent approach to profit allocation. Dividend distribution decisions are made carefully, taking to account business requirements, growth opportunities, and strategic considerations. Keeping in view the current expansion plans, immediate future cash flows and considering the working capital requirements, no final cash dividend has been recommended by the Board of Directors of the Company in its meeting held on September 19, 2025. Since, Mughal Energy Limited is in pre-commencement stage, therefore no dividend has been declared nor any other appropriations were made.

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS DURING THE YEAR

The details related to development and performance of the holding company and its subsidiary's business have been provided in relevant areas of the Directors' report.

CHANGES IN NATURE OF BUSINESS

There has been no change in nature of the business of the holding company or its subsidiary during the year, nor were there any companies in which the holding company or its subsidiary had any interest therein, except as disclosed elsewhere.

FUTURE OUTLOOK AND THE MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE HOLDING COMPANY AND ITS SUBSIDIARY'S BUSINESS

The positive macroeconomic momentum has created an encouraging environment for industrial activity, supported by improved business sentiment and a more stable policy outlook. Going forward, the holding company's growth and profitability will continue to be influenced by external factors such as economic stability, international commodity prices, law and order conditions, and consistency in government policies.

Organic demand for steel in Pakistan—driven by chronic housing shortages, a youthful and growing population, and steady rural construction activity—remains structurally strong. In addition, the significant allocations made under the Federal and Punjab Provincial Public Sector Development Programs (PSDPs) for FY2025 are expected to stimulate construction and infrastructure activity, further supporting demand for long rolled steel products. In response, the holding company plans to strategically increase its exposure in the ferrous segment by expanding production and sales of rebars and girders, and by commencing commercial production of T-Iron upon completion of the bar mill's BMR. These efforts will be backed by the commissioning of the 36.50 MW captive hybrid power plant under Mughal Energy Limited, which is expected to enhance operational efficiency and reduce energy costs.

On the other hand, within the non-ferrous segment the holding company anticipates limited volumes and reduced strategic focus.

Profitability is expected to strengthen on the back of increased ferrous volumes, energy cost savings from in-house power generation, and the prospect of easing interest rates. The holding company remains committed to continuous operational improvements, efficient resource deployment, and maximizing shareholder value.

COMPOSITION OF THE BOARD

The size and composition of the Board of Directors of the holding company has been formulated with a view to ensure a balance of Executive and Non-Executive Directors, including Independent Directors with the requisite skills, competence, knowledge and experience so that the Board includes core competencies and diversity, including gender, considered relevant in the context of the holding company's operations.

The Board comprises of suitably experienced and qualified professionals in order to ensure effective and efficient decision making. The Board comprises of nine members.

The composition as at the close of the financial year was as follows:

Total number of Directors:

(a) Male	8
(b) Female	1

Composition:

Independent Directors	3*
Non-Executive Directors	3
Executive Directors	3

* Includes two male and one female independent Director.

CHANGES TO THE BOARD AND ITS COMMITTEES

There were no changes during the year to the Board of the holding company.

During the year, Environment, Social and Governance (ESG) committee of the holding company was constituted, which comprised of Mr. Mirza Javed Iqbal, Mr. Jamshed Iqbal and Ms. Mariam Khawar as members of the committee.

NAMES OF PERSONS WHO AT ANY TIME DURING THE FINANCIAL YEAR WERE DIRECTORS OF THE COMPANY

During the financial year 05 meetings of the Board of Directors of the holding company were conducted. No meetings were held outside Pakistan during the year. Names of the persons who, at any time during the financial year, were Directors of the holding company:

S. No.	Name of Directors	Designation
1.	Mr. Mirza Javed Iqbal	Chairman / Non-Executive Director
2.	Mr. Abdul Rehman Qureshi	Independent Director
3.	Mr. Shoaib Ahmad Khan	Independent Director
4.	Ms. Mariam Khawar	Independent Director
5.	Mr. Jamshed Iqbal	Executive Director
6.	Mr. Khurram Javaid	CEO / Executive Director
7.	Mr. Muhammad Mubeen Tariq Mughal	Executive Director
8.	Mr. Fazeel Bin Tariq	Non-Executive Director
9.	Mr. Muhammad Mateen Jamshed	Non-Executive Director

BOARD COMMITTEES

Audit committee

The Board of Directors of the holding company has approved the terms of reference of the Audit Committee of the holding company. The Board provides adequate resources and authority to enable the Audit Committee to carry out its responsibilities effectively. The Committee meets at least once every quarter of the financial year. During the financial year 04 meetings of the committee were conducted. Following is the detail of members of the committee:

S. No.	Name of Members	Designation
1.	Mr. Abdul Rehman Qureshi	Chairman / Independent Director
2.	Mr. Shoaib Ahmad Khan	Member / Independent Director
3.	Mr. Mirza Javed Iqbal	Member / Non-Executive Director

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

The role of the Human Resources & Remuneration Committee is to assist the Board of Directors of the holding company in its oversight of the evaluation and approval of the policy framework for determining remuneration of Directors, Board's performance evaluation, employee benefit plans, welfare projects and retirement emoluments. During the year 02 meetings of the committee were conducted. Following is the detail of members of the committee:

S. No.	Name of Members	Designation
1.	Mr. Abdul Rehman Qureshi	Chairman / Independent Director
2.	Mr. Mirza Javed Iqbal	Member / Non-Executive Director
3.	Mr. Fazeel Bin Tariq	Member / Non-Executive Director

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

The role of the Environment, Social and Governance (ESG) committee amongst other than is to monitor and review sustainability related risks and opportunities of the holding company, oversee compliance of relevant laws pertaining

to relevant sustainability related considerations and its appropriate disclosures. During the year 01 meeting of the committee was conducted. Following is the detail of members of the committee:

S. No.	Name of Members	Designation
1.	Mr. Mirza Javed Iqbal	Chairman / Non-Executive Director
2.	Mr. Jamshed Iqbal	Member / Executive Director
3.	Ms. Mariam Khawar	Member / Independent Director

DIRECTORS' REMUNERATION

The remuneration of Board Members is approved by the Board of respective Group companies. However, it is ensured that no Director takes part in deciding his own remuneration. Non-Executive Directors and Independent Directors are only paid meeting fee. For information on remuneration packages of Directors and CEO along with the aggregate amounts charged, please refer relevant notes to the financial statements (standalone and consolidated).

DIRECTORS' EVALUATION

Effective in-house mechanism has been put in place to review the Board's performance on self-assessment basis. Board of Directors of respective Group companies continued to provide valuable guidance to ensure effective governance.

DIRECTORS' ORIENTATION AND TRAINING PROGRAM

The respective Group companies are fully aware of the requirements of the Code of Corporate Governance. Directors having the requisite experience and qualifications are exempt from the Directors' Training Program. Furthermore, appropriate arrangements are made for detailed orientation of new Directors to familiarize them with their duties and responsibilities.

A formal familiarization program primarily includes amongst other things giving briefings relating to the vision and strategies, the core competencies, organizational structure, role and responsibility of directors as per the Companies Act, 2017 and as per any other regulatory laws applicable in Pakistan.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Respective Boards of the Group companies, have established efficient and effective systems on internal financial controls. Implementation of these controls is regularly monitored by an Independent Internal Audit Function which reports directly to respective Audit Committees of the Group companies. The respective Committees review on a periodic basis the effectiveness and adequacy of internal controls frameworks and financial statements of the respective Group companies.

PATTERN OF SHAREHOLDING

Information about the pattern of shareholding is annexed.

TRANSACTION / TRADE IN COMPANY'S SHARES

All the trades in shares of the holding company carried out by the Directors, Executives and their spouses and minor children during the financial year 2025 are disclosed in pattern of shareholding annexed to the Annual Report.

Executives include Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary and certain other employees for whom the Board of Directors will set a threshold.

In accordance with the threshold set by the Board of Directors, employees who are drawing annual basic salary of Rs. 6.000 million or more are regarded as Executives.

RELATED PARTY TRANSACTIONS

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and applicable laws & regulations, details of all related party transactions are placed before the Audit Committee and upon recommendations of the Audit Committee, the same are placed before the Board for review and approval. Details of contracts or arrangements entered into along with the justifications for entering into such contracts or arrangements have been disclosed in relevant notes to the financial statements.

POLICY FOR RELATED PARTY TRANSACTIONS

The respective Board of Directors of the Group companies have approved a policy for related party transactions, which require that the respective Group companies shall carry out transactions with their related parties on an arm's length basis in the normal course of business. The term 'arm's length' requires conducting business on the same terms and conditions as the business between two unrelated / unconcerned persons. The policy specifies that all transactions entered into with related parties shall require Board's approval, however, where majority of the Directors are interested, such transactions shall be approved/ratified by the members at the general meeting.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, the holding company has contributed an amount of Rs. 18,235.771 million approx. towards national exchequer in shape of taxes, duties, cess, levies etc.

FINANCIAL & CORPORATE REPORTING FRAMEWORK

The holding company is determined to meet and wherever possible, exceed in all legal and ethical requirements and to conduct all businesses according to the highest professional and ethical standards and practices. The holding company is fully cognizant of its responsibility as recognized by the Companies Act, 2017 and the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP).

The following comments are acknowledgement of holding company's commitment to high standards of Corporate Governance and continuous improvement:

- a) The standalone and consolidated financial statements, prepared by the management of the holding company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity:
- b) The holding company has maintained proper books of accounts in accordance with requirements of the law:
- c) Appropriate accounting policies have been consistently applied (except as disclosed in annexed financial statements) in preparation of the standalone and consolidated financial statements and accounting estimates are based on reasonable and prudent judgement:

- d) International Financial Reporting Standards (IFRSs), as applicable in Pakistan, have been followed in preparation of the standalone and consolidated financial statements and, any departures there from (if any) have been adequately disclosed and explained:
- e) The system of internal control including financial controls is sound in design and has been effectively implemented and monitored:
- f) There are no doubts upon the holding company's ability to continue as a going concern:
- g) Appropriate whistleblower protection mechanism is in place:
- h) Holding company operates an unfunded gratuity scheme and does not hold any investment out of the scheme:
- i) Holding company has not defaulted in repayment of any debt nor is it likely to default in future:
- j) Holding company places priority to safety and health of its employees: and
- k) There is no material departure from the best practices of corporate governances detailed in the listing regulations.

We have included the following information separately, either in this report or in the financial statements as appropriate;

- a) Detail of material changes or commitments which have occurred between the end of financial year to which the financial statements relate and the date of this report.
- b) Significant deviations from last year in operating results and reasons for such deviations.
- c) Key operational and financial data for the last six years.
- d) Details of significant plans, decisions along with future prospects, risks and uncertainties.

AUDITORS

The present joint auditors of the holding company M/s. Fazal Mahmood & Co., Chartered Accountants and M/s. Muniff Ziauddin & Co. have completed their audit for the year ended June 30, 2025 and have issued an unmodified audit report. The auditors will retire at the conclusion of the forthcoming Annual General Meeting of the holding company, and being eligible; have given their consent for re-appointment as joint auditors for the year ended June 30, 2026. The Board has recommended the appointment of M/s. Fazal Mahmood & Co., Chartered Accountants and M/s. Muniff Ziauddin & Co. as joint auditors for the ensuing year, as recommended by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

RISK MANAGEMENT FRAMEWORK

The respective Board of Directors of the Group companies, have overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring the risk management policies. While the risks can be numerous, the combined principal risks faced by the holding company and its subsidiary are described below along with the corresponding response actions.

Risk	Description of Risk	Response to Risk
Political risk	Political uncertainty and instability impact the business and its profitability.	Political situation of the country including changes in Government, regulations and business policies are monitored closely and appropriately to take timely decisions to avoid / mitigate / address unfavorable impacts on the business.
Economic risk	Economic conditions of a country generally affect all businesses that exist in that country. Increase in commodity prices, high interest costs, high inflation, high exchange rates, taxation and low economic growth impact organizations.	Economic conditions are monitored appropriately to take timely decisions to avoid any unfavorable impact. Overall foreign currency exposure is closely monitored. Foreign currency risk is managed by limiting imports, shifting to local buying and increasing exports. Interest rate impact is managed by controlling working capital cycles
Project delay risk	Since, the power plant is under construction / installation stage. There can be a risk of delay in commercial operations. There is also risk that plant may not perform according to the planned efficiencies.	The installation phase is being rigorously monitored and being handled by professional and technical internal and external teams.
Technological risk	Technology plays a vital role in success of any company. There is risk that technology employed is or may become obsolete in the near future.	We believe in process of regular balancing, modernization and replacements of our production facilities, ensuring our production facilities are state of the art to ensure cost minimization, energy efficiency and output optimization.
Competition Risk	Competition from business competitors may create and result in business loss.	The following strengths, place us at a competitive advantage over our competitors: 1. Diversified product and market mix 2. Global footprints 3. Strong and well-established distribution network 4. Strong supply chain 5. Backward integration 6. Brand recognition 7. Economies of scale 8. Technological efficiencies 9. In-house electricity generation
Credit risk	Customers and banks may default in payments.	Most of our sales are either against cash or advance. For credit sales, credit limits have been assigned to customers. Risk of default by banks has been mitigated by placement of funds with banks having satisfactory credit ratings.
Liquidity Risk	Insufficient cash available to pay liabilities resulting in a liquidity problem.	We have a proactive cash management system. Committed credit lines from banks are also available to bridge a liquidity gap, if any.
Decrease in the demand for Company's products	Decrease in the demand for products may have an adverse impact on profitability.	We have carefully developed our product portfolio which is diversified and risk averse.
Energy Risk	Not being able to operate at an optimal capacity due to the unavailability of electricity.	We have installed a 25 MW gas-fired captive power plant along with a solar power plant. Further, installation of the 36.50 MW hybrid power plant through Mughal Energy Limited is also in process.
Raw material sourcing risk	Adverse price movement or no availability of raw materials may deter smooth production.	With an experience of over 5 decades, we have developed a procurement team who is well versed in acquiring the necessary raw material for production. Further, we have built strong relationship with our suppliers.
Laws & Environmental regulations	The Group is regulated by a number of Government regulations which are required to be strictly followed. Default in this regard can have serious consequences.	The Group's companies have employed various professionals of respective fields so that the Company would strongly and strictly follow all the laws that are applicable to the respective Group's companies.
Sustainability related risk	The Group faces sustainability related risks including regulatory changes, environmental compliance costs, evolving stakeholder expectations, and reputational risks from social or governance lapses. Failure to adapt may impact operational continuity and investor confidence.	We remain steadfast in our commitment to responsible growth by elevating safety standards, accelerating decarbonization efforts, and empowering our workforce. Through continuous innovation and strong collaboration with communities and suppliers, we aim to operate sustainably and in alignment with the natural environment.

UNCERTAINTIES FACING THE GROUP COMPANIES

The Group companies are mainly exposed to following uncertainties:

- Political uncertainty
- Economic and operational uncertainties
- Fluctuations in foreign exchange rates
- Fluctuations in interest rates
- Raw material availability
- Laws & regulations

SUSTAINABILITY

As a Group, we are committed to a comprehensive sustainability approach built on environmental stewardship, social responsibility, and strong governance. We continue to enhance workplace safety and employee well-being through mandatory HSE training on machine safety, fire prevention, and safety across all manufacturing sites. Environmentally, we are adopting cleaner technologies, improving energy efficiency, and minimizing emissions and waste. Governance practices are reinforced through ethical conduct policies, compliance frameworks, and ESG oversight—ensuring responsible operations that create long-term value for all stakeholders.

DIVERSITY, EQUITY, & INCLUSION (DE&I)

With the diverse workforce and communities, the Company stands as an advocate for diversity, equity, and inclusion (DE&I). Promoting DE&I is a key priority for the Company and is integral to its sustainable and ethical business practices.

A comprehensive DE&I strategy with clear and measurable goals, targeting increased gender and ethnic diversity and inclusion at all levels, is in place.

GENDER DIVERSITY

Mean Gender pay Gap: -72.41%
Average female pay is higher than average male pay.

Median Gender pay Gap: -20.58%
Median female pay is higher than Median male pay.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group remains committed to being a responsible corporate citizen by integrating social, ethical, and environmental considerations across its operations. The holding company has undertaken energy-efficient initiatives, including installation of new furnaces, re-rolling mills, and solar systems to conserve resources and address the energy crisis. Community welfare remains a key focus, with support provided through educational scholarships, wedding arrangements for the underprivileged, and rural development programs. We uphold high standards in consumer protection, industrial relations, occupational health and safety (ISO 45001:2018 compliant), and inclusive employment practices including quota compliance for special persons. Ethical governance is maintained through robust policies such as the Code of Conduct and Whistle Blowing Policy. Contributions to national causes and exchequer through taxes and donations further reflect our dedication to sustainable nation-building.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT AND ENVIRONMENTAL PROTECTION MEASURES

In order to mitigate the effects of industrial effluents on the surrounding environment, the holding Company is putting forth all efforts for providing a healthy environment to employees and natives. In this regard following major environment friendly efforts have been carried out by the holding Company:

1. Production of billets results in significant amount of smoke which is released into the atmosphere. In order to control this, the holding company has installed state of the art dust collection system. The dust collection system also accredits the holding company in fulfilling its strong commitment towards environmental sustainability. This has further strengthened the image of Mughal Steel as an environmental sensitive Company that operates in compliance to the international health and environmental standards.
2. Plantation is carried out to ensure a healthy and green environment.
3. Keeping in view the occupational health of employees, regular first aid and CPR training programs are conducted to ensure the safe health of workers.
4. The holding company is in compliance with ISO-14001:2015.

STATEMENT OF COMPLIANCE

The statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 as per prescribed format is published in the Annual Report which is reviewed and certified by the statutory auditors of the holding company. The statement of compliance is approved by the Board of Directors of the holding company.

CHAIRMAN'S REVIEW REPORT AND CHIEF EXECUTIVE OFFICER'S REMARKS

The Directors of the holding company endorse the contents of the Chairman's Review Report and Chief Executive Officer's remarks.

ACKNOWLEDGEMENTS

The Board wishes to place on record its appreciation for the continued support, contribution and confidence demonstrated by its shareholders, customers, suppliers, bankers and various government agencies and expresses its gratitude for the efforts of all its employees, executives, workers which enabled the management to run the Company smoothly throughout the year.

It is expected that the same co-operation would be forthcoming in future years.

On behalf of the Board,



Mirza Javed Iqbal

Chairman / Director



Khurram Javaid

Chief Executive Officer / Director

Lahore: September 19, 2025

کارپوریٹ سماجی ذمہ داری (CSR)

یہ گروپ ایک ذمہ دار کارپوریٹ شہری ہونے کے عزم پر قائم ہے اور اپنے تمام آپریشنز میں سماجی، اخلاقی اور ماحولیاتی پہلوؤں کو مد نظر رکھتا ہے۔ ہولڈنگ کمپنی نے توانائی کی بچت کے لیے متعدد اقدامات کیے ہیں، جن میں نئے فرنسز، ری-روالنگ ملز اور سولر سسٹمز کی تنصیب شامل ہے تاکہ وسائل کا تحفظ کیا جاسکے اور توانائی کے بحران سے نمٹا جاسکے۔ کیوٹیٹی کی فلاح و بہبود کو بھی بھرپور ترجیح دی جاتی ہے۔ اس ضمن میں تعلیمی و ثقافتی، مستحق افراد کی شادیوں کے انتظامات، اور دیہی علاقوں کی ترقی کے لیے مختلف پروگرامز کے ذریعے معاونت فراہم کی جاتی ہے۔ ہم صارفین کے تحفظ، صنعتی تعلقات، پیشہ ورانہ صحت و حفاظت (ISO 45001:2018) کے مطابق، اور شمولیتی ملازمت کے اصولوں جیسے کہ خصوصی افراد کے لیے کونہ کی پابندی میں اعلیٰ معیارات کو برقرار رکھتے ہیں۔ اخلاقی گورننس کو بھی مضبوط پالیسیوں کے ذریعے یقینی بنایا جاتا ہے، جن میں ضابطہ اخلاق اور ورسل بلوئنگ پالیسی شامل ہیں۔ ملکی تعمیر و ترقی میں بھی ہمارا کردار نمایاں ہے، جہاں ہم ٹیکسز اور عطیات کے ذریعے قومی مقاصد میں اپنا حصہ ڈالتے ہیں، جس سے ہماری سسٹیمز ترقی کے عزم کی عکاسی ہوتی ہے۔

اظہار تشکر

بورڈ اپنے شیئر ہولڈرز، صارفین، سپلائرز، بینکرز اور مختلف سرکاری اداروں کی مسلسل حمایت، تعاون اور اعتماد کو قدر کی نگاہ سے دیکھتا ہے اور ان کا شکریہ ادا کرتا ہے۔ مزید برآں، بورڈ تمام ملازمین، افسران، اور محنت کشوں کی انتھک محنت اور کاوشوں کو سراہتا ہے جنہوں نے کمپنی کے امور کو پورے سال بخوبی اور خوش اسلوبی سے چلانے میں انتظامیہ کا ساتھ دیا۔

یہ توقع کی جاتی ہے کہ آئندہ سالوں میں بھی یہی تعاون جاری رہے گا۔

منجانب بورڈ



خرم جاوید

چیف ایگزیکٹو آفیسر / ڈائریکٹر

لاہور: 19 ستمبر 2025



مرزا جاوید اقبال

چیرمین / ڈائریکٹر

ماحول پر کمپنی کے کاروبار کے اثرات اور ماحولیاتی تحفظ کے اقدامات

اگر دیکھیں تو ماحول پر اثرات کو کم کرنے کے لیے، ہولڈنگ کمپنی ملازمین اور مقامی افراد کو صحت مند ماحول فراہم کرنے کی تمام کوششوں کو مزید آگے بڑھاتی ہے، اسی سلسلے میں ہولڈنگ کمپنی کی جانب سے کی جانے والی اہم ماحول دوست کوششیں مندرجہ ذیل ہیں:

1. بلٹس کی تیاری کے دوران کافی مقدار میں دھواں فضا میں خارج ہوتا ہے۔ اس پر قابو پانے کیلئے ہولڈنگ کمپنی نے جدید ترین دھول جمع کرنے کا نظام نصب کیا ہے یہ دھول جمع کرنے کا نظام ہولڈنگ کمپنی کے ماحولیاتی سسٹیمز کے حوالے سے مضبوط عزم کو پورا کرنے میں مدد دیتا ہے۔ اس اقدام سے مغل اسٹیل کی شہیت ایک ماحولیاتی حساس کمپنی کے طور پر مزید مضبوط ہوئی ہے جو بین الاقوامی صحت اور ماحولیاتی معیار کے مطابق کام کرتی ہے۔
2. صحت مند اور سرسبز ماحول کو یقینی بنانے کیلئے شجرکاری کی جاتی ہے۔
3. ملازمین کی پیشہ ورانہ صحت کو مد نظر رکھتے ہوئے باقاعدگی سے فرسٹ ایڈ اور سی پی آر (CPR) کے تربیتی پروگرامز منعقد کیے جاتے ہیں تاکہ ملازمین کی محفوظ صحت کو یقینی بنایا جائے۔
4. مزید برآں، ہولڈنگ کمپنی ISO-14001:2015 کے عین مطابق ہے۔

تعمیل کا بیان

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق تعمیل کا بیان سالانہ رپورٹ میں شائع کیا گیا ہے، جسے ہولڈنگ کمپنی کے مستند آڈیٹرز جائزہ لے کر تصدیق کرتے ہیں۔ تعمیل کا بیان ہولڈنگ کمپنی کے بورڈ آف ڈائریکٹرز کے ذریعے منظور کیا جاتا ہے۔

چیرمین کی جائزہ رپورٹ اور چیف ایگزیکٹو آفیسر کا ریمارکس

ڈائریکٹرز چیرمین کی جائزہ رپورٹ اور چیف ایگزیکٹو آفیسر کے ریمارکس کی تصدیق کرتے ہیں۔

خردشہ	خردشہ کی تفصیل	خردشہ کی جانب روئے عمل
قرض کا خردشہ	صارفین اور بینک ادائیگیوں میں ڈیفالٹ کر سکتے ہیں۔	ہماری زیادہ تر فروخت یا تو پیش ہے یا پیشگی وصولیوں کے ذریعے ہے۔ کریڈٹ سیز کے لیے صارفین کی کریڈٹ کی حدیں مقرر کی جاتی ہیں۔ بینکوں کی طرف سے ڈیفالٹ کے خطرے کو، تسلی بخش کریڈٹ ریٹنگ کے حامل بینکوں میں فنڈ زکھر کر، منبج کیا جاتا ہے۔
لیکویڈٹی کا خردشہ	واجبات کی ادائیگی کے لیے کیش ناکافی ہونے کی وجہ سے لیکویڈٹی کا مسئلہ پیش آ سکتا ہے۔	ہمارے پاس ایک فعال کیش مینجمنٹ سسٹم ہے۔ بینکوں کی جانب سے لمبہ کریڈٹ لائسنز بھی موجود ہیں تاکہ لیکویڈٹی کا فرق، اگر کوئی ہو، تو اسے پورا کیا جاسکے۔
کمپنی کی مصنوعات کی مانگ میں گراؤ	مصنوعات کی مانگ میں کمی منافع پر اثر انداز ہو سکتی ہے۔	ہم نے احتیاط سے اپنی مصنوعات کا پورٹ فولیو تیار کیا ہے جو کہ متنوع اور خطرے سے بچا ہوا ہے۔
توانائی کا خردشہ	کمپنی بجلی کی عدم دستیابی کی بدولت اپنی انتہائی صلاحیت پر کام نہ کر سکے۔	ہم نے سولر پاور پلانٹ کے ساتھ گیس سے چلنے والا 25 MW کیپٹیو پاور پلانٹ نصب کیا ہے۔ مزید برآں، مغل انرجی لمیٹڈ کے ذریعے 36.50 میگا واٹ کے باہرڈ پاور پلانٹ کی تنصیب کا عمل بھی جاری ہے۔
خام مال کی سوریگ کا خردشہ	قیمت کی منفی چال یا خام مال کی عدم دستیابی، ہموار پیداوار کو روک سکتی ہے۔	پانچ دہائیوں سے زیادہ کے تجربے کے ساتھ، ہم نے ایک پروکیورمنٹ ٹیم تیار کی ہے جو پیداوار کیلئے ضروری خام مال حاصل کرنے میں ماہر ہے۔ مزید یہ کہ ہم نے اپنے سپلائرز کے ساتھ مضبوط تعلقات استوار کیے ہیں۔
قوانین اور ماحولیاتی ضوابط	گروپ کو متعدد سرکاری ضابطوں کے ذریعے منظم کیا جاتا ہے جن پر سختی سے عمل کرنا ضروری ہے۔ اس سلسلے میں کوئی نئی گتیاں کا باعث بن سکتی ہے۔	گروپ کمپنیز نے متعلقہ شعبوں کے مختلف پیشہ ورانہ خدمات حاصل کر رکھی ہے۔ تاکہ گروپ کمپنیز ان تمام قوانین کی ٹھیک اور سختی سے پیروی کرے جو کہ متعلقہ گروپ کمپنیز پر لاگو ہوتی ہیں۔
سسٹیمز سے متعلق خردشہ	گروپ کو سسٹیمز سے متعلق خطرات، بشمول قواعد و ضوابط میں تبدیلیاں، ماحولیاتی تعمیل کے اخراجات، اسٹیک ہولڈرز کی بدلتی ہوئی توقعات اور سماجی یا گورنس میں کمی پیشی کے سبب ریپوٹیشنل رسک، کا سامنا رہتا ہے۔ اگر گروپ ان تبدیلیوں کے مطابق خود کو ڈھالنے میں ناکام رہتا ہے تو اس سے آپریشنل تسلسل اور سرمایہ کاروں کے اعتماد پر منفی اثر پڑ سکتا ہے۔	ہم اس عہد پر نہایت پختہ طریقے سے قائم رہتے ہیں کہ ہم نے، حفاظتی معیارات کو بلند کر کے، کاربن کے اخراج کو کم کر کے اور ورک فورس کو بااختیار بنا کر، اپنی ترقی کو ذمہ دارانہ طریقے سے حاصل کرنا ہے۔
		مسلحہ جدت اور کمپیوٹیز اور سپلائرز کے ساتھ مضبوط تعاون کے ذریعے، ہم سسٹیمز طریقے سے کام کرنے اور قدرتی ماحول کے مطابق عمل کرنے کا ہدف رکھتے ہیں۔

ہیں۔ گورنس کے طریقے کار کو اخلاقی اصولوں، تعمیل کے فریم ورک، اور ESG گمراہی کے ذریعے مضبوط کیا جا رہا ہے۔ تاکہ تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا ہو۔

گروپ کمپنیوں کو درپیش غیر یقینی صورتحال

گروپ کمپنیوں کو بنیادی طور پر درج ذیل غیر یقینی صورتحال کا سامنا ہے۔

- سیاسی غیر یقینی صورتحال
- معاشی اور آپریشنل غیر یقینی صورتحال
- غیر ملکی زرمبادلہ کی شرح میں اتار چڑھاؤ
- شرح سود میں اتار چڑھاؤ
- خام مال کی دستیابی
- قوانین اور ضوابط

تنوع، مساوات، اور شمولیت (DE&I)

کمپنی تنوع، مساوات اور شمولیت (DE&I) کی بھرپور حامی ہے اور اسی وجہ سے کمپنی کی افرادی قوت اور کمپیوٹیز متنوع ہیں۔ DE&I کو فروغ دینا کمپنی کی ترجیح ہے اور اس کے سسٹیمز اور اخلاقی کاروباری طریقوں کا اہم حصہ ہے۔ ایک جامع DE&I حکمت عملی، جس میں واضح اور قابل پیائش اہداف شامل ہیں، جیسے کہ ہر سطح پر جنس اور نسلی تنوع میں اضافہ، موجود ہے۔

جنس کی تنوع

میں جینیڈر پی گپ: 72.41 فیصد

خواتین کی اوسط تنخواہ مردوں کی اوسط تنخواہ سے زیادہ ہے۔

میدین جینیڈر پی گپ: 20.58 فیصد

میدین خواتین کی تنخواہ میڈین مرد کی تنخواہ سے زیادہ ہے۔

سسٹیمز

بطور گروپ ہم ماحولیاتی تحفظ، سماجی ذمہ داری اور مضبوط گورنس پر مبنی جامع پائیداری کے طریقے کار کے لیے پر عزم ہیں۔ ہم تمام مینوفیکچرنگ سائنس پر مشین سیفٹی، آگ سے بچاؤ، اور حفاظتی امور پر لازمی HSE تربیت کے ذریعے کام کی جگہ کی حفاظت اور ملازمین کی فلاح و بہبود کو بہتر بنا رہے ہیں۔ ماحولیاتی لحاظ سے، ہم صاف ستھری ٹیکنالوجی اپنا رہے ہیں، توانائی کی بچت کو بہتر بنا رہے ہیں، اور اخراجات و فضلہ کو کم سے کم کرنے کے لیے کوشاں

ترمیم شدہ آڈٹ رپورٹ جاری کی ہے۔ آڈیٹرز آئندہ ہونے والے سالانہ اجلاس میں ریٹائر ہو جائیں گے، اور اہلیت کی بنیاد پر انہوں نے خود کو 30 جون 2026 کو ختم ہونے والے سال کیلئے مشترکہ آڈیٹرز کے طور پر دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ نے آڈٹ کمیٹی کی تجویز پر ایم/ایس۔ فضل محمود اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اور ایم/ایس۔ منیف ضیاء الدین اینڈ کمپنی کو آنے والے سال کے لیے مشترکہ آڈیٹرز کے طور پر تعیناتی کی سفارش کی ہے جو کہ آنے والے سالانہ اجلاس عام میں ممبران کی منظوری سے مشروط ہے۔

رسک مینجمنٹ فریم ورک

رسک مینجمنٹ فریم ورک کے قیام اور نگرانی اور رسک مینجمنٹ پالیسی کی تخلیق اور نگرانی، متعلقہ گروپ کمپنیز کے بورڈ آف ڈائریکٹرز کی ذمہ داری ہے۔ اگرچہ خطرات متعدد ہو سکتے ہیں، لیکن ہولڈنگ کمپنی اور اس کی ذیلی کمپنی کو درپیش اہم خطرات اور ان کے جوابی اقدامات درج ذیل ہیں۔

ہم نے درج ذیل معلومات علیحدہ سے اس رپورٹ یا مالیاتی گوشوارہ جات میں، جہاں موزوں ہوں، شامل کر دی ہیں:

- مالی سال کے اختتام اور مالیاتی گوشوارہ جات کی تاریخ کے دوران اہم تبدیلی اور معاہدہ جات کے تفصیلات۔
- ہولڈنگ کمپنی کے گزشتہ سال کے نتائج سے اہم انحراف اور انحرافات کی وجوہات۔
- گزشتہ چھ سالوں کا مالیاتی ڈیٹا۔
- اہم منصوبے، فیصلے، مستقبل کے امکانات، ہولڈنگ کمپنی کے گرد خطرات اور غیر یقینی صورتحال کی تفصیلات۔

آڈیٹرز

ہولڈنگ کمپنی کے موجودہ مشترکہ آڈیٹرز، ایم/ایس۔ فضل محمود اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اور ایم/ایس۔ منیف ضیاء الدین اینڈ کمپنی نے 30 جون 2025 کو ختم ہونے والے سال کے لیے اپنا آڈٹ مکمل کر لیا ہے اور غیر

خوشے کی تفصیل	خوشے کی جانب روئے عمل	خوشہ
سیاسی عدم یقینی اور عدم استحکام کاروبار اور اس کے منافع کو متاثر کرتا ہے۔	ملک کی سیاسی صورتحال، بشمول حکومت ضوابط اور کاروباری حکمت عملیوں کی گہری اور زبردست نگرانی کی جاتی ہے تاکہ کاروبار پر پرنے والے منفی اثرات سے بچنے/انہیں کم کرنے/دور کرنے کے لیے بروقت فیصلے کیے جائیں۔	سیاسی خوشہ
ملک کی معاشی صورتحال عام طور پر کاروباروں کو متاثر کرتی ہے۔ اجناس کی قیمتوں میں اضافہ، بلند شرح سود، مہنگائی میں اضافہ، بلند شرح تبادلہ، ٹیکسیشن اور کم اقتصاد دی ترقی کاروبار پر اثر ڈال سکتی ہے۔	کاروبار پر کسی بھی اثر سے بچنے کی خاطر بروقت فیصلے لینے کے لیے معاشی حالات پر گہری نظر رکھی جاتی ہے۔ غیر ملکی کرنسی کی حساسیت پر گہری نگاہ رکھی جاتی ہے۔ غیر ملکی کرنسی کا خطرہ درآمدات کو محدود کر کے، مقامی خریداری کی جانب منتقل ہو کر اور برآمدات کو بڑھا کر، قابو میں کیا جاتا ہے۔ شرح سود کے اثرات کو محدود کرنے کے لیے ورکنگ کیپٹل کو کنٹرول کیا جاتا ہے۔	معاشی خوشہ
چونکہ پاور پلانٹ از ریفریگریشن/تصفیہ کے مراحل میں ہے، کمزور آپریشن میں تاخیر کا خوشہ ہو سکتا ہے۔ یہ خوشہ بھی ہے کہ پلانٹ مجوزہ افادیت کے مطابق کارکردگی کا مظاہرہ نہ کرے۔	تخصیص کے مرحلے کی سخت نگرانی کی جارہی ہے اور اسے پیشہ وارانہ اور تکنیکی اندرونی اور بیرونی ٹیموں کے ذریعے منبجاء جارہا ہے۔	منصوبے میں تاخیر کا خوشہ
ٹیکنالوجی کسی بھی کمپنی کی کامیابی میں اہم کردار ادا کرتی ہے۔ اس بات کا اندیشہ ہے کہ زیر استعمال ٹیکنالوجی یا تو متروک شدہ ہو یا مستقبل قریب میں متروک ہو سکتی ہو۔	ہم اپنی پیداواری سہولیات کے توازن، جدید کاری اور تبدیلی کے عمل پر یقین رکھتے ہیں۔ اس بات کو یقینی بناتے ہوئے کہ ہماری پیداواری سہولیات جدید ترین ہے، تاکہ لاگت میں کمی، توانائی کی استعداد کار اور پیداواری اصلاح کو یقینی بنایا جاسکے۔	تکنیکی خوشہ
کاروباری حریفوں سے مسابقت ایک مخالفانہ ماحول پیدا کر سکتی ہے اور اس کے نتیجے میں کاروباری نقصان ہو سکتا ہے۔	مندرجہ ذیل طاقتوں کی بدولت اپنے حریفوں پر مسابقتی برتری قائم رکھتی ہے:	مقابلے کا خوشہ
	1. متنوع مصنوعات اور مارکیٹ کس 2. گلوبل فٹ پرنس 3. مضبوط اور پختہ ڈسٹری بیوشن نیٹ ورک 4. مضبوط سپلائی چین 5. بیک ورڈ انٹیگریشن 6. برانڈ کی معرفت 7. بڑی مقدار کے متناسب فوائد 8. تکنیکی افادیت 9. بجلی کی نجی پیداوار	

مناسب انٹرنل کنٹرولز

گروپ کمپنیز کے متعلقہ بورڈز نے اندرونی مالیاتی کنٹرولز کے مؤثر اور کارگر نظام قائم کیے ہوئے ہیں۔ ان کنٹرولز کے نفاذ کی باقاعدگی سے نگرانی ایک آزاد اندرونی آڈٹ فنکشن کے ذریعے کی جاتی ہے جو براہ راست گروپ کمپنیز کی آڈٹ کمیٹی کو رپورٹ دیتا ہے۔ متعلقہ کمیٹی وقتاً فوقتاً گروپ کمپنیز کے اندرونی کنٹرولز کے فریم ورک اور مالی بیانات کی مؤثریت اور کفایت کا جائزہ لیتی ہیں۔

شیئر ہولڈنگ کی ترتیب

کمپنی کے شیئر ہولڈنگ کی ترتیب ساتھ منسلک ہے۔

کمپنی کے شیئرز کا لین دین تجارت

مالی سال 2025 کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات و نابالغ بچوں کے ذریعے ہولڈنگ کمپنی کے شیئرز کی تمام تجارتوں کا بیان سالانہ رپورٹ کے ساتھ منسلک شیئر ہولڈنگ کی ترتیب میں موجود ہے۔

ایگزیکٹوز میں چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ، کمپنی سکریٹری اور کچھ دیگر ملازمین شامل ہیں جن کے لیے بورڈ آف ڈائریکٹرز ایک حد مقرر کرے گا۔ بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ حد کے مطابق، وہ ملازمین جو سالانہ بنیادی تنخواہ (Basic Salary) 6.000 ملین روپے یا اس سے زیادہ لے رہے ہیں، انہیں ایگزیکٹوز شمار کیا جاتا ہے۔

متعلقہ پارٹی سے لین دین

لیکچر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور دیگر قابل اطلاق قوانین اور ضوابط کی تکمیل میں متعلقہ پارٹی کے لین دین کی تفصیل آڈٹ کمیٹی کے سامنے پیش کی جاتی ہیں اور آڈٹ کمیٹی کی خواہشات پر ان تفصیلات کو بورڈ کے سامنے جائزہ لینے اور منظوری کے لیے پیش کیا جاتا ہے۔ تمام انتظامات اور معاہدہ جات کی تفصیلات بمعہ ان انتظامات اور معاہدہ جات میں شامل ہونے کی وجہ اور تفصیلات مالیاتی گوشوارہ جات کے نوٹس میں بیان کر دی گئی ہے۔

متعلقہ پارٹی کے ساتھ لین دین کی پالیسی

متعلقہ گروپ کمپنیز کے بورڈ آف ڈائریکٹرز نے متعلقہ پارٹیز سے لین دین کی پالیسی کی منظوری دی ہوئی ہے، جس کے تحت متعلقہ گروپ کمپنیز عام کاروبار کے دوران متعلقہ پارٹیز سے لین دین آرم لینکھ کی بنیاد پر کرے گی۔ اصطلاح "آرم لینکھ" کے مطابق کاروبار کی شرائط بلکل ویسی ہی ہوگی جو دو غیر متعلقہ کاروباری افراد کے درمیان عام کاروبار میں ہوتی ہے۔ اس پالیسی کے تحت تمام متعلقہ پارٹیز کو لین دین کے لیے بورڈ کی منظوری درکار ہو گی، تاہم جہاں ڈائریکٹرز کی اکثریت دلچسپی رکھتی ہوں، ایسے شیئر ہولڈرز کے ذریعے اجلاس عام میں منظور کیا جائے گا۔

قومی خزانے میں ادائیگیاں

سال کے دوران، ہولڈنگ کمپنی نے تقریباً 18,235.779 ملین روپے کی رقم قومی خزانے میں مختلف ٹیکسز، محصولات، بیس، فیس وغیرہ کی شکل میں جمع کروائی۔

فنانشل اور کارپوریٹ رپورٹنگ فریم ورک

ہولڈنگ کمپنی یہ عزم رکھتی ہے کہ وہ تمام قانونی اور اخلاقی تقاضوں کو پورا کرے گی اور جہاں ممکن ہو ان سے آگے بڑھنے کی کوشش کرے گی اور تمام کاروبار کو اعلیٰ ترین پیشہ ورانہ اور اخلاقی معیارات اور طریقوں کے مطابق انجام دے۔ ہولڈنگ کمپنی اپنے فرائض سے مکمل آگاہ ہے۔ جیسا کہ کمپنیز ایکٹ، 2017 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ کارپوریٹ گورننس کے کوڈ میں متعین ہے۔

مندرجہ ذیل تبصرے ہولڈنگ کمپنی کے کارپوریٹ گورننس کے اعلیٰ معیار اور مسلسل بہتری کے عزم کا اعتراف کرتے ہیں:

- ہولڈنگ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارہ جات (انفرادی و اجتماعی)، اس کے معاملات، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- ہولڈنگ کمپنی نے اپنے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- ماسوائے مالیاتی گوشوارہ جات میں منسلک بیانات کے، مالیاتی گوشوارہ جات (انفرادی و اجتماعی) کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کے متواتر پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ رائے پر مبنی ہیں۔
- ان مالیاتی گوشوارہ جات (انفرادی و اجتماعی) کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS Standards) کی، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے، اور ان کے کسی بھی قسم کے انحراف (اگر کوئی ہو) کو مناسب طریقے سے بیان کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔
- انٹرنل کنٹرول کا نظام بشمول مالیاتی کنٹرولز اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- ہولڈنگ کمپنی کے کاروبار کو رواں دواں رکھنے کی اہلیت پر کوئی شک نہیں ہے۔
- مناسب ویل بلور (Whistleblower) تحفظ کا نظام موجود ہے۔
- ہولڈنگ کمپنی ایک ان فنڈڈ گریجویٹ اسکیم چلاتی ہے اس لئے اسکیم سے کوئی سرمایہ کاری نہیں کی گئی۔
- ہولڈنگ کمپنی نے کسی بھی قرض کی ادائیگی میں ڈیفالٹ نہیں کیا اور مستقبل میں بھی ڈیفالٹ ہونے کا امکان نہیں ہے۔
- ہولڈنگ کمپنی اپنے ملازمین کی صحت و حفاظت کو ترجیح دیتی ہے۔
- لنڈنگ ریگولیشنز میں بیان کردہ بہترین کارپوریٹ گورننس کے عملی اصولوں سے کوئی اہم انحراف نہیں کیا گیا ہے۔

بورڈ اور اس کی کمیٹیوں میں تبدیلی

سال کے دوران ہولڈنگ کمپنی کے بورڈ میں کوئی تبدیلی نہیں ہوئی۔

سال کے دوران، کمپنی کی ماحولیات، سماجی اور گورنس (ESG) کمیٹی تشکیل دی گئی، جس کے اراکین میں جناب مرزا جاوید اقبال، جناب جمشید اقبال اور محترمہ مریم خاور شامل تھے۔

ان افراد کے نام جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹر تھے

مالی سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد کیے گئے۔ سال کے دوران پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ ذیل میں ان افراد کے نام دیے جا رہے ہیں جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹر رہے۔

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	جناب مرزا جاوید اقبال	چیئر مین / نان ایگزیکٹو ڈائریکٹر
2	جناب عبدالرحمن قریشی	خود مختار ڈائریکٹر
3	جناب شعیب احمد خان	خود مختار ڈائریکٹر
4	محترمہ مریم خاور	خود مختار ڈائریکٹر
5	جناب جمشید اقبال	ایگزیکٹو ڈائریکٹر
6	جناب خرم جاوید	سی ای او / ایگزیکٹو ڈائریکٹر
7	جناب محمد مبین طارق مغل	ایگزیکٹو ڈائریکٹر
8	جناب فضیل بن طارق	نان ایگزیکٹو ڈائریکٹر
9	جناب محمد متین جمشید	نان ایگزیکٹو ڈائریکٹر

بورڈ کمیٹی کے ممبران کے نام

آڈٹ کمیٹی

ہولڈنگ کمپنی کے بورڈ آف ڈائریکٹرز نے ہولڈنگ کمپنی کی آڈٹ کمیٹی کی ٹرمز آف ریفرنس (Terms of Reference) کی منظوری دے دی ہے۔ بورڈ نے آڈٹ کمیٹی کو اپنی ذمہ داریاں مؤثر طریقے سے نبھانے کیلئے مناسب وسائل اور اختیار فراہم کرتا ہے۔ کمپنی مالی سال کی ہر سہ ماہی میں کم از کم ایک بار ملاقات کرتی ہے۔ مالی سال کے دوران کمیٹی کے 14 اجلاس منعقد ہوئے۔ کمیٹی کے ممبران کی تفصیل درج ذیل ہے:

نمبر شمار	ممبران کے نام	عہدہ
1	جناب عبدالرحمن قریشی	چیئر مین / خود مختار ڈائریکٹر
2	جناب شعیب احمد خان	ممبر / خود مختار ڈائریکٹر
3	جناب مرزا جاوید اقبال	ممبر / نان ایگزیکٹو ڈائریکٹر

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا کردار بورڈ آف ڈائریکٹرز کی اس حوالے سے معاونت کرنا ہے کہ وہ ڈائریکٹرز کی ریمونریشن پالیسی کے تعین کے لیے پالیسی فریم ورک، ملازمین کے فوائد کے منصوبے، فلاحی منصوبے اور ریٹائرمنٹ الاؤنسز کی جانچ اور منظوری کی نگرانی کر سکے۔ سال کے دوران کمیٹی کے دو اجلاس منعقد ہوئے۔ کمیٹی کے ممبران کی تفصیل درج ذیل ہے:

نمبر شمار	ممبران کے نام	عہدہ
1	جناب عبدالرحمن قریشی	چیئر مین / خود مختار ڈائریکٹر
2	جناب مرزا جاوید اقبال	ممبر / نان ایگزیکٹو ڈائریکٹر
3	جناب فضیل بن طارق	ممبر / نان ایگزیکٹو ڈائریکٹر

ماحولیات، سماجی اور گورنس کمیٹی (ESG)

ماحولیات، سماجی اور گورنس کمیٹی کا کردار ہولڈنگ کمپنی کے پائیداری سے متعلق خطرات اور مواقع کی نگرانی اور جائزہ لینا ہے۔ کمیٹی متعلقہ پائیداری سے جڑے قوانین کی تعمیل اور ان کے تقاضوں کے مطابق انکشافات کی نگرانی بھی کرتی ہے۔ سال کے دوران کمیٹی کا ایک اجلاس منعقد ہوا۔ کمیٹی کے ممبران کی تفصیل درج ذیل ہے:

نمبر شمار	ممبران کے نام	عہدہ
1	جناب مرزا جاوید اقبال	چیئر مین / نان ایگزیکٹو ڈائریکٹر
2	جناب جمشید اقبال	ممبر / ایگزیکٹو ڈائریکٹر
3	محترمہ مریم خاور	ممبر / خود مختار ڈائریکٹر

ڈائریکٹرز کا ریمونریشن

بورڈ ممبران کا ریمونریشن گروپ کمپنی کے متعلقہ بورڈ کے ذریعے منظور کیا جاتا ہے۔ تاہم، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے ریمونریشن کے فیصلے میں شامل نہ ہو۔ نان ایگزیکٹو ڈائریکٹرز اور خود مختار ڈائریکٹرز کو صرف اجلاس میں شرکت کی فیس دی جاتی ہے۔ ہولڈنگ کمپنی اور ذیلی کمپنی کے ڈائریکٹرز اور سی ای او کو ادائیگی والے ریمونریشن کے پیکیج کی مجموعی رقم کے بارے میں معلومات کیلئے، برائے مہربانی مالیاتی گوشوارہ جات (انفرادی و اجتماعی) کا متعلقہ نوٹس ملاحظہ کریں۔

ڈائریکٹرز کی ویلوشن

بورڈ کی کارکردگی کا جائزہ لینے کے لئے خود اختصانی کی بنیاد پر ایک مؤثر نظام وضع کیا گیا ہے۔ متعلقہ گروپ کمپنیز کے بورڈ آف ڈائریکٹرز نے مؤثر گورنس کو یقینی بنانے کے لیے قیمتی رہنمائی فراہم کرنا جاری رکھا۔

ڈائریکٹرز کی آرمینیشن اور ترقی پروگرام

متعلقہ گروپ کمپنیز کو، کارپوریٹ گورنس کے ضابطہ اخلاق کی ضروریات کا بخوبی ادراک ہے۔ ایسے ڈائریکٹرز جن کے پاس مطلوبہ تجربہ اور قابلیت موجود ہے، انہیں ڈائریکٹرز ٹریننگ پروگرام سے استثنیٰ حاصل ہے۔ مزید برآں، نئے ڈائریکٹرز کے لیے تفصیلی آرمینیشن کا مناسب انتظام کیا جاتا ہے تاکہ وہ اپنی ذمہ داریوں اور فرائض سے بخوبی واقف ہو سکیں۔ ایک باضابطہ فیڈبک آرمینیشن پروگرام میں دیگر امور کے ساتھ ساتھ کمپنی کے وژن اور حکمت عملی، کمپنی کی بنیادی صلاحیتوں، تنظیمی ڈھانچے، کمپنیز ایکٹ 2017 کے تحت ڈائریکٹرز کے ذمہ داریوں اور پاکستان میں لاگو دیگر ریگولیٹری قوانین کے بارے میں بریفنگ شامل ہوتی ہے۔

ٹن ریکارڈ کی گئی، جبکہ پچھلے سال یہ پیداوار 570 میٹرک ٹن تھی۔ ری سائیکلنگ پلانٹ نے مجموعی طور پر 38,773 میٹرک ٹن فیڈ اسٹاک پرائس کیا، جبکہ پچھلے سال یہ مقدار 56,537 میٹرک ٹن تھی۔

ذیلی کمپنی۔ مغل انرجی لمیٹڈ (MEL)

MEL اس وقت ایک 36.50 میگا واٹ کے کپڑے ہائڈرو پاور پلانٹ کی تنصیب کے مرحلے میں ہے، جو بجلی پیدا کرے گا اور اپنی ہولڈنگ کمپنی کو فراہم کرے گا۔ پاور پلانٹ کی ترقی میں، ہائڈرو پاور پلانٹ کے مرحلے کی تکمیل کی صورت میں، ایک اہم سبب میل حاصل کر لیا گیا۔ برقیاتی (electrical) کاموں کا آغاز کیا جانے سے پہلے، یہ مرحلہ ایسے منصوبوں میں نہایت اہمیت رکھتا ہے، کیونکہ اس کا مقصد پائپ لائنز، بوئنگرز، اور متعلقہ نظامات کی مکمل مکمل مضبوطی اور باؤ برداشت کرنے کی صلاحیت کو جانچنا ہوتا ہے۔ منصوبہ اب اپنے آخری مراحل میں داخل ہو چکا ہے۔

کاروباری کارکردگی کا سیکمینٹل جائزہ

سیکمینٹل جائزہ سے متعلق مالیاتی معلومات متعلقہ اور ڈائریکٹرز کی رپورٹ میں دے دی گئی ہیں، اور ان کی تفصیلات اجتماعی مالیاتی گوشوارہ جات کے متعلقہ نوٹس میں بھی فراہم کر دی گئی ہیں۔

بعد ازاں واقعات / اہم تبدیلیاں

سوائے اس کے کہ اگر کہیں اور بیان کیا گیا ہو، مالیاتی گوشوارہ جات (انفرادی و اجتماعی) سے متعلق مالی سال کے اختتام سے لیکر اس رپورٹ کی تاریخ تک، ہولڈنگ کمپنی یا اس کی ذیلی کمپنی سے متعلقہ کوئی اہم تبدیلیاں یا معاہدے انجام پذیر نہیں ہوئے۔

ڈیویڈنڈ اور تصرفات

ہولڈنگ کمپنی منافع کی تقسیم کے حوالے سے ایک مستقل آپروچ قائم رکھنے کے حوالے سے پرعزم رہتی ہے۔ ڈیویڈنڈ کی تقسیم کے فیصلے کاروباری ضروریات، ترقی کے مواقع اور اسٹریٹجک عوامل کو مد نظر رکھتے ہوئے نہایت احتیاط سے کیے جاتے ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 19 ستمبر 2025 کو منعقد ہونے والے اجلاس میں توسیع منصوبوں، مستقبل کی کیش فلوز اور ورکنگ کپٹل کی ضروریات کو مد نظر رکھتے ہوئے، کسی بھی حتمی نقد ڈیویڈنڈ کی سفارش نہیں کی گئی ہے۔ چونکہ مغل انرجی لمیٹڈ ابھی اپنے آغاز سے پہلے کے مراحل سے گزر رہی ہے، لہذا کسی ڈیویڈنڈ کا اعلان نہیں کیا گیا اور نہ ہی کوئی اور تصرفات کیے گئے ہیں۔

سال کے دوران کاروباری ترقی اور کارکردگی

ہولڈنگ کمپنی اور اس کی ذیلی کمپنی کے کاروباری کارکردگی اور ترقی سے متعلق تفصیلات ڈائریکٹرز کی رپورٹ کے متعلقہ حصوں میں فراہم کر دی گئی ہیں۔

کاروباری نوعیت میں تبدیلیاں

سال کے دوران ہولڈنگ کمپنی یا اس کی ذیلی کمپنی کے کاروباری نوعیت میں کوئی تبدیلی نہیں آئی، اور نہ ہی کمپنی یا اس کی ذیلی کمپنی دوسری کمپنیوں میں دلچسپی رکھتی تھیں، سوائے اس کے جو بیان کر دی گئی ہو۔

مستقبل کا منظر نامہ، مین ٹریڈ اور عوامل جو کہ ہولڈنگ کمپنی اور اس کی ذیلی کمپنی کی مستقبل کی ترقی، کارکردگی اور کاروباری پوزیشن کو متاثر کر سکتے ہیں۔

ثبث معاشی رفتار نے صنعتی سرگرمیوں کے لیے ایک حوصلہ افزا ماحول پیدا کیا ہے، جسے بہتر کاروباری اعتماد اور مثبت مستقبل پالیسی آؤٹ لک کی حمایت حاصل ہے۔ آئندہ دنوں میں ہولڈنگ کمپنی کی ترقی اور منافع بخشی کا انحصار بیرونی عوامل پر رہے گا، جیسے کہ معاشی استحکام، بین الاقوامی اجناس کی قیمتیں، امن و امان کی صورتحال اور حکومتی پالیسیوں میں تسلسل۔

پاکستان میں اسٹیل کی بنیادی طلب جو مستقل رہائشی قلت، نوجوان اور بڑھتی ہوئی آبادی، اور دیہی تعمیراتی سرگرمیوں کے تسلسل سے تقویت پاتی ہے ساختی طور پر مضبوط ہے۔ اس کے علاوہ، مالی سال 2025 کے لیے وفاقی اور پنجاب صوبائی پبلک سیکٹر ڈویلپمنٹ پروگرامز (PSDPs) کے تحت کیے گئے نمایاں اخراجات کی بنا پر تعمیرات اور بنیادی ڈھانچے کی سرگرمیوں میں اضافے کی توقع ہے، جس سے طویل اسٹیل مصنوعات کی مانگ کو مزید سہارا ملے گا۔ اسی تناظر میں، ہولڈنگ کمپنی منصوبہ رکھتی ہے کہ وہ فیرس سیکمنٹ میں اپنی موجودگی کو اسٹریٹجک طور پر بڑھائے گی، جس میں ریمارز اور گڈ رز کی پیداوار اور فروخت میں اضافہ اور بارل کی BMR کی تکمیل پر T-آئرن کی تجارتی پیداوار کا آغاز شامل ہے۔ ان اقدامات کو تقویت مغل انرجی لمیٹڈ کے تحت لگائے جا رہے 36.50 میگا واٹ کے کپڑے ہائڈرو پاور پلانٹ کے ذریعے حاصل ہوگی، جس کی بنا پر آپریشنل کارکردگی میں بہتری اور توانائی کے اخراجات میں کمی آنے کی توقع ہے۔

دوسری جانب، نان فیرس سیکمنٹ میں ہولڈنگ کمپنی، اسٹریٹجک فوکس کم ہونے کی بنا پر محدود حجم توقع کرتی ہے۔

منافع میں مضبوطی متوقع ہے، جس کی وجہ فیرس کی پیداوار میں اضافہ، ذاتی بجلی پیدا کرنے سے توانائی کے اخراجات میں بچت، اور سود کی شرحوں میں کمی کے امکانات ہیں۔ ہولڈنگ کمپنی مسلسل آپریشنل بہتری، وسائل کے مؤثر استعمال، اور شیفٹر ہولڈرز کی قدر کو زیادہ سے زیادہ کرنے کے لیے پرعزم ہے۔

بورڈ کی ترکیب

ہولڈنگ کمپنی کے بورڈ آف ڈائریکٹرز کے حجم اور ترکیب کو اس طرح ترکیب کیا گیا ہے کہ اس میں ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز، بشمول خود مختار ڈائریکٹرز، کے درمیان توازن یقینی بنایا جاسکے، جو مطلوبہ مہارت، صلاحیت، علم اور تجربہ رکھتے ہوں، تاکہ بورڈ میں مجموعی طور پر، کمپنی کے آپریشنز کے تناظر سے متعلق بنیادی صلاحیتیں اور تنوع، بشمول صنفی تنوع، برقرار رہے۔

بورڈ میں مؤثر اور عمدہ فیصلہ سازی کو یقینی بنانے کے لیے مناسب تجربہ کار اور اہل پیشہ و افراد پر مشتمل ہے۔

مالی سال کے اختتام تک بورڈ کی ترکیب درج ذیل تھی:

ڈائریکٹرز کی کل تعداد

(a) مرد 8

(b) خاتون 1

ترکیب:

3* خود مختار ڈائریکٹرز

3 نان ایگزیکٹو ڈائریکٹرز

3 ایگزیکٹو ڈائریکٹرز

* خود مختار ڈائریکٹرز میں دوسرے ایک خاتون شامل ہیں۔

اجتماعی کاروباری، مالیاتی اور آپریشنل جائزہ

30 جون 2025 کو ختم ہونے والے سال کیلئے اجتماعی مالیاتی جھلکیاں مندرجہ ذیل ہیں:

30 جون کو ختم ہونے والا سال		
2024	2025	
روپے (ملین میں) (اجتماعی)		
104,820.678	102,279.112	مجموعی فروخت
7,671.388	8,092.063	مجموعی منافع
1,907.519	852.225	سالانہ منافع
1,907.570	854.214	ہولڈنگ کمپنی کے ایکویٹی ہولڈرز میں قابل تقسیم منافع کا حصہ
5.68	2.50	فی شخص آمدنی - ہیک اینڈ ڈائی لیونڈ (روپے میں)

تمام مجموعی فروخت اور منافع ہولڈنگ کمپنی کے فیس اور نان فیس سیگمنٹ سے متعلقہ تھا۔ اجتماعی ایسٹ بیس (Asset Base) میں 2,570.471 ملین روپے کا اضافہ دیکھا گیا۔ نتیجتاً 30 جون 2025 کو کمپنی کی نیٹ ورثہ (Net Worth) 28,924.067 ملین روپے رہی، جس میں سے 28,602.963 ملین روپے ہولڈنگ کمپنی کے ایکویٹی ہولڈرز کیلئے مختص تھے، جبکہ 321.104 ملین روپے نان کنٹرولنگ انٹرسٹ کیلئے مختص تھے۔

فیس سیگمنٹ میں مجموعی حجم میں اضافہ دیکھنے کو ملا۔ نان فیس سیگمنٹ میں مجموعی حجم میں کمی واقع ہوئی، چاہے وہ برآمدات ہوں یا مقامی فروخت۔ اس کی بنیادی وجہ فیس کے حجم کو بڑھانے پر توجہ مرکوز کرنا اور نان فیس آپریشنز میں کمی تھی، جو آپریشنل اور ریگولیٹری رکاوٹوں کی وجہ سے ہوئی۔ دونوں سیگمنٹس میں مجموعی مارجن کیلئے بہتری دیکھی گئی۔ توانائی کے سیگمنٹ میں، چونکہ ڈیلی کپنی نے ابھی تک تجارتی آپریشنز کا آغاز نہیں کیا، اس لیے اس نے سال کے دوران معمولی نقصان رپورٹ کیا، جو بنیادی طور پر تنخواہوں، فیس اور سبسکریپشنز، اور دیگر معمول کے اخراجات کی وجہ سے تھا۔ تاہم، کمزور آپریشنز کے آغاز کے بعد منافع بخش نتائج کی توقع ہے۔

انفرادی کاروباری، مالیاتی اور آپریشنل جائزہ

30 جون 2025 کو ختم ہونے والے سال کیلئے انفرادی مالیاتی جھلکیاں مندرجہ ذیل ہیں:

30 جون کو ختم ہونے والا سال		
2024	2025	
روپے (ملین میں) (انفرادی)		
105,554.327	102,791.772	مجموعی فروخت
7,717.627	8,137.973	مجموعی منافع
1,999.889	965.518	سالانہ منافع
5.96	2.83	فی شخص آمدنی - ہیک اینڈ ڈائی لیونڈ (روپے میں)

انفرادی بنیاد پر، ہولڈنگ کمپنی نے پچھلے سال 105,554.327 ملین روپے کے مقابلے میں، اس سال 102,791.772 ملین روپے کی مجموعی فروخت ریکارڈ کی۔ انفرادی منافع، پچھلے سال 1,999.889 ملین روپے کے مقابلے میں، اس سال 965.518 ملین روپے رہا۔ تاہم، ٹیکسیشن سے پہلے کا منافع 1,357.267 ملین روپے رہا، جس میں پچھلے سال کے مقابلے میں تقریباً 119.33 فیصد اضافہ دیکھا گیا۔ فیس سیگمنٹ کی کل بیرونی فروخت میں 6.40 فیصد اضافہ ہوا، جبکہ نان فیس سیگمنٹ کی فروخت میں پچھلے سال کے مقابلے میں 34.24 فیصد کمی دیکھنے کو ملی۔ دونوں سیگمنٹس کی ٹاپ لائن میں یہ فرق حجم میں تبدیلی کی وجہ سے تھا۔ دونوں فیس اور نان فیس سیگمنٹس کے منافع کے مارجن میں بہتری دیکھنے کو ملی۔ سیلز اور مارکیٹنگ کے اخراجات اور انتظامی اخراجات میں کوئی خاص اضافہ نہیں ہوا۔ مالیاتی اخراجات میں کمی بنیادی طور پر پالیسی ریٹ میں کمی کی وجہ سے ہوئی۔

طویل المدت قرضے بنیادی طور پر غیر محفوظ طویل المدت قرضے کی نمائندگی کرتے ہیں جس کی رقم 2,500.000 ملین روپے ہے، جو غل انرجی لمیٹڈ کو جاری کیا گیا اور جس کی منظوری ہولڈنگ کمپنی کے مہران نے خصوصی قرارداد کے ذریعے اپنی میٹنگ مورخہ 20 جون 2025 میں دی۔ تحریری معاہدے کے مطابق قرض کی مدت 6 سال ہے جس میں 1.5 سال کی رعایتی مدت شامل ہے، جو اس کے منصوبے کی مالی ضروریات کو پورا کرنے کے لیے فراہم کیا گیا تھا۔ اس پر، سہ ماہی بنیادوں پر 2.25+3MK فیصد مارک اپ لاگو ہوتا ہے، جو کہ کمپنی کی بورنگ کوسٹ سے زیادہ ہے۔

مجموعی طور پر اینونٹریز میں کمی واقع ہوئی، جو مٹرا اینونٹری مینجمنٹ اور نان فیس اینونٹری میں کمی کی وجہ سے ممکن ہوئی۔ تجارتی قرضے مقامی فیس آپریشنز میں اضافے کے باعث بڑھے، تاہم کوئی بھی بیلنس ناقابل وصول تصور نہیں کیا گیا۔ قرضے اور ایڈوانسز میں کمی آئی کیونکہ غل انرجی لمیٹڈ کو دی گیا قرض بروقت واپس وصول کر لیا گیا۔ حکومت سے وصولی میں اضافہ ہوا، جو کہ فیس آپریشنز سے متعلق ایڈوانس ٹیکسیز میں اضافے کے سبب ہوا۔ اس عرصے کے دوران کئی سکوک (Sukuk) جاری کیے گئے اور ان کی مدت مکمل ہونے پر بروقت ادائیگی بھی کی گئی، جن سے حاصل شدہ رقم کمپنی کی ورکنگ کپٹل کی ضروریات کو پورا کرنے کے لیے استعمال کی گئی۔ تجارتی اور دیگر ادائیگیوں میں اضافہ ہوا، جو کہ خام مال کے لیے غیر ملکی سپلائرز کی واجب الادا رقم میں اضافے کی وجہ سے ہے۔

نیٹ ایسٹ بیس (Net Asset Base) میں 2,683.764 ملین روپے کا اضافہ دیکھا گیا۔ نتیجتاً 30 جون 2025 کو کمپنی کی نیٹ ورثہ (Net Worth) 28,819.255 ملین روپے رہی، جو کہ 30 جون 2024 کو 26,135.491 ملین روپے تھی۔

ہولڈنگ کمپنی مسلسل کیش فلو کی نگرانی کرتی ہے تاکہ مجموعی لیویڈیٹی کو یقینی بنایا جاسکے اور اپنے آپریٹنگ کیش فلو کو اس طرح منظم کرتی ہے کہ سخت کریڈٹ کنٹرول، بہتر وصولیاں اور اسٹاک کا انتظام یقینی بنایا جائے۔ تمام ہنگامی صورتحال اور وعدے مالی بیانات کے متعلق نوٹس میں تفصیل سے ظاہر کیے گئے ہیں۔

فیس سیگمنٹ میں، بھٹیوں کی مجموعی پیداوار 300,640 میٹرک ٹن رہی، جس میں پچھلے سال کے مقابلے میں 7.32 فیصد اضافہ دیکھا گیا۔ رولنگ ملز کی مجموعی پیداوار 305,488 میٹرک ٹن ریکارڈ کی گئی، جس میں پچھلے سال کے مقابلے میں 24.38 فیصد اضافہ دیکھا گیا۔ تانبے کے انگوٹھ گھلانے کی مجموعی پیداوار 97.5 میٹرک

شیئر ہولڈرز کے لئے ڈائریکٹرز کی رپورٹ

مغل آئرن اینڈ اسٹیل انڈسٹریز لمیٹڈ (ہولڈنگ کمپنی) کے ڈائریکٹرز باخوشی 30 جون 2025 کو اختتام پذیر ہونے والے مالی سال کیلئے سالانہ رپورٹ جمعہ کمپنی کے آڈٹ شدہ مالیاتی گوشوارہ جات پیش کرتے ہیں۔

یہ ڈائریکٹرز رپورٹ، کمپنیز ایکٹ، 2017 کی شق 227-226 اور دیگر متعلقہ دفعات کے تحت تیار کی گئی ہے، جس میں انفرادی اور اجتماعی دونوں مالیاتی گوشوارہ جات سے متعلق معلومات شامل ہیں۔

گروپ کا ڈھانچہ

گروپ رجسٹریشن کی اجازت، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے 15 دسمبر 2023 کو دی گئی تھی۔ اسی مناسبت سے، کمپنی نے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS Standards) اور کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق انفرادی مالیاتی گوشوارہ جات کے ساتھ اجتماعی مالیاتی گوشوارہ جات کو بھی منسلک کیا ہے۔ گروپ کی ترتیب درج ذیل ہے:

ہولڈنگ کمپنی:

مغل آئرن اینڈ اسٹیل انڈسٹریز لمیٹڈ

ذیلی کمپنی:

مغل انرجی لمیٹڈ

مغل انرجی لمیٹڈ پاکستان میں بطور پبلک لمیٹڈ کمپنی 19 اگست 2012 کو کمپنیز آرڈیننس 1984 (جو اب کمپنیز ایکٹ 2017 ہے) کے تحت وجود پذیر ہوئی۔ اس کا رجسٹرڈ دفتر 31-اے، شادمان 1، لاہور میں واقع ہے۔ کمپنی 30 نومبر 2023 کو ہولڈنگ کمپنی نے ایکویزیشن کیا۔ یہ ایکویزیشن، اس حکمت عملی کے تحت کی گئی تھی تاکہ مغل انرجی لمیٹڈ میں لگائے جا رہے 36.50 میگا واٹ کے کپھو ہائبرڈ پاور پلانٹ پراجیکٹ جس سے ہولڈنگ کمپنی کو بجلی فراہم کی جانی ہے، کو جلد از جلد مکمل کیا جاسکے، جس سے نہ صرف سستی بجلی، ڈیوڈنڈ اور کپیکلٹ گین کی صورت میں فائدہ ہوگا بلکہ یہ ہولڈنگ کمپنی کو سستی اور بلا تعطل بجلی کی فراہمی کی بنا پر اپنے حریفوں کے بیچ میں ایک بے انتہا فائدہ مند پوزیشن پر پولیس کر دے گا۔

30 جون 2025 کو مغل انرجی لمیٹڈ کا عام حصص سرمایہ 194.103 ملین عام حصص پر مشتمل تھا، جس میں سے ہولڈنگ کمپنی کے پاس 174.692 ملین عام حصص تھے، جو کہ عام حصص کا 90 فیصد بنتا ہے اور یہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے GEM بورڈ پر لسٹڈ ہیں۔ اس کے علاوہ، 30 جون 2025 کو مغل انرجی لمیٹڈ کا کلاس-بی حصص سرمایہ 22.570 ملین کلاس-بی حصص پر مشتمل تھا، جو مکمل طور پر (100 فیصد) ہولڈنگ کمپنی کے پاس تھا اور یہ حصص غیر درج شدہ (unquoted) ہیں۔ نتیجتاً 30 جون 2025 کو ہولڈنگ کمپنی کے پاس مغل انرجی لمیٹڈ میں 91.04 فیصد ملکیتی حصہ داری اور 95.38 فیصد ووٹنگ پاور موجود تھی۔

بنیادی سرگرمی

گروپ کی سرگرمیاں فیرس، نان فیرس اور توانائی کے کاروبار کے شعبوں پر مشتمل ہیں۔ فیرس اور نان فیرس برنس سیگمنٹس ہولڈنگ کمپنی کی سرگرمیوں سے متعلق ہیں جبکہ توانائی کے کاروبار کا شعبہ ذیلی کمپنی کی سرگرمیوں سے متعلق ہے۔

ہولڈنگ کمپنی کی بنیادی سرگرمی لوہے کے شعبے سے متعلق نرم اسٹیل کی مصنوعات کی تیاری اور فروخت ہے، جبکہ ذیلی کمپنی کی بنیادی سرگرمی بجلی اور دیگر تمام اقسام کی توانائی کی پیداوار، خریداری، درآمد، تقسیم، ترسیل، برآمد اور اس سے متعلق مصنوعات یا خدمات کا کاروبار ہے۔

پاکستان کی معیشت کا جائزہ

مالی سال 2025 کے دوران، پاکستان کی معیشت میں محتاط optimism کے آثار دیکھنے میں آئے۔ معاشی بحالی میں زری شعبے کا حصہ نمایاں رہا۔ صنعتی شعبے نے بتدریج بحالی کا مظاہرہ کیا، جبکہ خدمات کا شعبہ بدلتی ہوئی طلب کی ہرکیات کے دوران استحکام کا حامل رہا۔ کرنٹ اکاؤنٹ میں درآمدات پر قابو اور بہتر ترسیلات زر کی بنا پر پہلے نو ماہ کے دوران سرپلس رہا۔ غیر ملکی زرمبادلہ کے ذخائر مزید مستحکم ہوئے، جس کی بنیادی وجہ آئی ایم ایف کی جانب سے فراہم کردہ توسیعی فنڈ سہولت (Extended Fund Facility IMF) کی مدد میں زر مبادلہ کی آمد تھی۔ ریونیو کی وصولی اور اخراجات پر کنٹرول کے تسلسل کی بنا پر مالیاتی اشاریے نسبتاً بہتر ہوئے، جس کا نتیجہ مستقل پرائمری سرپلس کی صورت میں نکلا۔ شرح تبادلہ عمومی طور پر مستحکم رہا۔ اور مہنگائی کے دباؤ میں معمولی کمی دیکھنے میں آئی۔ تاہم، اس پیش رفت کے باوجود، بنیادی ساختی چیلنجز برقرار رہے، جن میں توانائی کی بلند لاگت، بلند شرح سود، نجی سرمایہ کاری میں سست روی اور اہم شعبوں پر انتظامی پابندیاں شامل ہیں، جو وسیع پیمانے پر بحالی کی رفتار پر اثر ڈالتے ہیں۔

اسٹیل کی صنعت کا جائزہ

مالی سال 2025 کے دوران، پاکستان کی لاٹک رولڈ اسٹیل انڈسٹری نے پیک کا مظاہرہ کیا، جس کی بنیاد 4 سے 5 ملین ٹن سالانہ کی مستحکم قدرتی طلب پر ہے۔ یہ بنیادی طلب ملک میں مستقل رہائشی قلت سے جنم لیتی ہے، جو زیادہ تر نوجوان آبادی کے دباؤ اور اس کے نتیجے میں شادیوں اور گھریلو یونٹس کی تشکیل کی بلند شرح سے پیدا ہوتی ہے۔ یہ رجحانات چھوٹے اور درمیانے درجے کے تعمیراتی منصوبوں کو کمرے، چھتیں، فلیٹ اور مکان کو فروغ دیتے رہتے ہیں۔ دیہی علاقوں میں زری شعبہ بھی نمایاں کردار ادا کرتا ہے، کیونکہ کسان اپنی فصل کی آمدنی روایتی طور پر اسٹیل سے بنی چھتوں اور رہائشی و زری ڈھانچوں جیسے شیڈز اور مویشیوں کے لیے گوداموں میں لگاتے ہیں۔ ریلل اسٹیل اور سرمایہ کاروں پر مبنی تعمیرات میں نمایاں سست روی کے باوجود، یہ قدرتی طلب برقرار رہی ہے۔ مزید یہ کہ وفاقی اور پنجاب حکومتوں نے مالی سال 2025 کے بجٹ میں پبلک سیکٹر ڈیولپمنٹ پروگرامز (PSDP) کے لیے خاطر خواہ فنڈ مختص کیے ہیں، جو آنے والے مالی سال میں انفراسٹرکچر سے متعلق اسٹیل کی طلب کو بڑھانے میں اہم کردار ادا کریں گے۔

تانبے کی صنعت کا جائزہ

عالمی تانبے (کاپر) کی صنعت کو مالی سال 2025 میں نمایاں مشکلات کا سامنا کرنا پڑا، جس کی بڑی وجہ بڑھتی ہوئی جغرافیائی اور ضابطہ جاتی تبدیلیاں تھیں۔ امریکا اور چین کے درمیان محصولات کے تنازعے میں دوبارہ شدت آئی۔ چین نے درآمدی شرائط سخت کر دیں اور اپنے ذرائع کو متنوع بنانا شروع کیا۔ اسی دوران یورپی یونین نے ہیل کنڈنشن میں کی گئی ترمیمات پر سختی سے عمل درآمد شروع کیا، جس کے تحت برقی فضلے (electrical waste) کی برآمدات پر پابندی لگ گئی۔ اس اقدام نے بالخصوص ایشیا کے لیے عالمی اسکرپ تانبے کی فراہمی کو مزید مشکل بنا دیا۔ پاکستان میں بھی عالیہ ریگولیٹری تبدیلیوں کے تحت ایکسپورٹ فیسلٹیٹیشن اسکیم (EFS) کے قوانین میں ترمیم کی گئی، جس کا اثر تانبے کی ایکسپورٹ پر پڑا۔

چیف ایگزیکٹو آفیسر کا تبصرہ

مالی سال 2025 پاکستان کی مائیکرو اکنامک منظر نامہ کیلئے ایک نوٹیل لیکن محتاط ٹرنگ پوائنٹ رہا۔ اگرچہ معاشی اشاریوں میں بحالی کے آثار دیکھنے میں آئے، جیسے کہ زرمبادلہ کے ذخائر کا استحکام، مہنگائی میں کمی اور شرح سود میں نرمی، لیکن اس کے صنعتی اثرات محدود رہے۔ درآمدات پر انتظامی پابندیاں، کرنسی پر دباؤ اور پالیسی سے متعلق غیر یقینی صورتحال نے کاروباری روائی کو متاثر کیا۔ سب سے بڑھ کر یہ کہ اعتماد میں بہتری کے باوجود یہ تاثر عملی طلب میں تبدیلی نہ ہو سکا، خاص طور پر تعمیرات اور بنیادی ڈھانچے جیسے شعبوں میں، جہاں مالی سال 2025 کے بیشتر حصے میں سرگرمیاں سست روی کا شکار رہیں۔

ان تمام مشکلات کے باوجود آپ کی کمپنی اپنی حکمت عملی، عملی نظم و ضبط اور طویل مدتی وژن پر مضبوطی سے قائم رہی۔ ہم اپنی پچھلے سالوں میں قائم کردہ قابلیت اور طاقت کی بنا پر حالات میں اتار چڑھاؤ کا سامنا کرنے میں ثابت قدم رہے اور اسی لئے ان حالات میں بھی مغل اسٹیل نے لپک، مطابقت اور حکمت عملی پر توجہ دینے کی شاندار مثال پیش کی۔

اس سال بھی، اپنی حکمت عملی کی تعمیل میں بورڈ نے موجودہ بارری رولنگ مل کی (BMR) کی منظوری دی، تاکہ اسے مستقبل کی مصنوعات کی طلب، خاص طور پر پٹی آئرن اور دیگر چھوٹے سیکشنز، کو پورا کرنے کے قابل بنایا جاسکے۔ اس تبدیلی سے ہمیں ریٹیل اور نیم شہری تعمیراتی منصوبوں کو زیادہ مؤثر طریقے سے خدمات فراہم کرنے، ضیاع کو کم کرنے اور موجودہ استعداد کے اندر زیادہ سے زیادہ پیداوار حاصل کرنے میں مدد ملے گی۔

اس سال بھی، ہم نے مغل انرجی لمیٹڈ میں اپنی حکمت عملی پر مبنی سرمایہ کاری کو بھی مزید آگے بڑھایا، جو توانائی کی طویل مدتی خود کفالت اور لاگت پر قابو پانے کے ہمارے عزم کو اجاگر کرتا ہے۔ ایسے ماحول میں جہاں توانائی کا تحفظ مسابقت کے لیے نہایت اہمیت اختیار کر چکا ہے، یہ اقدام مغل اسٹیل کو ایک قدم آگے لے جاتا ہے۔

آخر میں، میں اپنے ملازمین، کاروباری شراکت داروں اور ممبران کا ان کے تعاون کے لیے شکریہ ادا کرنا چاہتا ہوں۔ 2026 میں، ہم اپنی کارکردگی کو مزید بہتر بنانے کے لیے کام جاری رکھیں گے۔ مجھے یقین ہے کہ پوری مغل اسٹیل ٹیم مل کر کمپنی کو مزید مضبوط بنانے کے لیے کام کرے گی۔

اس سال بھی، اپنی حکمت عملی کی تعمیل میں بورڈ نے موجودہ بارری رولنگ مل کی (BMR) کی منظوری دی، تاکہ اسے مستقبل کی مصنوعات کی طلب، خاص طور پر پٹی آئرن اور دیگر چھوٹے سیکشنز، کو پورا کرنے کے قابل بنایا جاسکے۔ اس تبدیلی سے ہمیں ریٹیل اور نیم شہری تعمیراتی منصوبوں کو زیادہ مؤثر طریقے سے خدمات فراہم کرنے، ضیاع کو کم کرنے اور موجودہ استعداد کے اندر زیادہ سے زیادہ پیداوار حاصل کرنے میں مدد ملے گی۔

اسی کے ساتھ، ہم نے مغل انرجی لمیٹڈ میں اپنی حکمت عملی پر مبنی سرمایہ کاری کو بھی مزید آگے بڑھایا، جو توانائی کی طویل مدتی خود کفالت اور لاگت پر قابو پانے کے ہمارے عزم کو اجاگر کرتا ہے۔ ایسے ماحول میں جہاں توانائی کا تحفظ مسابقت کے لیے نہایت اہمیت اختیار کر چکا ہے، یہ اقدام مغل اسٹیل کو ایک قدم آگے لے جاتا ہے۔



خرم جاوید

چیف ایگزیکٹو آفیسر ایڈزیکٹر

لاہور: 19 ستمبر 2025

چیئر مین کی جائزہ رپورٹ

میں یہ رپورٹ کرتے ہوئے فخر محسوس کرتا ہوں کہ بورڈ نے پورے سال تسلی بخش کارکردگی اور غیر متزلزل عزم کا مظاہرہ کیا۔ دورانہدیشی کے ساتھ بورڈ نے کمپنی کو ایک متحرک ماحول میں کامیابی سے آگے بڑھایا اور جدت و قدر کی تخلیق میں نمایاں معیار قائم کیے۔

کمپنی کا بورڈ آف ڈائریکٹرز متنوع اور اہل ہے اور کمپنی کے وژن اور مشن کا پابند ہے، جس کا حتمی مقصد اسٹیک ہولڈرز کے مفادات کی خدمت کرنا ہے۔ بورڈ کا مقصد یہ یقینی بنانا ہے کہ ادارے کو ایسے موثر طریقے سے منبج کیا جائے کہ وہ اپنے مقاصد حاصل کر سکے اور ساتھ ہی ادارے کی سالمیت اور اسٹیک ہولڈرز کے مفادات کی حفاظت بھی ہو پائے۔

مجموعی طور پر، بورڈ نے اپنے تنظیمی ڈھانچے اور ساخت کی بنا پر اچھے طریقے سے کام کیا۔ بورڈ کے اراکین کے پاس نہ صرف مہارت، علم اور تجربے کی مناسب صلاحیت موجود ہے، بلکہ کاروبار کو مناسب طریقے سے گورن کرنے کیلئے درکار تنوع بھی موجود ہے۔ بورڈ کی کمیٹیاں بھی بورڈ کی نامزدگی کے مطابق مؤثر طریقے سے کام کرتی رہیں۔ بورڈ آف ڈائریکٹرز کے چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے علیحدہ ہیں اور ان کے کردار اور ذمہ داریوں کی واضح تقسیم ہے۔ چیئر مین بورڈ کے اجلاس کی قیادت کے ذمہ دار ہیں، جبکہ سی ای او ایک ایگزیکٹو ڈائریکٹر ہیں جو کمپنی کی انتظامیہ کی سربراہی بھی کرتے ہیں۔ انتظامیہ بنیادی طور پر بورڈ آف ڈائریکٹرز کی منظورشده حکمت عملیوں پر عمل درآمد کی ذمہ دار ہے اور کمپنی کے روزمرہ کاروباری امور کو بورڈ کے منظور شدہ اہداف اور حکمت عملیوں کے مطابق چلانے کی ذمہ دار ہے۔

کمپنی کے مقاصد کے حصول میں بورڈ کا کردار نہایت اہم رہا ہے۔ بورڈ نے بنیادی خطرات اور ان میں تخفیف کے عوامل کا باقاعدگی سے جائزہ لیا۔ مصنوعات اور مارکیٹ پورٹ فولیو کو متنوع بنانے، پیداواری صلاحیتوں میں اضافے، جدید ٹیکنالوجیز اور کم لاگت توانائی میں سرمایہ کاری کرنے اور پیداواری سطح کو برقرار رکھنے میں بورڈ کا کردار مؤثر رہا ہے۔

آخر میں، میں پچھلے سال کے دوران اپنی انتظامی ٹیم کو ان کی دانشمندانہ اور صاحب بصیرت قیادت کی بنیاد پر سراہتا ہوں جنہوں نے جب بھی کاروبار کو مختلف مشکلات کا سامنا ہوا تو ان مشکلات سے بچانے کیلئے چکدار رد عمل اور بہترین صلاحیت کا مظاہرہ کیا۔

مزید میں اپنے ملازمین کی کوششوں اور اسٹیک ہولڈرز کے ہم پراعتماد کا شکریہ ادا کرتا ہوں۔



مرزا جاوید اقبال

بورڈ کے چیئر مین

لاہور: 19 ستمبر 2025





03

FINANCIAL HIGHLIGHTS

- Horizontal Analysis
- Vertical Analysis
- Summary of Statement of Cash Flows
- Financial Ratios
- Graphical Analysis
- Distribution of Wealth
- Results Reported in Interim Financial Statements and Final Accounts

HORIZONTAL ANALYSIS

	2025 Rs. in '000'	25 Vs 24 %	2024 Rs. in '000'	24 vs 23 %	2023 Rs. in '000'	23 vs 22 %	2022 Rs. in '000'	22 vs 21 %	2021 Rs. in '000'	21 vs 20 %	2020 Rs. in '000'	20 vs 19 %	2019 Rs. in '000'
Statement of Financial Position													
Total equity	28,819,255	10.27	26,135,491	3.01	25,372,435	21.71	20,847,078	26.31	16,504,860	102.33	8,157,574	8.71	7,503,934
Total non-current liabilities	7,526,695	41.52	5,318,574	(32.40)	7,867,435	12.60	6,987,054	9.09	6,404,989	86.22	3,439,460	(9.04)	3,781,257
Total current liabilities	31,346,712	(16.68)	37,623,107	41.48	26,592,117	5.31	25,251,327	33.68	18,889,958	34.84	14,009,074	23.36	11,355,819
Total equity & liabilities	67,692,662	(2.00)	69,077,172	12	59,831,987	39.62	53,085,459	27.00	41,799,806	63.24	25,606,108	13.10	22,641,009
Total non-current assets	26,064,942	14.05	22,853,586	15.36	19,810,891	19.83	16,532,562	4.25	15,859,024	59.13	9,965,806	15.51	8,627,828
Total current assets	41,627,720	(9.94)	46,223,586	15.50	40,021,096	9.49	36,552,897	40.91	25,940,782	65.86	15,640,302	11.61	14,013,181
Total assets	67,692,662	(2.00)	69,077,172	31	59,831,987	29.32	53,085,459	27.00	41,799,806	63.24	25,606,108	13.10	22,641,009
Statement of Profit or Loss													
Sales-net	89,413,926	(3.21)	92,382,600	37.09	67,390,171	1.87	66,152,807	47.10	44,971,836	64.70	27,304,991	(11.43)	30,828,089
Cost of Sales	81,275,953	(4.00)	84,664,973	46.68	57,719,143	3.02	56,024,920	46.35	38,280,468	55.06	24,687,543	(10.68)	27,639,095
Gross profit	8,137,973	5.45	7,717,627	84	9,671,028	4.89	10,127,888	51.36	6,691,368	155.64	2,617,449	(17.92)	3,188,99
Sales and marketing expenses	(227,763)	9.88	(207,287)	33.62	(155,130)	(36.84)	(245,615)	(3.42)	(254,310)	76.74	(143,886)	(28.63)	(201,592)
Administrative expenses	(903,791)	5.33	(858,090)	25.80	(682,086)	(3.24)	(704,941)	31.06	(537,896)	32.15	(407,032)	10.95	(366,852)
Other charges	(149,314)	75.42	(85,117)	(75.95)	(353,845)	(33.63)	(533,108)	40.57	(379,246)	609.54	(53,450)	(56.72)	(123,487)
Allowance for ECL reversal/(charged)	22,559	(62.68)	(60,449)	(275.49)	34,445	2.89	33,476	(39.09)	54,959	1,537.15	3,357	1.42	3,310
Other income	200,632	(43.53)	355,292	9.64	324,057	51.87	213,381	219.31	66,825	13.67	58,788	95.97	29,999
	(1,057,677)	43.95	(734,753)	(18.49)	(901,449)	(30.86)	(1,303,759)	12.43	(1,159,586)	111.24	(548,936)	(17.48)	(665,242)
Profit before interest													
& taxation	7,080,296	1.40	6,982,874	(20.37)	8,769,579	(0.62)	8,824,129	59.52	5,531,782	167.43	2,068,513	(18.04)	2,523,752
Finance costs	(5,723,029)	(10.07)	(6,364,039)	43.88	(4,423,182)	68.69	(2,622,146)	91.36	(1,370,294)	(9.54)	(1,514,786)	92.64	(786,328)
Profit before Levies and taxation	1,357,267	119.33	618,835	(85.76)	4,346,397	(29.92)	6,201,983	49.03	4,161,488	651.54	553,727	(68.13)	1,737,423
Levies and taxation	(391,749)	(128.37)	1,381,053	(259.49)	(865,912)	9.47	(791,024)	8.01	(732,338)	(1,970.83)	39,145	(110.74)	(364,492)
Profit for the year	965,518	(51.72)	1,999,888	(42.54)	3,480,485	(35.68)	5,410,959	57.79	3,429,150	478.40	592,872	(56.82)	1,372,931

VERTICAL ANALYSIS

	2025		2024		2023		2022		2021		2020		2019
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'
Statement of financial position													
Total equity	28,819,255	42.57	26,135,491	37.84	25,372,435	42.41	20,847,078	39.27	16,504,860	39.49	8,157,574	31.86	7,503,934
Total non-current liabilities	7,526,695	11.12	5,318,574	7.70	7,867,435	13.15	6,987,054	13.16	6,404,989	15.32	3,439,460	13.43	3,781,257
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Total equity & liabilities	67,692,662	100.00	69,077,172	100.00	59,831,987	100.00	53,085,459	100.00	41,799,807	100.00	25,606,108	100.00	22,641,010
Total non-current assets	26,064,942	38.50	22,853,586	33.08	19,810,891	33.11	16,532,562	31.14	15,859,024	37.94	9,965,806	38.92	8,627,828
Total current assets	41,627,720	61.50	46,223,586	66.92	40,021,096	66.89	36,552,897	68.86	25,940,782	62.06	15,640,302	61.08	14,013,181
Total assets	67,692,662	100	69,077,172	100	59,831,987	100.00	53,085,459	100.00	41,799,806	100.00	25,606,108	100.00	22,641,009
Statement of Profit or Loss													
Sales-net	89,413,926	100.00	92,382,600	100.00	67,390,171	100.00	66,152,808	100.00	44,971,836	100.00	27,304,991	100.00	30,828,089
Cost of Sales	(8,275,953)	(90.90)	(84,664,973)	(91.65)	(57,719,143)	(85.65)	(56,024,920)	(84.69)	(38,280,468)	(85.12)	(24,687,543)	(90.41)	(27,639,095)
Gross profit	8,137,973	9.10	7,717,627	8.35	9,671,028	14.35	10,127,888	15.31	6,691,368	14.88	2,617,449	9.59	3,188,994
Sales and marketing expenses	(227,763)	(0.25)	(207,287)	(0.22)	(155,130)	(0.23)	(245,615)	(0.37)	(254,310)	(0.57)	(143,886)	(0.53)	(201,592)
Administrative expenses	(903,791)	(1.01)	(858,090)	(0.93)	(682,086)	(1.01)	(704,941)	(1.07)	(537,896)	(1.20)	(407,032)	(1.49)	(366,852)
Other charges	(149,314)	(0.17)	(85,117)	(0.09)	(353,845)	(0.53)	(533,108)	(0.81)	(379,246)	(0.84)	(53,450)	(0.20)	(123,487)
Allowance for ECL reversal/(charged)	22,559	0.03	60,449	0.07	(34,445)	(0.05)	(33,476)	(0.05)	(54,959)	(0.12)	(3,357)	(0.01)	(3,310)
Other income	200,632	0.22	355,292	0.38	324,057	0.48	213,381	0.32	66,825	0.15	58,788	0.22	29,999
	(1,057,677)	(1.18)	(734,753)	(0.80)	(901,449)	(1.34)	(1,303,759)	(1.97)	(1,159,586)	(2.58)	(548,936)	(2.01)	(665,242)
Profit before interest, levies	7,080,296	7.92	6,982,874	7.56	8,769,579	13.01	8,824,130	13.34	5,531,782	12.30	2,068,512	7.58	2,523,752
& taxation	7,080,296	7.92	6,982,874	7.56	8,769,579	13.01	8,824,130	13.34	5,531,782	12.30	2,068,512	7.58	2,523,752
Finance costs	(5,723,029)	(6.40)	(6,364,039)	(6.89)	(4,423,182)	(6.56)	(2,622,146)	(3.96)	(1,370,294)	(3.05)	(1,514,786)	(5.55)	(786,328)
Profit before Levies and taxation	1,357,267	1.52	618,835	0.67	4,346,397	6.45	6,201,984	9.38	4,161,488	9.25	553,727	2.03	1,737,424
Levies and taxation	(391,749)	(0.44)	1,381,053	1.49	(865,912)	(1.28)	(791,024)	(1.20)	(732,338)	(1.63)	39,145	0.14	(364,492)
Profit for the year	965,518	1.08	1,999,888	2.16	3,480,485	5.16	5,410,960	8.18	3,429,150	7.63	592,872	2.17	1,372,931

SUMMARY OF STATEMENT OF CASH FLOWS

	2025 Rs. in '000'	2024 Rs. in '000'	2023 Rs. in '000'	2022 Rs. in '000'	2021 Rs. in '000'	2020 Rs. in '000'	2019 Rs. in '000'
Cash flows generated from / (used in) operations	15,777,834	4,942,487	4,754,863	3,514,913	(3,770,313)	1,292,104	1,844,467
Net (increase) / decrease in long-term loans to employees	3,228	12,208	2,713	(12,089)	(8,260)	(1,373)	8,008
Net (increase) / decrease in long-term deposits	-	-	(2,563)	-	(100)	1,685	(585)
Net increase in security deposit payable	-	-	-	-	-	-	400
Defined benefits paid	(51,983)	(45,958)	(31,588)	(23,758)	(13,748)	(13,519)	(7,076)
Workers' profit participation fund paid	(42,187)	(282,106)	(389,453)	(223,496)	(30,466)	(73,986)	(46,140)
Workers' welfare fund paid	(14,174)	(88,702)	(228,256)	-	-	-	(25,075)
Taxes and levies paid	(1,781,431)	(1,215,787)	(880,704)	(776,564)	(595,002)	(885,451)	(196,005)
Net cash flows generated from / (used in) operating activities	13,891,286	3,322,142	3,225,012	2,479,007	(4,417,888)	319,460	1,577,994
Payments for acquisition of property, plant and equipment	(1,399,445)	(487,472)	(1,738,305)	(1,696,277)	(1,289,777)	(1,554,198)	(2,435,378)
Proceeds from / (payments for) investment in							
long-term debt instrument	49,970	20	(50,153)	-	-	-	-
Proceeds from disposal of tangible fixed assets	69,086	21,515	72,615	34,924	11,472	45,881	5,975
Net proceeds from sale of assets classified as held for sale	-	-	-	489,744	-	-	-
Profit received on investment in long-term debt instrument	7,607	11,760	-	-	-	-	-
Profit received on short-term deposit receipts	4,850	63,566	49,381	584	15,685	38,776	5,645
Proceeds from / (payments for) short-term							
loan to subsidiary company	770,772	(770,772)	-	-	-	-	-
Payments for acquisition of subsidiary company	-	(3,150,000)	-	-	-	-	-
Payments for long-term loan to subsidiary company	(2,500,000)	-	-	-	-	-	-
Payments for investment in short-term debt instrument	(167,249)	-	-	-	-	-	-
Profit received on investment in short-term debt instrument	1,741	-	-	-	-	-	-
Finance income received on short-term loan to subsidiary company	138,049	-	-	-	-	-	-
Net cash generated from / (used in) investing activities	(3,024,618)	(4,311,383)	(1,666,462)	(1,171,025)	(1,262,620)	(1,469,541)	(2,423,758)
Net (repayment) / proceeds from long-term financing	(1,455,077)	1,589,541	(341,094)	610,926	1,215,848	135,403	2,510,954
Finance cost paid	(6,186,209)	(5,837,683)	(3,859,933)	(2,493,734)	(1,679,267)	(1,480,422)	(566,504)
Net proceeds from deferred grant	-	-	-	-	44,981	-	-
Net (repayment) / proceeds from short-term borrowings	(4,937,432)	6,826,825	388,283	4,499,046	4,000,887	2,074,240	1,263,797
Net (repayment) / proceeds from short-term loans from Directors	-	(5,689)	(19,374)	21,869	-	-	-
Proceeds from issuance of ordinary shares	1,487,810	-	-	-	2,737,404	-	-
Transaction costs relating to issue of ordinary shares	(14,559)	-	-	-	(11,523)	-	-
Dividends paid	(172)	(1,072,118)	(969)	(1,005,527)	(752,453)	(301,270)	(551,160)
Net cash generated from / (used in) financing activities	(11,105,638)	1,500,875	(3,833,087)	1,632,580	5,555,877	427,951	2,657,087
Net increase / (decrease) in cash and cash equivalents	(238,970)	511,635	(2,274,537)	2,940,562	(124,632)	(722,130)	1,811,322
Cash and cash equivalents at the beginning of the year	3,397,556	2,885,127	5,163,452	2,216,929	2,340,364	3,062,494	1,251,171
Net foreign exchange difference	2,567	793	(3,787)	5,962	1,197	-	-
Cash and cash equivalents at the end of the year	3,161,153	3,397,555	2,885,128	5,163,452	2,216,929	2,340,364	3,062,494

FINANCIAL RATIOS

		2025	2024	2023	2022	2021	2020	2019
Profitability Ratios								
Gross profit ratio	%	9.10%	8.35%	14.35%	15.31%	14.88%	9.59%	10.34%
Net profit to sales ratio	%	1.08%	2.16%	5.16%	8.18%	7.63%	2.17%	4.45%
EBITDA margin to sales	%	8.56%	8.18%	13.69%	14.01%	12.95%	8.24%	8.68%
Return on equity	%	3.35%	7.65%	13.72%	25.96%	20.78%	7.27%	18.30%
Return on capital employed	%	19.48%	22.20%	26.38%	31.70%	24.15%	17.84%	22.36%

Liquidity Ratios								
Current ratio	Times	1.33	1.23	1.50	1.45	1.37	1.12	1.23
Quick / Acid test ratio	Times	0.83	0.54	0.64	0.54	0.59	0.54	0.74
Cash / current liabilities	Times	0.10	0.09	0.11	0.20	0.12	0.17	0.28

Activity / Turnover Ratios								
Inventory turnover ratio	Times	4.58	3.88	2.80	4.03	3.84	4.34	5.54
No. of days in Inventory	Days	80	94	130	90	95	84	66
Debtor turnover ratio	Times	6.87	9.20	9.07	12.22	12.09	9.95	13.50
No. of days in Receivables	Days	53	40	40	30	30	37	27
Creditor turnover ratio	Times	3.01	4.11	4.20	7.30	5.01	4.20	4.43
No. of days in payables	Days	121	89	87	50	73	87	82
Total Assets turnover ratio	Times	1.32	1.34	1.13	1.25	1.08	1.07	1.36
Fixed assets turnover ratio	Times	4.4	4.7	3.69	4.47	3.05	5.61	6.26

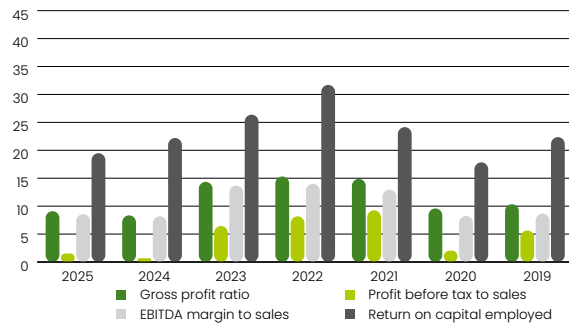
Investment / Market Ratios								
Earnings per share	Rs.	2.78	5.96	10.37	10.37	12.85	2.25	5.46
Price earnings ratio	Times	25.97	15.52	4.75	5.56	8.12	16.90	4.61
Cash dividend per share	Rs.	-	3.20	-	3.00	3.00	-	1.20
Stock dividend per share	%	-	-	-	-	15.00	-	-
Market value per share - close								
- Closing	Rs.	72.12	93.00	49.24	57.64	104.40	39.88	25.16
Break up value per share	Rs.	78.17	77.87	75.61	62.11	56.55	32.42	29.82

Capital structure ratios								
Financial leverage ratio	Times	0.97	1.32	1.02	1.24	1.26	1.85	1.78
Weighted average cost of debt	%	18.3%	21.0%	17.0%	11.22%	8.55%	12.31%	9.34%
Long term debt to equity ratio	Times	0.18	0.25	0.20	0.25	0.28	0.41	0.11
Interest cover ratio	Times	1.24	1.10	1.96	3.34	3.58	1.11	2.57

GRAPHICAL ANALYSIS

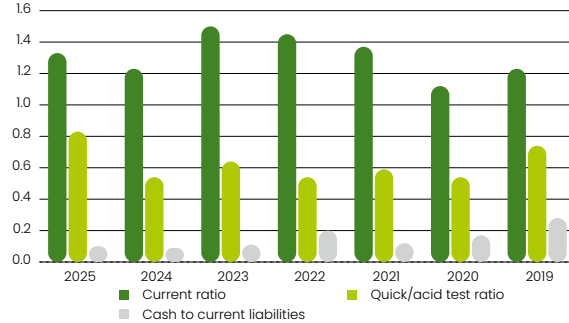
Profitability Ratios

Percentage



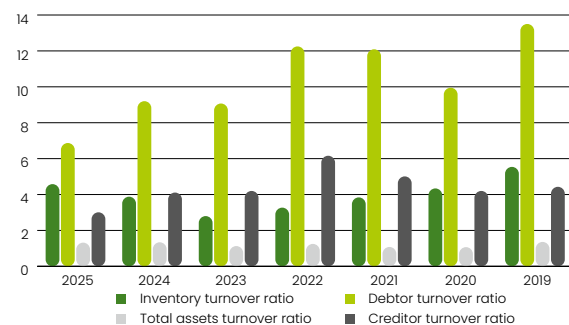
Liquidity Ratios

Times



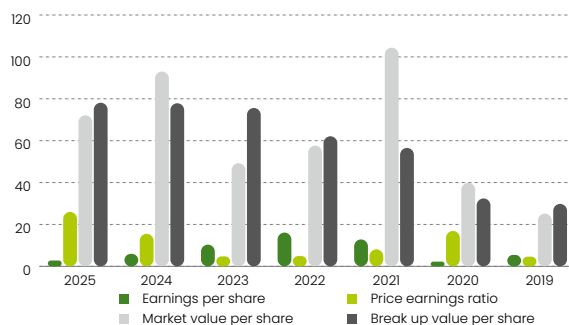
Turnover Ratios

Time



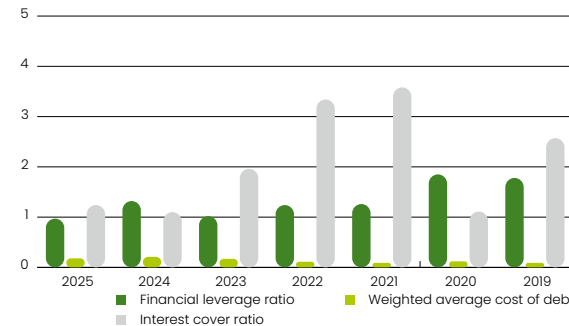
Market Ratios

Rupees / Times



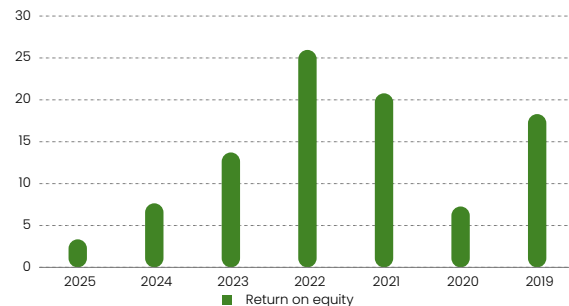
Capital Structure Ratio

Times / Percent



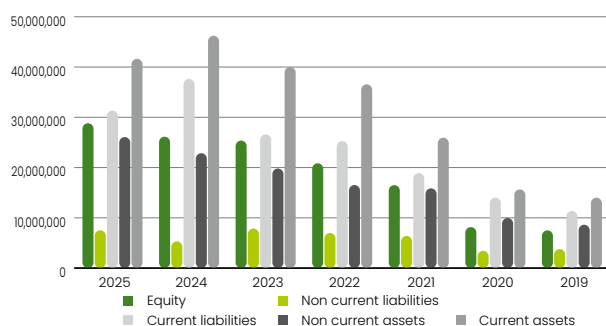
Return on Equity

Percentage



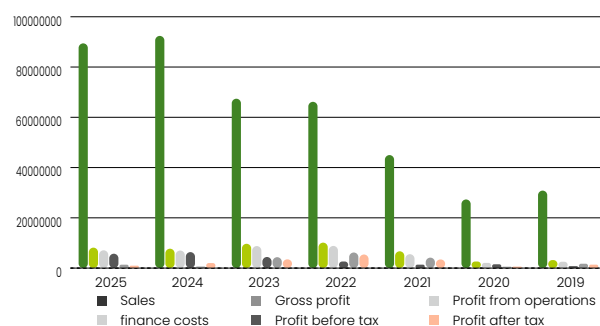
Horizontal Analysis - Statement of Financial Position

Rupees in thousands



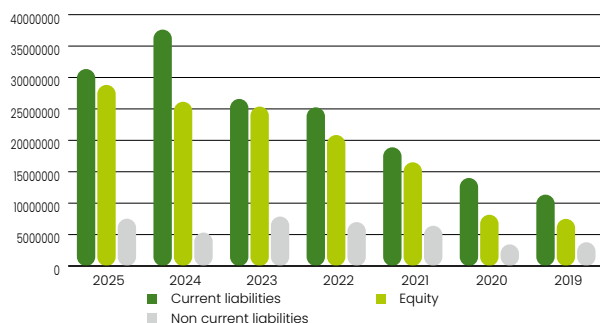
Horizontal analysis - Statement of Profit or Loss

Rupees in thousands



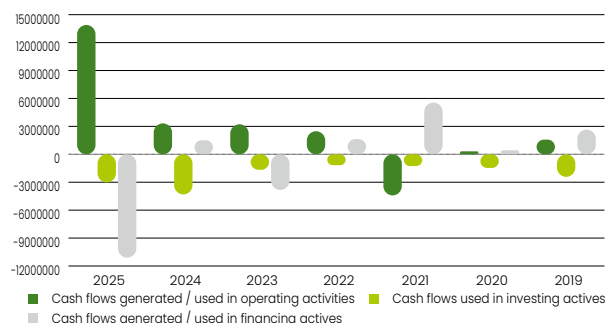
Equity & Liabilities

Rupees in thousands



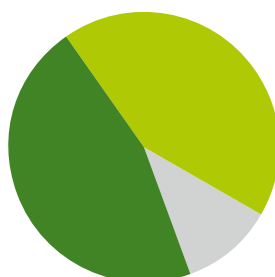
Cash Generated / Utilized

Rupees in thousands



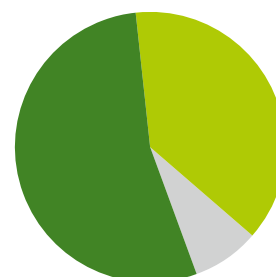
Equity & Liabilities 2025

46% Current Liabilities
43% Equity
11% Non Current Liabilities



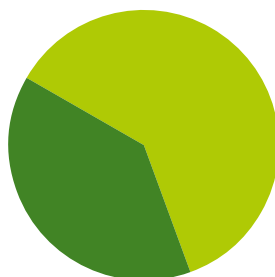
Equity & Liabilities 2024

54% Current Liabilities
38% Equity
8% Non Current Liabilities



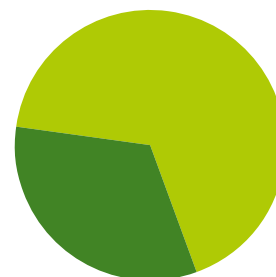
Assets 2025

39% Current Assets
61% Non Current Assets



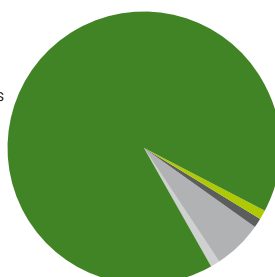
Assets 2024

33% Current Assets
67% Non Current Assets



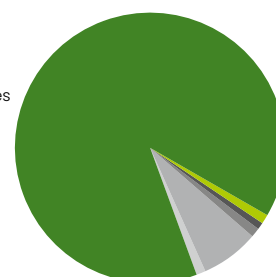
Profit or Loss - 2025

92% Cost of Sales
0% Sales and Marketing Expenses
1% Administrative Expenses
0% Other Charges
1% Impairment
6% Finance Cost
1% Taxation



Profit or Loss - 2024

90% Cost of Sales
1% Sales and Marketing Expenses
1% Administrative Expenses
1% Other Charges
1% Impairment
4% Finance Cost
1% Taxation

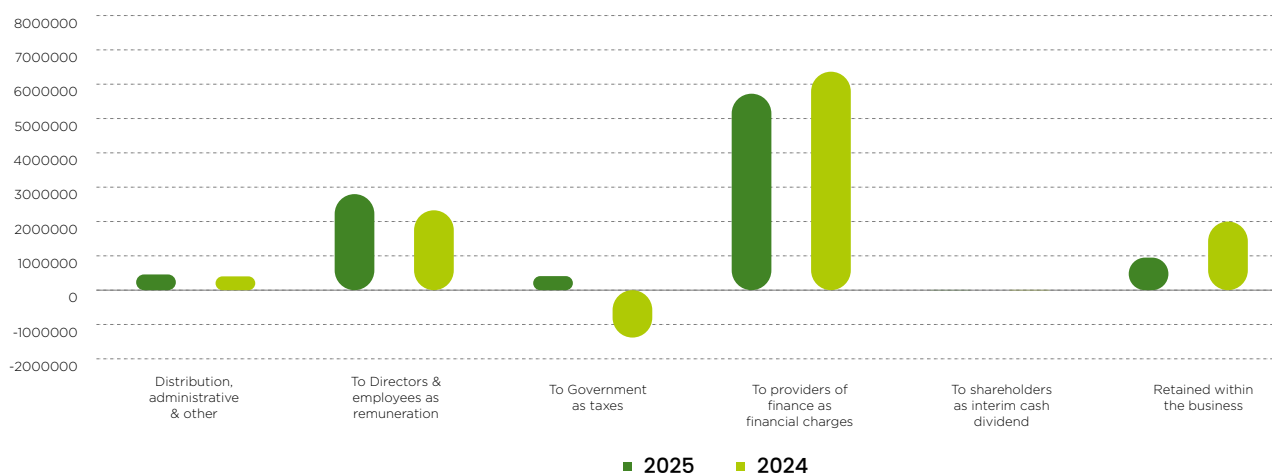


DISTRIBUTION OF WEALTH

	2025		2024	
	Rs. in "000"	%	Rs. in "000"	%
Wealth generated				
Sales	89,413,926		92,382,600	
Less: Cost of sales (excluding employees' remuneration)	79,278,763		83,027,122	
Value added	10,135,164		9,355,478	
Other operating income	200,632		355,292	
	10,335,795	100	9,710,770	100
Distribution of wealth				
Distribution, administrative & other expenses	457,611	4	401,487	4
To Directors & employees as remuneration	2,797,888	27	2,056,408	24
To Government as taxes	409,345	4	(1,381,053)	-14
To providers of finance as financial charges	5,723,029	55	6,364,039	66
Retained within the business	947,922	9	1,999,888	21
	10,335,795	100	9,710,770	100

Wealth Distribution

Rupees in thousands



RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

	Interim reports results						Annual	
	September Quarter		December Quarter		March Quarter		Complete year	
	Rupees in 000'	%	Rupees in 000'	%	Rupees in 000'	%	Rupees in 000'	%
Turnover-Net	21,584,159		25,241,258		19,342,719		89,413,926	
Gross profit	1,988,754	9.21%	2,210,367	8.76%	1,669,454	8.63%	8,137,973	9.10%
(Loss)/ Profit before tax	(76,940)	-0.36%	465,898	1.85%	149,902	0.77%	1,357,267	1.52%
Taxation	83,885	0.39%	(255,709)	-1.01%	85,964	0.44%	(391,749)	(0.00)
Net profit after tax	6,946	0.03%	210,189	0.83%	235,867	1.22%	965,518	1.08%
Current ratio	47,300,284	1.21	46,201,205	1.24	46,928,224	1.28	41,627,720	1.33
	39,176,736		37,206,721		36,539,210		31,346,712	

Analysis of variation in results reported in interim financial statements with the final accounts

Quarter on quarter variations in top line are mainly cyclical in nature. Mis-match between average inventory costs and prevailing sale prices effects gross margins in different individual quarters. Taxation increased in last quarter.





04

FINANCIAL STATEMENTS

- Shariah Review Report
- Independent Assurance Report on Compliance with the Shariah Governance Regulations, 2023
- Statement of Compliance With Sukuk Features and Shariah Requirements
- Independent Auditors' Review Report To The Members
- Statement of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019
- Independent Auditors' Report To The Members
- Statement of Financial Position
- Statement of Profit or Loss
- Statement of Comprehensive Income
- Statement of Changes In Equity
- Statement of Cash Flows
- Notes to the Financial Statements

MUFTI IMRAN KHAN

Chairman Al-Itqan Trust International
Administrator Al-Itqan Institute
SECP Registration.No: SECP/IFD/SA/008MA
(0092) 301/312/333-4767207
aliimransakar9@gmail.com

SHARIAH REVIEW REPORT

To the Board of directors of Mughal Iron & Steel Industries Limited (the Company), issuer of Shariah Compliant Securities.

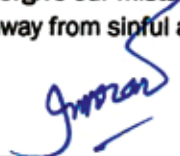
This report is being issued to report on the compliance in respect of the Shariah Compliant Securities issued by the Company, for the year ended June 30, 2025. It is the core responsibility of the Company to manage the transactions and the related operational activities relating to the Shariah Compliant Securities in such a manner which is in compliance with the rules and principles of Shariah. In the capacity of the Shariah Advisor, my responsibility lies in ensuring compliance with the same by review of activities relating to the Shariah Compliant Securities. I express my opinion based on the review of the information, provided by the Company, to an extent where compliance with the Shariah rules and principles can be objectively verified.

Keeping in view the above: I report that, in my opinion:

(a) The transactions, the relevant documentation, and the procedures adopted related with the Shariah Compliant Securities issued by the Company, have been in accordance with the Shariah principles and rules;

(b) The affairs related with the Shariah Compliant Securities issued by the Company, have been carried out in accordance with Shariah principles and rules and relevant Shariah opinions issued from time to time; and

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.


Mufti Imran Khan
Shariah Advisor of Mughal Iron & Steel Industries Limited
Sep 19, 2025



- Registered Shariah Advisor Certificate | Securities and Exchange Commission of Pakistan.
- Ph.D(continuing) | IIUI, Islamabad.
- M.Phil. (Islamic Commercial Law) | IIUI, Islamabad
- MA (Islamiat) | University of Science and Technology Bannu, KPK
- Shahadatul Almia | Madrasa Arabia, Tablighi Markaz, Raiwind. (Mumtaz)
- Takhassus Fil Fiqh Al-Islami | Jamia Abi Zar Ghaffari, North Karachi. (Mumtaz)

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

TO THE BOARD OF DIRECTORS OF MUGHAL IRON & STEEL INDUSTRIES LIMITED (THE COMPANY), ISSUER OF SHARIAH COMPLIANT SECURITIES.

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of the Company for assessing compliance of the Company's financial arrangements, contracts, and transactions in respect of Shariah Compliant Securities issued, having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar(s).

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

Shariah principles and rules means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following: -

- i) Legal and regulatory framework administered by the Commission;
- ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;
- iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- iv) Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and
- v) Approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements (Standalone & Consolidated) of the Company for the year ended June 30, 2025, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Company with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 “Quality Management for Firms That Perform Audits and Reviews of Historical Financial Information, And Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Company’s financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, ‘Assurance Engagements other than audits or reviews of historical financial statements’ issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Company’s financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Company’s compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

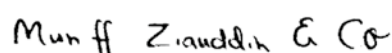
Based on our reasonable assurance engagement, we report that in our opinion, the Company’s financial arrangements, contracts and transactions in respect of Shariah Compliant Securities issued, for the year ended June 30, 2025 are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.



Fazal Mahmood & Company

Chartered Accountants
(Member firm of PrimeGlobal International)
Name of engagement partner: Fazal Mahmood

September 19, 2025
Lahore



Muniff Ziauddin & Company

Chartered Accountants
(A member of BKR International)
Name of engagement partner: Arqum Naveed

September 19, 2025
Lahore

STATEMENT OF COMPLIANCE WITH SUKUK FEATURES AND SHARIAH REQUIREMENTS

Name of company: **Mughal Iron & Steel Industries Limited (the Company)**
Year ended: **June 30, 2025**
Securities: **Shariah Compliant Sukuk Certificates**

We confirm that:

The financial arrangements, contracts and transactions entered into by the Company in respect of issue of various Sukuk certificates were in accordance with the Sukuk features and Shariah requirements.

We further confirm that:

- The Company has established policies and procedures for all Sukuk related transactions to comply with the Sukuk Features and Shariah Requirements.
- The Company has implemented and maintained such internal control and risk management systems that are necessary to mitigate the risk of non-compliances with the Sukuk Features and Shariah requirements, whether due to fraud or error.
- The Company has a process to ensure that the management and where appropriate the Board of Directors, and personnel responsible to ensure the Company's compliance with the Sukuk features and Shariah requirements are properly trained and systems are properly updated.

The Sukuk features and Shariah requirements shall mean the following:

- Shariah principles in the light of the rules, regulations and directives issued by the Securities and Exchange Commission of Pakistan (SECP);
- Requirements of the Fatwa (Shariah pronouncement);
- Requirements as per the underlying transaction documents;
- Requirements of Sukuk (Privately Placed) Regulations, 2017 and the Shariah Governance Regulations, 2023;
- Shariah Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as adopted by the SECP, if any; and
- Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP.



Mirza Javed Iqbal
Chairman / Director

September 19, 2025
Lahore



Khurram Javaid
Chief Executive Officer / Director

September 19, 2025
Lahore

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF MUGHAL IRON & STEEL INDUSTRIES LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

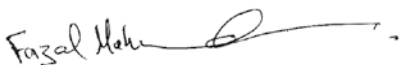
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

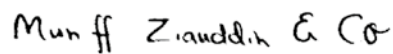
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.



Fazal Mahmood & Company
Chartered Accountants
(Member firm of PrimeGlobal International)

September 19, 2025
Lahore
UDIN: CR20510155og3V2bNHj



Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

September 19, 2025
Lahore
UDIN: CR2025101235NpIzWjmq

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

Name of company: **Mughal Iron & Steel Industries Limited**
Year ended: **June 30, 2025**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 9 as per the following;

a. Male	8
b. Female	1
2. The composition of Board is as follows:

a. Independent Directors	Mr. Abdul Rehman Qureshi Mr. Shoaib Ahmed Khan Ms. Mariam Khawar
b. Non-Executive Directors	Mr. Mirza Javed Iqbal Mr. Fazeel Bin Tariq Mr. Muhammad Mateen Jamshed
c. Executive Directors	Mr. Khurram Javaid Mr. Muhammad Mubeen Tariq Mughal Mr. Jamshed Iqbal
d. Female Director	Ms. Mariam Khawar
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. 7 of the directors have completed the Director's Training Program certification from authorized institutions and 1 of the director has obtained exemption due to having the prescribed qualification and experience pursuant to Regulation 19 of the Regulations;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below;

Audit Committee:	Mr. Abdul Rehman Qureshi – Chairman Mr. Shoaib Ahmed Khan – Member Mr. Mirza Javed Iqbal – Member
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HR and Remuneration Committee:

Mr. Abdul Rehman Qureshi – Chairman
Mr. Mirza Javed Iqbal – Member
Mr. Fazeel Bin Tariq – Member

Environment, Social & Governance Committee

Mr. Mirza Javed Iqbal – Chairman
Mr. Jamshed Iqbal – Member
Ms. Mariam Khawar – Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees were as per following;
 - a. Audit Committee Four quarterly meetings
 - b. HR and Remuneration Committee Two meetings
 - c. Environment, Social & Governance Committee One meeting
15. The Board has set up an effective in-house internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The joint statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The joint statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
 - a) In respect of DTP, the remaining director and executive(s) will also complete Director's Training Program in near future.
 - b) Currently, the Board has not constituted separate Nomination Committee, and a Risk Management Committee, as their issues are deliberated in Board meetings.
 - c) The requirement to disclose significant policies on the website is non-mandatory as per regulation no. 35(1), and thus the Company has not yet uploaded information in this respect on its website. The Company is however, considering placing these policies on its website in near future.
 - d) In June 12, 2024, certain amendments were made vide Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The management, has made efforts to comply with majority of the requirements, whereas, any pending requirements will also be complied with in near future.



Mirza Javed Iqbal
Chairman / Director

September 19, 2025
Lahore



Khurram Javaid
Chief Executive Officer / Director

September 19, 2025
Lahore

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUGHAL IRON & STEEL INDUSTRIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to financial statements, including summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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
1	Revenue Recognition (Refer to note 4.6 and 30 to the financial statements) Revenue from the sale of goods is recognized as or when performance obligations are satisfied by transferring control of promised goods to customers, and control is transferred at a point in time. Revenue is measured at fair value of consideration received or receivable, excluding discounts and the payment is due on the satisfaction of performance obligation. We considered revenue recognition as a key audit matter as it was an area of significant audit risk as part of the audit process.	Our Audit Procedures Included the Following: - Obtained understanding of the processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls; - Assessed the appropriateness of the revenue accounting policies in accordance with the applicable financial reporting framework; - Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices; - Performed audit procedures to analyze variation in the price and quantity sold during the year; - Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and - Considered the adequacy of the related disclosures and assessed whether these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).

S. No.	Key Audit Matters	How the matter was addressed in our audit
2	Existence and Valuation of Inventories (Refer to note 10 to the financial statements) We have identified existence and valuation of inventories as a key audit matter as it forms a significant portion of the total assets, constituting to 23.07% of the total assets.	Our Audit Procedures Included the Following: - Our audit procedures, amongst others, included obtaining an understanding of controls over purchases and valuation of inventories and tested, on a sample basis, their design, implementation and operating effectiveness; - We performed observation of inventory counts for stores, spares and loose tools, raw material and finished goods and by-products inventories and additionally involved an external expert to perform physical inspection of scrap inventory; and - We assessed net realizable value (NRV) by comparing management's estimation of future selling prices for the products with the selling prices achieved subsequent to the reporting period. We also compared the NRV of inventories on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards.
3	The Company's Exposure to Litigation Risk (Refer to note 14 and 29 to the financial statements) The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. Consequently, the Company has significant litigation cases pending at different forums. Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.	Our Audit Procedures Included the Following: - Obtaining understanding of the Company's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Audit Committee; - A review of the correspondence of the Company with the relevant regulatory authorities and tax/legal advisors including judgments or orders passed by the competent authorities; - Discussing open matters and developments with the in-house tax/legal department personnel of the Company; - We also obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the status of each case and an overall opinion on the open tax and legal position of the Company; and - Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessing the appropriateness of the related disclosures made in the annexed financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements (standalone and consolidated) and our auditors' report thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partners on the audit resulting in this independent auditors' report are Fazal Mahmood and Arqum Naveed.



Fazal Mahmood & Company

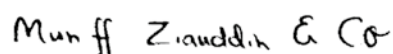
Chartered Accountants

(Member firm of PrimeGlobal International)

September 19, 2025

Lahore

UDIN: AR202510155Bhl7eHDrV



Muniff Ziauddin & Company

Chartered Accountants

(A member of BKR International)

September 19, 2025

Lahore

UDIN: AR202510123jvc2QuCIJ

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

Rupees	Note	2025	2024
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	6.	20,359,851,220	19,593,572,075
Long-term investments	7.	3,150,000,000	3,200,119,465
Long-term loans	8.	2,552,252,447	57,056,557
Long-term deposits	9.	2,838,069	2,838,069
		26,064,941,736	22,853,586,166
CURRENT ASSETS			
Inventories	10.	15,616,656,225	26,075,368,171
Trade debts	11.	15,231,833,733	10,805,747,538
Loans and advances	12.	246,534,884	930,042,671
Deposits, prepayments and other receivables	13.	474,062,912	480,875,723
Due from the government	14.	6,728,228,115	4,363,442,154
Short-term investment and other financial assets	15.	238,625,512	407,885,967
Cash and bank balances	16.	3,091,778,725	3,160,223,096
		41,627,720,106	46,223,585,320
TOTAL ASSETS		67,692,661,842	69,077,171,486
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital	17.	10,000,000,000	10,000,000,000
Issued, subscribed and paid-up capital	18.	3,686,963,800	3,356,339,330
Capital reserves	19.	4,447,578,494	3,304,952,020
Revaluation surplus on property, plant and equipment	20.	3,899,891,432	3,740,482,178
Un-appropriated profits		16,784,821,236	15,733,717,082
		28,819,254,962	26,135,490,610
LIABILITIES			
NON - CURRENT LIABILITIES			
Long-term financing - secured	21.	4,042,495,007	2,453,774,048
Deferred taxation	22.	2,450,607,985	2,013,705,826
Defined benefit obligation	23.	956,105,853	768,993,162
Deferred liabilities	24.	77,486,288	82,101,274
		7,526,695,133	5,318,574,310
CURRENT LIABILITIES			
Trade and other payables	25.	6,766,003,470	4,269,040,823
Unclaimed dividends	26.	2,954,068	2,954,068
Unpaid dividends	26.	7,847,407	8,019,268
Accrued profit / mark-up	27.	595,746,145	1,220,484,158
Short-term borrowings	28.	22,884,735,854	27,992,424,673
Current portion of long-term financing	21.	1,086,385,517	4,123,903,070
Current portion of deferred grant		3,039,286	6,280,506
		31,346,711,747	37,623,106,566
		38,873,406,880	42,941,680,876
TOTAL EQUITY AND LIABILITIES		67,692,661,842	69,077,171,486

CONTINGENCIES AND COMMITMENTS

29.

The annexed notes from 1 to 52 form an integral part of these financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
Gross Sales		102,791,772,465	105,554,327,171
Sales tax		(13,311,807,103)	(13,134,700,284)
Net sales before commission	30.	89,479,965,362	92,419,626,887
Commission		(66,039,032)	(37,027,059)
Net sales		89,413,926,330	92,382,599,828
Cost of sales	31.	(81,275,953,032)	(84,664,972,588)
GROSS PROFIT		8,137,973,298	7,717,627,240
Sales and marketing expenses	32.	(227,763,159)	(207,287,290)
Administrative expenses	33.	(903,790,698)	(858,089,633)
Other charges	34.	(149,313,774)	(85,117,259)
Allowance for expected credit losses - reversal	11.	22,558,982	60,449,113
Other income	35.	200,631,712	355,292,455
Finance cost	36.	(5,723,029,048)	(6,364,038,979)
		(6,780,705,985)	(7,098,791,593)
PROFIT BEFORE LEVIES AND TAXATION		1,357,267,313	618,835,647
Levies	37.	482,232,687	(708,696,648)
PROFIT / LOSS BEFORE TAXATION		1,839,500,000	(89,861,001)
Taxation	38.	(873,981,826)	2,089,749,712
PROFIT FOR THE YEAR		965,518,174	1,999,888,711
EARNINGS PER SHARE - BASIC AND DILUTED	39.	2.83	5.96

The annexed notes from 1 to 52 form an integral part of these financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
PROFIT FOR THE YEAR	965,518,174	1,999,888,711
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss:	—	—
Items that will not be reclassified subsequently to profit or loss:		
- Remeasurement gain on defined benefit obligation	17,213,693	7,087,412
- Related deferred tax	(5,938,724)	(2,764,091)
Other comprehensive income - net of tax	11,274,969	4,323,321
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	976,791,143	2,004,212,032

The annexed notes from 1 to 52 form an integral part of these financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid-up capital		Capital Reserves				Revenue Reserve	Total Equity
	Ordinary shares	Ordinary Class-C shares	Share premium account - ordinary shares	Share premium account - ordinary Class-C shares	Contingency reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits	
Rupees								
BALANCE AS AT JUNE 30, 2023	3,356,339,330	-	2,324,952,020	-	980,000,000	3,998,378,178	14,712,766,418	25,372,435,946
Profit for the year	-	-	-	-	-	-	1,999,888,711	1,999,888,711
Other comprehensive income - net of tax	-	-	-	-	-	-	4,323,321	4,323,321
Total comprehensive income for the year	-	-	-	-	-	-	2,004,212,032	2,004,212,032
Transfer of Incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	-	(90,767,218)	90,767,218	-
Deferred tax impact due to change in regime for export sales	-	-	-	-	-	(167,128,782)	-	(167,128,782)
Transaction with owners in their capacity as owners recognized directly in equity								
Final cash dividend paid for the year ended June 30, 2023 @ Rs. 3.20 per ordinary share i.e. 32%	-	-	-	-	-	-	(1,074,028,586)	(1,074,028,586)
BALANCE AS AT JUNE 30, 2024	3,356,339,330	-	2,324,952,020	-	980,000,000	3,740,482,178	15,733,717,082	26,135,490,610
Profit for the year	-	-	-	-	-	-	965,518,174	965,518,174
Other comprehensive income - net of tax	-	-	-	-	-	-	11,274,969	11,274,969
Total comprehensive income for the year	-	-	-	-	-	-	976,793,143	976,793,143
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	-	(68,062,264)	68,062,264	-
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment on disposal - net of tax	-	-	-	-	-	(6,248,747)	6,248,747	-
Effect of change in effective tax rate	-	-	-	-	-	233,720,265	-	233,720,265
Transaction with owners in their capacity as owners recognized directly in equity								
Issue of 33,062,447 ordinary Class-C shares of Rs. 10/- each fully paid in cash at a premium of Rs. 35/- per share	-	330,624,470	-	1,157,185,645	-	-	-	1,487,810,115
Transaction costs relating to issue of ordinary Class-C shares	-	-	-	(14,559,171)	-	-	-	(14,559,171)
BALANCE AS AT JUNE 30, 2025	3,356,339,330	330,624,470	2,324,952,020	1,142,626,474	980,000,000	3,899,891,432	16,784,821,236	28,819,254,962

The annexed notes from 1 to 52 form an integral part of these financial statements.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40.	15,777,833,811	4,942,487,426
Net decrease in long-term loans to employees		3,227,920	12,208,310
Defined benefits paid	23.2	(51,983,214)	(45,958,184)
Workers' profit participation fund paid	25.3	(42,186,946)	(282,106,255)
Workers' welfare fund paid		(14,173,933)	(88,701,984)
Taxes and levies paid		(1,781,431,250)	(1,215,787,118)
Net cash generated from operating activities		13,891,286,388	3,322,142,195
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(1,399,444,903)	(487,472,308)
Proceeds from disposal of tangible fixed assets		69,086,190	21,515,400
Proceeds from redemption of investment in long-term debt instrument		49,970,000	20,000
Payments for acquisition of subsidiary company		-	(3,150,000,000)
Payments for long-term loan to subsidiary company		(2,500,000,000)	-
Proceeds from / payments for short-term loan to subsidiary company		770,772,162	(770,772,162)
Payments for investment in short-term debt instrument		(167,249,359)	-
Profit received on investment in long-term debt instrument		7,607,372	11,760,389
Profit received on investment in short-term debt instrument		1,741,007	-
Finance income received on short-term loan to subsidiary company		138,048,801	-
Profit received on short-term deposit receipts		4,850,296	63,566,199
Net cash used in investing activities		(3,024,618,434)	(4,311,382,482)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment / proceeds from long-term financing		(1,455,076,610)	1,589,540,853
Net repayment / proceeds from short-term borrowings		(4,937,431,614)	6,826,824,847
Net repayment of short-term loans from Directors		-	(5,689,036)
Proceeds from issuance of ordinary Class-C shares		1,487,810,115	-
Transaction costs relating to issue of ordinary Class-C shares		(14,559,171)	-
Finance cost paid		(6,186,208,750)	(5,837,683,458)
Dividends paid		(171,861)	(1,072,118,120)
Net cash used in / generated from financing activities		(11,105,637,891)	1,500,875,086
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS		(238,969,938)	511,634,799
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		3,397,555,530	2,885,126,870
NET EXCHANGE DIFFERENCE ON FOREIGN CURRENCY ACCOUNTS		2,567,225	793,861
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	41.	3,161,152,818	3,397,555,530

The annexed notes from 1 to 52 form an integral part of these financial statements.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. THE COMPANY AND IT'S OPERATIONS

Mughal Iron & Steel Industries Limited (the Company) was incorporated in Pakistan as a public limited company on February 16, 2010 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The ordinary and ordinary Class-C shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX). The Company's operations comprise of ferrous and non-ferrous business segments. However, the principal activity of the Company is manufacturing and sale of mild steel products relating to ferrous segment. The Company is domiciled in Lahore.

The geographical locations and addresses of the Company's business units including plants are as follows:

Business unit:	Geographical location / address:
- Registered office	31-A Shadman-1, Lahore
- Manufacturing plants	17-KM Sheikhpura Road, Lahore
- Warehouses	17-KM Sheikhpura Road, Lahore, Badami Bagh, Lahore and Jumamah Goth, Karachi
- Sales centres	Badami Bagh, Lahore

These financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. Consolidated financial statements of the Company are prepared separately. Detail of the Company's investment in subsidiary is stated in note 7. to these financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional and presentation currency.

3. KEY ACCOUNTING ESTIMATES & JUDGEMENTS

In preparing these financial statements in conformity with accounting and reporting standards as applicable in Pakistan, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities,

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

income and expenses. Actual results may differ from these estimates. Estimates and judgements are regularly evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- i) Useful lives, residual values, depreciation method, fair value and impairment of property, plant and equipment (note 4.1 and 6)
- ii) Provision for impairment of inventories (note 4.2)
- iii) Defined benefit plan obligation (note 4.4 and 23)
- iv) Provision for levies, current income tax and recognition of deferred tax asset (note 4.5, 4.18, 14, 22, 37 and 38)
- v) Revenue from contracts with customers (note 4.6)
- vi) Financial instruments – fair value and allowances for expected credit losses (note 4.7, 11 and 48)
- vii) Estimation of provisions (note 4.11 and 14)
- viii) Estimation of contingencies (note 4.12, 14 and 29)
- ix) Impairment of investment in subsidiary (note 4.17 and 7.2)

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Accounting policies related to material class of accounts does not necessarily means it is material.

4.1 Property, plant and equipment

Tangible fixed assets:

These are initially measured at cost. Cost comprises of historical cost, borrowing cost pertaining to the erection period and other directly attributable costs of bringing the assets to their working condition. Subsequently, these are measured at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold land which is stated at revalued amount less accumulated impairment, if any, whereas, factory building on freehold land, plant and machinery and power plant are stated at revalued amounts less subsequent accumulated depreciation and accumulated impairment, if any.

Subsequent costs are included in the carrying amount of the tangible fixed assets or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Cost incurred to replace a component of an item of tangible fixed assets is capitalized and the asset so replaced is derecognized. The cost of the day to day servicing is charged to profit or loss.

Any revaluation increase arising on revaluation is recognized in other comprehensive income (OCI) and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" net of related deferred taxation, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

or loss to the extent of the decrease previously charged. Accumulated depreciation outstanding as at the revaluation date is eliminated against the gross carrying amount of the item of tangible fixed asset revalued and the net amount is restated to the revalued amount of the item of tangible fixed asset revalued. Any decrease as a result of revaluation is recognized in profit or loss, however, a decrease is recorded in other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets. An annual transfer from the revaluation surplus to un-appropriated profits is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost, net of related deferred taxation.

Depreciation is charged to profit or loss applying the reducing balance method except for developments on leasehold lands and solar plant which is depreciated on straight line method, at the rates given in note 6.1 to the financial statements to write off the depreciable amount of each asset over its estimated useful life. Depreciation is charged from the date when the asset becomes available for use up to the date of its disposal.

Tangible fixed asset is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss on disposal or de-recognition (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is taken to profit or loss. In case of disposal of revalued item of tangible fixed asset, any revaluation surplus relating to the particular asset being sold is transferred to un-appropriated profits.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of tangible fixed assets are provided in note 6.

Capital work-in-progress:

These are stated at cost less identified accumulated impairment losses, if any. All expenditure connected with specific assets incurred and advances made during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are made available for use.

Developments on leasehold lands:

Developments on leasehold lands are classified as property, plant and equipment and are depreciated over the lease term. Subsequent costs are capitalized only if they enhance the asset's value or extend its useful life.

Impairment:

Impairment test for property, plant and equipment is performed when there is an indication of impairment. At each period end, an assessment is made to determine whether there is any indication of impairment. If any indications exist, an estimate of the recoverable amount is calculated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the asset to its recoverable amount.

Fair value is 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. Value in use is the present value of future cash flows expected to be derived from an asset or cash generating unit (CGU).

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

4.2 Inventories

These are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools	at moving average cost of invoice value plus other charges, if any, incurred thereon
Raw material	
- Externally purchased	at moving average cost of invoice value plus other charges, if any, incurred thereon
- Internally manufactured	at weighted average cost of estimated manufacturing cost
Finished goods	at weighted average cost of estimated manufacturing cost
Trading goods	at moving average cost of invoice value plus other charges, if any, incurred thereon
In-transit	at invoice value plus charges incurred thereon
End cuts	at estimated replacement cost
Wastage / by-products	at net realizable value

Estimated manufacturing cost consists of material, labor and other attributable overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred for its sale. Net realizable value of stores, spares and loose tools and raw material inventory is determined on the basis of replacement cost. Cost of inventories held for use in production of finished goods is not written down below cost, if the finished products for which they will be consumed are expected to be sold at or above cost. Purchases made on deferred settlement terms are recognized at the invoice price when that price equals the cash/sight price available under normal credit terms and reflects prevailing market rates; no separate financing component is recognized. If the deferred price significantly exceeds the cash price equivalent, the excess is recognized as finance cost over the deferral period using the effective interest method.

The Company reviews the carrying amount of inventories on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence / excess inventories, if there is any change in usage pattern and / or physical form of related inventory. Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature, which can change significantly as a result of changes in market conditions. Major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them for more than one year. Transfers are made to tangible fixed assets category as and when such items are available for use.

4.3 Foreign currency transactions and translation

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupees at the foreign exchange rates approximating those prevailing at the statement of financial position date. When there is temporary lack of exchangeability then rate subsequent to the reporting date, is used for translation of foreign currency balances at the reporting date. Exchange differences, if any, are charged to profit or loss. Foreign currency gains and losses are reported on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.4 Employee benefits

Post-employment benefit:

The Company's post employment benefit comprises of a defined benefit plan. The defined benefit plan represents an unfunded gratuity scheme for all its permanent employees subject to a minimum qualifying period of service according to the terms of employment. The plan defines the amount which an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service, and compensation. Provision is made annually to cover obligation under the scheme.

The liability recognized in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of any plan assets, if any. The defined benefit obligation is calculated annually by an independent actuary using Projected Unit Credit (PUC) method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using discount rate as determined by reference to market yields on Government bonds. In determining the liability, estimation is also made in respect of salary increases over upcoming years and the number of employees expected to leave before they receive the benefits. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in statement of profit or loss. Latest valuation was conducted on June 30, 2025.

Following risks are associated with the scheme:

Final salary risk:

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Discount rate fluctuation risk:

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. Decrease in corporate bond yields will increase the plan liabilities.

Demographic risk:

- a) Mortality risk – The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- b) Withdrawal risk – The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Short-term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries and other short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Other long-term employee benefits:

The measurement of other long-term employee benefits is not usually subject to the same degree of uncertainty as the measurement of post-employment benefits. Therefore, simplified method of accounting is used for other long-term employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.5 Income tax

Current income tax:

The Company designates the amount calculated on taxable income using the enacted tax rate, after taking into account tax credits, rebates and exemptions, if any, as current income tax within the scope of IAS – 12 'Income Taxes'. Any excess of minimum tax, over the amount designated as current income tax expense, is recognized as a 'Levy' falling under the scope of IAS – 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Prior income tax:

This includes adjustments, where considered necessary, to existing provision for tax made in previous years arising from assessments framed during the period for such years.

Deferred income tax:

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences arising on the initial recognition of goodwill and temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.6 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and the performance obligations are satisfied. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched / shipped to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers.

Revenue is measured based on the consideration specified in a contract with a customer. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any. The Company's contract with customers do not contain any other promises that are separate performance obligations to which a portion of the transaction price needs to be allocated.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company does not enter into any contracts that provide customers with a right of return which give rise to variable consideration, nor any volume rebates / discounts are given.

The Company only receives short-term advances from its customers. Using the practical expedient, the Company does not adjust the promised amount of consideration for the effects of a significant financing component, if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company applies the requirements of IFRS - 13 'Fair Value Measurement' in measuring the fair value of the non-cash consideration, if any. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the respective material.

The Company pays sales commission to agents for each contract that they obtain for sales of different goods. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortization period of the asset that the Company otherwise would have used is one year or less.

Dividend on equity investments is recognized when right to receive the dividend is established.

The Company's policy relating to expected credit losses of trade debts and contract assets is mentioned in note 4.7.

The Company's policy relating to income from financial assets is mentioned in note 4.15.

The Company's policy relating to rental income is mentioned in note 4.22.

Trading / miscellaneous / other income is recognized on occurrence of transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.7 Financial instruments

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.

Initial recognition and measurement:

Trade debts and debt securities issued, if any, are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade debt without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade debt without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement:

Financial assets

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 – equity investment or fair value through profit or loss (FVTPL), as appropriate. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies all its financial assets as measured at amortized cost. The classification is made in accordance with the Company's business model for managing the financial assets and contractual cash flow characteristics of the financial assets. This classification is only made when the Company's financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and when the contractual cash flows of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company does not hold any equity investments except for investment in subsidiary which is stated at cost less accumulated impairment, if any.

Financial liabilities

On initial recognition, financial liabilities are classified as measured at amortized cost or FVTPL, as appropriate. A financial liability is classified as at FVTPL, if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Subsequently, financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance cost in profit or loss. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. The Company classifies all of its financial liabilities as 'Other financial liabilities'.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Derecognition:

Financial assets

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

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Effective interest method:

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Impairment policy:

The Company recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI, if any; and
- contract assets, if any.

The Company does not have any debt investments measured at FVOCI or contract assets.

In respect of trade debts, the Company applies the simplified approach to calculating ECLs. Accordingly, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix. To measure the expected credit losses, trade debts have been grouped based on days overdue. The Company calibrates the matrix to adjust the historical credit loss experience with forward looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For financial assets (other than trade debts) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on these financial asset has significantly increased since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. For debt instruments at amortized cost, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI, if any, are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower / customer;
- a breach of contract such as a default or being more than 365 days past due; or
- it is probable that the borrower / customer will enter bankruptcy.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written-off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

4.8 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.9 Balances from contract with customers

Contract assets:

Contract assets represent the Company's right to consideration in exchange for goods or services transferred to customers when that right is conditioned on something other than the passage of time. Contract assets are initially recognized when revenue is recorded but the Company does not yet have an unconditional right to payment. These are subsequently reclassified to trade debts once the right to consideration becomes unconditional.

Trade debts:

Trade debts represent the Company's right to an amount of consideration that is unconditional. Trade debts are carried at original invoice amount less expected credit losses based on a review of all outstanding amounts at the year end. Loss allowance policy is given in note 4.7.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Right of return assets:

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. Such asset, if any, is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The measurement of the asset recorded, if any, is updated for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities:

A refund liability, if any, is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The estimates of refund liabilities, if any, and the corresponding change in the transaction price are updated at the end of each reporting period.

4.10 Cash and cash equivalents

Cash and bank balances are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flow statement, cash and cash equivalents comprises of cash in hand, cash at banks, cash at banks under lien and short-term highly liquid investments, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

4.11 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense. As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in profit or loss unless the provision was originally recognized as part of cost of an asset.

4.12 Contingent liabilities / assets

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

4.13 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date. Borrowing costs are recognized as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which case such costs are capitalized as part of the cost of that asset.

4.14 Segment reporting

Since, both the consolidated financial statements of the holding company as well as the holding company's separate financial statements are presented, therefore, in accordance with IFRS - 8 'Operating Segments', the segment information has only been included in the consolidated financial statements.

4.15 Finance income and finance costs

Finance income comprises income on funds invested in long-term & short term debt instruments, loan to subsidiary company, short-term deposit receipts and saving accounts. Finance income is recognized as it accrues in profit or loss, using effective interest method.

Finance costs comprise interest expense on borrowings. The Company's policy relating to borrowing costs is mentioned in note 4.13.

4.16 Loans, deposits, interest accrued and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. Loss allowance policy is given in note 4.7.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.17 Investment in subsidiary

Investment in subsidiary company is stated at cost less impairment loss, if any, in accordance with the provisions of IAS - 27 'Separate Financial Statements'. In making an estimate of recoverable amount of the Company's investment in subsidiary, the management considers future cash flows. The profit or loss of subsidiary is carried forward in its financial statements and not dealt within these financial statements except to the extent of dividend declared by the subsidiary which is recognized in other income.

4.18 Levies

As per IAS - 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan (ICAP), the Company designates final taxes and any excess of minimum tax over the amount designated as current income tax expense as 'Levies'.

4.19 Share capital

Ordinary shares and ordinary Class-C shares are classified as equity instruments and recognized at their face value. Transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

4.20 Dividend and reserve appropriations

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are approved by the Board of Directors. Any other movements in reserves are recognized in the year in which the appropriations are approved.

4.21 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary and ordinary Class-C shares, both of which are classified as ordinary shares for the purposes of IAS - 33 'Earnings Per Share'. Basic EPS is calculated by dividing profit attributable to ordinary and ordinary Class-C shareholders by the weighted average number of ordinary and ordinary Class-C shares outstanding during the year. Where dividends are declared at different rates for each class of ordinary shares, earnings are allocated accordingly and EPS is presented separately for each class. In the absence of declared dividends or preferential rights, EPS is presented on a combined basis based on equal participation in profits. Diluted EPS reflects the impact of all dilutive potential ordinary shares.

4.22 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company has elected not to recognize right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Company as a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Assets subject to operating lease are initially stated at cost and subsequently at cost / revalued amounts less accumulated depreciation and accumulated impairment, if any, as the case may be. The revaluation, impairment and depreciation policy for assets subject to operating leases is consistent with the normal policy in respect of tangible fixed assets as mentioned in note 4.1.

Sales and lease back / diminishing musharaka:

The Company continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. The difference between the amount of consideration received and consideration to be paid is recognized as expense.

4.23 Deferred grant

The Company recognizes the benefit of a Government loan at below market rate of interest as a Government grant. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS - 9 'Financial Instruments' and the proceeds received and is presented as deferred grant. The recognition of Government grants in the statement of profit or loss is done on a systematic basis over the period of the loan.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1 Standards, amendments to published standards and interpretations that are effective in the current year

Except as mentioned elsewhere, certain standards, amendments and interpretations to IFRS Standards are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Following are the standards and amendments to the IFRS Standards that are mandatory for companies having accounting periods beginning on or after July 1, 2025 and have not been early adopted by the Company. These are considered either not to be relevant or to have any significant effect on the Company's operations upon their initial application and are therefore, not detailed in these financial statements:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Effective date (annual periods beginning on or after)
IAS - 21	The Effects of Changes in Foreign Exchange Rates	1 January 2025
IFRS - 7	Financial Instruments: Disclosure	1 January 2026
IFRS - 9	Financial Instruments	1 January 2026
IFRS - 17	Insurance contracts	1 January 2026
	Annual improvements to IFRS - 7 'Financial Instruments Disclosure', IFRS - 9 'Financial Instruments', IFRS - 10 'Consolidated Financial Statements' and IAS - 7 'Statement of Cash Flows'	1 January 2026

5.3 Standards, amendments and interpretations to existing standards that are not yet locally notified

Following are the standards, interpretations and amendments, which have been issued by the International Accounting Standards Board (IASB) but have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025. These are considered either not to be relevant or to have any significant effect on the Company's operations upon their initial application and are therefore not detailed in these financial statements.

IFRS - 1	First Time Adoption of International Financial Reporting Standards
IFRIC - 12	Service Concession Arrangement
IFRS - 18	Presentation and Disclosures in Financial Statements
IFRS - 19	Subsidiaries without Public Accountability: Disclosures

5.4 As per directive dated December 31, 2024, issued by the Securities and Exchange Commission of Pakistan (SECP), IFRS - S1 'General Requirements for Disclosure of Sustainability-Related Financial Information' and IFRS - S2 'Climate-Related Disclosures' shall be applicable from annual period beginning from July 1, 2025. The management anticipates that the adoption of these standards in future periods will have no material impact on these financial statements other than in the form of revised presentations / increased disclosures.

Rupees	Note	2025	2024
6. PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	6.1	19,924,600,805	19,285,834,510
Capital work-in-progress	6.2	435,250,415	307,737,565
		20,359,851,220	19,593,572,075

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.1 Reconciliation of carrying amounts of tangible fixed assets at the beginning and end of the year is as follows:

	Freehold land	Factory building on freehold Land	Plant and machinery	Power plant	Solar plant	Weighting machine	Grid station and electric installations	Furniture, fixtures and office equipment	Vehicles	Trucks and cranes	Arms and ammunitions	Computers	Office building on leasehold land	Developments on leasehold lands	Total
Gross carrying value basis															
As at June 30, 2023															
Cost / revalued amount	635,600,000	310,166,401	14,362,824,156	1,700,750,001	188,915,084	218,434	535,483,135	25,079,075	388,548,134	177,378,116	264,683	17,151,811	30,400,000	341,340,330	15,749,803,389
Accumulated depreciation	-	-	-	-	(9,549,867)	(56,43)	(116,242,137)	(9,642,250)	(732,333,137)	(80,237,266)	(80,070)	(13,865,798)	(2,659,786)	(347,188,764)	(935,008,100)
Net book value	635,600,000	310,166,401	14,372,824,156	1,700,750,001	180,365,217	162,003	419,241,002	15,436,825	215,444,397	97,140,850	80,623	3,350,013	33,040,214	306,551,566	18,250,834,254
Net carrying value basis															
Year ended June 30, 2024															
Opening net book value	635,600,000	310,166,401	14,362,824,156	1,700,750,001	180,365,217	162,003	419,241,002	15,436,825	215,444,397	97,140,850	80,623	3,350,013	33,040,214	306,551,566	18,250,834,254
Additions	-	-	96,401,567	-	-	-	3,670,983	1,562,002	46,600,691	-	-	716,080	-	-	153,950,323
Transfers from capital work-in-progress	-	-	1,466,339,799	-	-	-	-	-	-	-	-	-	-	-	1,466,339,799
Disposals	-	-	-	-	-	-	-	-	(15,608,482)	-	-	-	-	-	(15,608,482)
Depreciation charge for the year	-	(12,408,656)	(394,260,743)	(59,526,250)	(7,216,773)	(4,050)	(2,328,334)	(1,955,547)	(33,542,022)	(4,571,728)	(8,082)	(1,077,655)	(78,641)	(23,883,823)	(570,281,364)
Balance as at June 30, 2024	635,600,000	297,759,745	15,531,904,779	1,641,223,751	173,148,444	157,953	406,570,047	15,402,280	212,764,484	82,569,722	72,561	2,952,438	33,046,563	282,657,743	19,285,834,510
Depreciation Rate (%)	-	4	250	350	400	250	5	10	15	15	10	30	20	7	
Gross carrying value basis															
As at June 30, 2024															
Cost / revalued amount	635,600,000	310,166,401	15,326,165,522	1,700,750,001	189,915,084	218,434	544,131,118	26,641,077	472,695,260	177,378,116	260,683	17,866,891	30,400,000	341,340,330	20,333,537,927
Accumulated depreciation	-	(12,408,656)	(394,260,743)	(59,526,250)	(18,766,840)	(60,48)	(137,593,071)	(1,234,797)	(199,931,776)	(94,893,394)	(88,132)	(4,914,453)	(27,353,437)	(58,682,587)	(1,027,703,417)
Net book value	635,600,000	297,759,745	15,531,904,779	1,641,223,751	173,148,444	157,953	406,570,047	15,402,280	212,764,484	82,569,722	72,561	2,952,438	33,046,563	282,657,743	19,285,834,510
Net carrying value basis															
Year ended June 30, 2025															
Opening net book value	635,600,000	297,759,745	15,531,904,779	1,641,223,751	173,148,444	157,953	406,570,047	15,402,280	212,764,484	82,569,722	72,561	2,952,438	33,046,563	282,657,743	19,285,834,510
Additions	-	-	5,661,000	-	-	-	7,310,885	5,726,148	6,954,938	-	-	3,069,180	-	-	9,316,709
Transfers from capital work-in-progress	-	-	230,588,839	196,970,755	-	-	-	-	-	-	-	-	-	753,655,750	1,080,655,344
Disposals	-	-	(40,582,868)	-	-	-	-	-	(16,272,593)	-	-	-	-	-	(56,795,16)
Depreciation charge for the year	-	(1,910,390)	(391,510,804)	(62,013,632)	(7,216,773)	(3,949)	(2,045,023)	(1,950,150)	(37,143,713)	(12,385,458)	(7,256)	(1,331,504)	(699,383)	(29,237,024)	(576,370,597)
Balance as at June 30, 2025	635,600,000	285,849,355	15,336,060,946	1,778,180,874	165,931,671	154,004	393,430,511	19,822,278	228,588,164	70,184,264	65,305	4,690,014	2,437,250	1,006,476,069	19,924,600,805
Depreciation Rate (%)	-	4	250	350	400	250	5	10	15	15	10	30	20	7	
Gross carrying value basis															
Balance as at June 30, 2025															
Cost / revalued amount	635,600,000	310,166,401	16,117,415,361	1,897,720,756	189,915,084	218,434	559,449,813	32,367,225	446,675,703	177,378,116	260,683	20,936,071	30,400,000	(394,396,080)	21,504,899,737
Accumulated depreciation	-	(24,377,046)	(781,354,415)	(121,539,882)	(23,983,413)	(64,430)	(158,019,302)	(13,814,947)	(218,317,533)	(107,933,852)	(165,388)	(16,245,957)	(27,982,750)	(87,920,011)	(1,580,298,932)
Net book value	635,600,000	285,849,355	15,336,060,946	1,776,180,874	165,931,671	154,004	393,430,511	19,822,278	228,588,164	70,184,264	65,305	4,690,014	2,437,250	1,006,476,069	19,924,600,805

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
6.1.1	The depreciation charge for the year has been allocated as follows:	
Cost of sales	517,976,661	515,572,453
Administrative expenses	58,393,936	54,708,931
	576,370,597	570,281,384

6.1.2 Freehold land, factory building on freehold land, plant and machinery and power plant are measured using the revaluation model. The fair value of these assets is determined periodically. The latest revaluation to assess the fair value of these assets was conducted on June 30, 2023 and performed by an independent valuer - M/s Tristar International Consultant (Private) Limited, having appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. Revaluation was carried out on the basis of information from various real estate agents of present market values of similar property in the vicinity for freehold land, replacement values of similar types of buildings based on present cost of construction for factory building on freehold land and valuations of plant and machinery and power plant based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account age, condition, location, design, adverse factors, threats and opportunities and obsolescence.

6.1.3 Information about the fair value hierarchy of freehold land, factory building on freehold land, plant and machinery and power plant as at the end of the reporting period are as follows:

Rupees	Level 2	Level 3	Fair value
Freehold land	635,600,000	-	635,600,000
Factory building on freehold land	-	285,849,355	285,849,355
Plant and machinery	15,336,060,946	-	15,336,060,946
Power plant	1,776,180,874	-	1,776,180,874
June 30, 2025	17,747,841,820	285,849,355	18,033,691,175
Freehold land	635,600,000	-	635,600,000
Factory building on freehold land	-	297,759,745	297,759,745
Plant and machinery	15,531,904,779	-	15,531,904,779
Power plant	1,641,223,751	-	1,641,223,751
June 30, 2024	17,808,728,530	297,759,745	18,106,488,275

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The above table shows assets recognized at fair value, analyzed between those whose fair value is based on:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

6.1.4 Had the Company's freehold land, factory building on freehold land, plant and machinery and power plant been measured on a historical cost basis, their carrying amount would have been as follows:

Rupees	2025	2024
– Freehold land	63,325,863	63,325,863
– Factory building on freehold land	73,645,641	76,714,209
– Plant and machinery	11,595,258,634	11,695,967,696
– Power plant	486,767,902	504,422,696
	12,218,998,040	12,340,430,464

6.1.5 Forced sale value as per the last revaluation report dated June 30, 2023 of freehold land, factory building on freehold land, plant and machinery and power plant was Rs. 508.480 million, Rs. 248.133 million, Rs. 13,014.456 million and Rs. 1,360.600 million, respectively.

6.1.6 Particulars of immovable fixed assets are as follows:

Description:	Location:	Approx. area of land:
– Manufacturing site	17-KM Sheikhpura Road, Lahore	181.6 kanals
– Warehouses and colony	17-KM Sheikhpura Road, Lahore	122.25 kanals
– Warehouse	Badami Bagh, Lahore	7.25 kanals
– Warehouse	Qilla Sattar Shah, Lahore	104.00 kanals
– Warehouse	Jummah Goth, Karachi	76.00 kanals
– Sale centres	Badami Bagh, Lahore	3.40 Kanals
– Registered office	31-A Shadman I, Lahore	1.75 Kanals

Warehouses, colony, sales centres and registered office, represent developments on leasehold lands. Developments on leasehold lands represent civil / structural improvements and includes one warehouse developed on leasehold land of Mughal Energy Limited (subsidiary company).

6.1.7 Title of land measuring 63 kanals and 8 marlas has not yet been transferred in the name of the Company. The said title is currently in name of Mughal Steel (AoP) from which the said land was acquired by the Company.

6.1.8 Detail of charge created on certain items of property, plant and equipment is given in note 21. This charge existed at June 30, 2025. The Company is not allowed to offer the assets under charge as security for additional borrowings or to sell them without prior approval of the existing lenders.

6.1.9 Property, plant and equipment includes certain assets held under common ownership under diminishing musharaka arrangement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.1.10 Contractual commitments for the acquisition of property, plant and equipment amounted to Rs. 251.133 million as at June 30, 2025 (2024: Rs. 165.308 million).

6.1.11 The detail of tangible fixed assets disposed off during the year is as follows:

Rupees	Description / particulars of buyers / relation with Company or its Directors	Mode of disposal	Revalued cost / cost	Net book value	Net proceeds	Gain / (loss)	
	Plant & machinery:						
	- Induction Furnaces	Third party	Company policy	45,000,000	40,582,868	42,000,000	1,417,132
				45,000,000	40,582,868	42,000,000	1,417,132
	Vehicles:						
	- Irfan Amin	Employee	Company policy	3,782,500	2,932,745	3,330,000	397,255
	- Sher Ahmad Khawaja	Employee	Company policy	2,553,462	1,147,745	1,500,000	352,255
	- Mubashar Islam Ahmad	Employee	Company policy	2,204,187	702,787	3,000,000	2,297,213
	- Muhammad Usman Khalid	Third party	Company policy	5,617,880	2,539,985	5,500,000	2,960,015
	- Amjad Hanif	Employee	Company policy	1,802,530	905,840	1,020,000	114,160
	- Zar Wali Khan	Employee	Company policy	5,630,330	3,083,860	3,780,000	696,140
	- Muhammad Sohail	Employee	Company policy	1,666,730	778,045	600,000	(178,045)
	- Ejaz Akram	Employee	Company policy	1,202,530	605,077	600,000	(5,077)
	- Tahzib-ul-Hassan	Employee	Company policy	1,502,530	651,744	750,000	98,256
	- Muhammad Chirag	Employee	Company policy	2,067,380	1,080,878	1,046,190	(34,688)
	- Syed Zafar Abbas	Employee	Company policy	1,202,530	568,527	600,000	31,473
	- Ehsan Afzal	Third party	Company policy	1,571,820	351,494	1,270,000	918,506
	- Ehsan Afzal	Third party	Company policy	1,770,500	354,481	1,870,000	1,515,519
	- Ehsan Afzal	Third party	Company policy	1,770,500	354,481	1,570,000	1,215,519
	- Innayat ullah	Employee	Company policy	1,224,834	154,604	650,000	495,396
				35,570,243	16,212,293	27,086,190	10,873,897
	June 30, 2025			80,570,243	56,795,161	69,086,190	12,291,029
	June 30, 2024			22,552,565	15,608,482	21,515,400	5,906,918

6.2 Following is the movement in capital work-in-progress:

Rupees	Note	Opening balance	Additions	Transfers	Closing balance
Tangible:					
- Payment for land	6.2.1	14,240,625	-	-	14,240,625
- Plant & machinery & power plant		293,496,940	555,072,444	(427,559,594)	421,009,790
- Developments on leasehold lands		-	753,055,750	(753,055,750)	-
June 30, 2025		307,737,565	1,308,128,194	(1,180,615,344)	435,250,415
June 30, 2024		1,441,155,379	333,521,985	(1,466,939,799)	307,737,565

6.2.1 This represents estimated payment for acquisition of land measuring 7 kanal and 7 marlas deposited in Government treasury in accordance with the Land Acquisition Act, 1894. The matter is currently pending.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
7. LONG-TERM INVESTMENTS			
Investment in financial assets:			
- Long-term debt instrument - at amortized cost	7.1	-	50,119,465
Investment in equity instruments:			
- Subsidiary company - at cost	7.2	3,150,000,000	3,150,000,000
		3,150,000,000	3,200,119,465

7.1 This represented investment in listed, rated, unsecured, privately placed term finance certificates of Soneri Bank Limited having tenure of 10 years, carrying profit at the rate of 6MK + 1.70% per annum. These had been classified as financial assets measured at amortized cost. During the year, considering the long maturity period associated with the investment, it was decided to liquidate and de-recognize the investment. The loss on disposal has been charged to profit or loss.

7.2 This represents equity investment in Mughal Energy Limited (MEL). MEL was incorporated in Pakistan as a public limited company on August 19, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its registered office is situated at 31-A, Shadman I, Lahore. The principal activity of MEL is to carry on business of generating and supplying electricity. MEL is in the process of installing a 36.50 MW captive hybrid power plant, which will generate and supply electricity to the Company. The issued, subscribed and paid-up capital of MEL is Rs. 2,166.732 million divided into 194.103 million ordinary shares of Rs. 10/- each and 22.570 million Class-B shares of Rs. 10/- each. Ordinary shares carry one vote per share, whereas, Class-B shares carry 100 votes per share. The Company holds 174.692 million (2024: 174.692 million) ordinary shares representing 90% of the ordinary shares and 22.570 million (2024: 22.570 million) Class-B shares, representing 100% of the Class-B shares. Based upon the total number of ordinary and Class-B shares held, the Company has 99.21% (2024: 99.21%) control of MEL. Except that Class-B shares have no right to dividend, there are no other significant restrictions on the ability of the subsidiary to transfer funds to the Company in the form of cash dividends or repayment of loans and advances. No impairment loss was recognized during the year ended June 30, 2025 (2024: Rs. Nil).

Rupees	Note	2025	2024
8. LONG-TERM LOANS			
(Considered good)			
Long-term loans to:			
- Employees - secured	8.1	52,252,447	57,056,557
- Subsidiary company - unsecured	8.2	2,500,000,000	-
		2,552,252,447	57,056,557

8.1	<i>Long-term loans to employees:</i>		
	Outstanding amount	91,061,196	103,032,753
	Amounts due within twelve months and shown under current assets	(38,808,749)	(45,976,196)
		52,252,447	57,056,557

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

8.1.1 These loans have been provided to employees under the terms of their employment, free of interest, to facilitate economical purchase of different kinds of vehicles, house construction and for other personal reasons etc. and are repayable over a period up to 5 years from date of disbursement. Vehicle loans are secured by registration of the said vehicle in the name of the Company and against security cheques, while other loans are secured against gratuity and personal guarantees. No amount was provided to the Chief Executive Officer, Directors or any key management personnel during the year ended June 30, 2025 (2024: Rs. Nil).

8.2 This represents unsecured long-term loan of Rs. 2,500.000 million to Mughal Energy Limited (MEL), approved by the members of the Company by way of passing special resolution vide their meeting dated June 20, 2025. As per the agreement in writing, the tenure of the loan is 06 years including a grace period of 1.5 years, provided to support its project financing requirements. It is repayable in 18 equal quarterly installments and carries mark-up at the rate of 3MK + 2.25 percent per annum which is above average borrowing cost of the Company. During grace period, mark-up will be paid quarterly. The maximum aggregate amount receivable at the end of any month during the year was Rs. 2,500.000 million (2024: Rs. Nil). It was neither past due nor impaired.

9. LONG-TERM DEPOSITS

These mainly include deposits with utility companies.

Rupees	Note	2025	2024
10. INVENTORIES			
Stores, spares and loose tools	10.1	3,534,379,078	2,657,539,836
Raw material	10.1	8,562,628,741	18,602,370,564
Finished goods / by-products	10.3	3,519,648,406	4,815,457,771
		15,616,656,225	26,075,368,171

10.1 Inventories include material in-transit (inbound) on account of stores, spares and loose tools and raw materials amounting to Rs. 391.497 million (2024: Rs. 79.688 million) and Rs. 1,552.847 million (2024: Rs. 5,676.651 million), respectively and material in-transit (outbound) amounting to (2024 Rs. 11.023 million).

10.2 Inventories are under hypothecation of commercial banks as security for facilities in respect of short-term borrowings (note 28). Inventories amounting to Rs. 8.018 million (2024: Rs. 283.838 million) are carried at fair value less costs to sell.

10.3 This includes by-products amounting to Rs. 3.823 million (2024: Rs. 278.683 million).

11. TRADE DEBTS

(Considered good and unsecured)

Trade debts are non-interest bearing and are generally on terms of 30 to 60 days. Information about the Company's exposure to credit and market risks for trade debts is included in note 47. Trade debts are under hypothecation of commercial banks as security for facilities in respect of short-term borrowings (note 28).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
Export	11.1	954,907,546	551,293,176
Local		14,327,395,463	10,327,482,620
		15,282,303,009	10,878,775,796
Allowance for expected credit losses	11.2	(50,469,276)	(73,028,258)
		15,231,833,733	10,805,747,538

11.1 No export sale was made to any related party during the year in respect of local sales, the maximum aggregate amount of receivable outstanding from related party at the end of any month during the year ended June 30, 2025 was Rs. 512.660 million (2024: Rs. 774.005 million).

Rupees	2025	2024
11.2 Movement in allowance for expected credit losses is as follows:		
Opening balance	73,028,258	133,477,371
Charge for the year	(22,558,982)	(60,449,113)
Closing balance	50,469,276	73,028,258

The allowance for expected credit losses assessment requires a degree of estimation and judgement and is based on the lifetime expected credit losses, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions amongst other factors include recent sales experience, historical collection rates, economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the trade debts. The management believes that none of the balances are credit impaired nor any further impairment allowance is necessary in respect of unprovided past due amounts as there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Rupees	2025	2024
11.3 Aging of trade debts is as follows:		
Not overdue	5,176,489,749	7,545,905,543
Past due:		
30 days	3,958,169,358	1,928,764,567
60 days	3,074,635,106	1,094,528,559
150 days	2,211,764,185	268,026,421
Greater than 150 days	861,244,611	41,550,706
	15,282,303,009	10,878,775,796
Allowance for expected credit losses	(50,469,276)	(73,028,258)
	15,231,833,733	10,805,747,538

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
12. LOANS AND ADVANCES			
(Considered good)			
Current portion of long-term loans to employees	8.	38,808,749	45,976,196
Advances to:	12.1		
- Key management personnel		140,000	31,760
- Other employees		42,226,845	34,993,749
		42,366,845	35,025,509
Advances to suppliers		165,359,290	78,268,804
Loan to subsidiary company	12.2	-	770,772,162
		246,534,884	930,042,671

12.1 These represent interest-free advances provided to employees in accordance with Company policy. These are secured against salary / gratuity and are repayable within twelve months. The maximum aggregate amount of loans to the key management personnel outstanding at the end of any month during the year ended June 30, 2025 was Rs. 30.450 million (2024: Rs. 8.612 million). There were no advances which were past due or impaired. No amount was provided to the Chief Executive Officer or any of the Directors during the year ended June 30, 2025 (2024: Rs. Nil).

12.2 This represented loan approved by the Board of Directors of the Company vide its meeting dated April 29, 2024 to Mughal Energy Limited (MEL) which was a wholly owned subsidiary at that time. As per the agreement in writing, the term of the loan was for 12 months being repayable in full on April 30, 2025 and had been provided to bridge-finance the capital requirements of MEL. The amount was unsecured and carried mark-up at the rate of 3MK + 1.60% payable quarterly. Total amount of the facility was Rs. 800.000 million. The maximum aggregate amount of the loan outstanding at the end of any month during the year ended June 30, 2025 was Rs. 790.772 million (2024: Rs. 770.772 million). The loan was completely repaid during the year within due date.

Rupees	Note	2025	2024
13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Interest accrued on term deposit receipts		-	4,066,500
Letters of credit		7,149,744	11,006,056
Prepayments		14,351,004	30,190,126
Security deposits	13.1	9,900,000	1,300,000
Deposits	13.2	44,613,772	53,909,672
Finance income accrued on loans to subsidiary company	13.3	5,926,647	26,258,526
Margin	13.4	385,690,745	347,044,843
Other receivables - considered good		6,431,000	7,100,000
		474,062,912	480,875,723

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
13.1 Due from related parties in respect of security deposits against rent:		
- Al-Bashir (Private) Limited	-	500,000
- Indus Engineering (Private) Limited	-	600,000
- Mughal Energy Limited (subsidiary company)	7,000,000	-
	7,000,000	1,100,000

13.1.1 The maximum aggregate amount due from related parties outstanding at the end of any month during the year ended June 30, 2025 was Rs. 7.000 million (2024: Rs. 1.100 million).

13.2 These mainly include container security and pay orders issued to Collector of Customs as security against various import consignments.

Rupees	Note	2025	2024
13.3 Finance income accrued on loans to subsidiary company in respect of:			
- Long-term loan	8.2	5,926,647	-
- Short-term loan	12.2	-	26,258,526
		5,926,647	26,258,526

13.3.1 The maximum aggregate amount due at the end of any month during the year ended June 30, 2025 was Rs. 49.979 million (2024: Rs. 26.258 million).

13.4 This represents margin held with banks against import and against guarantees issued for the supply of steel bars and girders.

Rupees	Note	2025	2024
14. DUE FROM THE GOVERNMENT			
Sales tax - net	14.1, 14.2	1,086,349,568	775,929,418
Advance income tax - net	14.3	5,418,835,315	3,364,469,504
Custom duties	14.4, 14.5	223,043,232	223,043,232
Export regulatory duty	14.6	-	-
		6,728,228,115	4,363,442,154

14.1 This includes Rs. 103.292 million (2024: Rs. 103.292 million) outstanding on account of alleged sales tax liability recovered against order of the Additional Commissioner, Punjab Revenue Authority (PRA) on the basis of presumed non-withholding of sales tax in respect of various taxable services against which appeal was filed by the Company before the Commissioner (Appeals). The Commissioner (Appeals) passed order in favor of the Company by partially deleting the demand to the extent of Rs. 27.495 million, which still remains refundable. In respect of the remaining amount of Rs. 75.797 million set aside proceedings were initiated and concluded, whereby, the demand of Rs. 75.797 million was sustained by the Additional Commissioner. The Company filed appeal before the Commissioner (Appeals) against the said order, which was decided against the Company. The Company then filed

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

appeal dated September 13, 2023 before the Tribunal Punjab Revenue Authority which is currently pending. The management is rigorously contesting the case and along with the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

- 14.2** This includes an amount of Rs. 80.783 million (2024: Rs. 80.783 million) deposited under protest against a demand of Rs. 398.945 million raised by the Customs authorities on account of sales tax, whereby the Customs authorities recalculated the value of supply of local waste generated from non-ferrous segment, in accordance with the valuation rulings issued under the Customs Act, 1969, despite of the fact that in case of local supply, the said value was to be determined keeping view the provisions of section 2(46) of the Sales Tax Act, 1990, and that valuation rulings issued under the Customs Act, 1969, were applicable only in case of imports and not in case of local supplies. The matter was decided in favor of the Company by the Collector Adjudication against which the Custom authorities filed reference with the Honorable Lahore High Court which is currently pending. The Company and its legal advisor are of the opinion that the said demand is not legally justified and hence refundable / adjustable.

Rupees	2025	2024
14.3 Advance income tax - net		
Opening balance	3,364,469,504	2,802,911,314
Payments	1,702,995,106	1,265,690,513
	5,067,464,610	4,068,601,827
Refund received	-	(267,642,800)
Provisions and adjustments - net	351,370,705	(436,489,523)
Closing balance	5,418,835,315	3,364,469,504

- 14.4** This includes an amount of Rs. 119.216 million (2024: Rs. 119.216 million) deposited under protest against demand of same amount raised by the Customs authorities on account of regulatory and additional custom duty in respect of sale of local waste generated from non-ferrous segment, despite the fact that regulatory duty and additional custom duty are not applicable on material imported under manufacturing bond / EFS scheme. The matter was decided in favor of the Company by the Customs Appellate Tribunal, against which the Custom authorities filed reference with the Honorable Lahore High Court which is currently pending. The Company and its legal advisor are of the opinion that the said demand is not legally justified and hence refundable / adjustable.

- 14.5** This includes an amount of Rs. 103.827 million (2024: Rs. 103.827 million) deposited under protest against demand of same amount raised by the Customs authorities on account of regulatory and additional custom duty in respect of sale of local waste generated from non-ferrous segment, despite the fact that regulatory duty and additional custom duty are not applicable on material imported under manufacturing bond / EFS scheme. The Company has filed refund application which is currently pending. The Company is of the opinion that the said demand is not legally justified and hence refundable.

- 14.6** This represented regulatory duty paid on export of scrap and steel products. During the year, the outstanding amount of Rs. 54.148 million has been written off against the previously recognized provision for the same amount. This write-off represents balance that was considered irrecoverable based on management's assessment and in accordance with the Company's accounting policy for provisions. The write-off has no impact on the profit or loss for the current year as the expense was recognized in prior periods when the provision was initially created.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
14.6.1	Export regulatory duty - considered doubtful:		
	Export regulatory duty	-	54,148,408
	Provision for doubtful recovery	14.6.2	(54,148,408)
		-	-

14.6.2	The movement in provision for doubtful recovery is as follows:		
	Opening provision	54,148,408	54,148,408
	Written off	(54,148,408)	-
	Closing provision	-	54,148,408

15. SHORT-TERM INVESTMENT AND OTHER FINANCIAL ASSETS

	Investment in financial assets - at amortized cost:		
	- Short-term debt instrument - Islamic	15.1	168,955,091
	Balances with banks maintained under lien in:		
	- Saving accounts - Islamic	15.2	69,670,421
			407,885,967
			238,625,512
			407,885,967

15.1 This represents investment in unlisted, rated, and unsecured privately placed short-term sukuk certificates of Pakistan Telecommunication Company Limited having tenure of 06 months, carrying profit at the rate of 3MK + 0.05% per annum. These instruments have been classified as financial assets measured at amortized cost, as the Company intends to hold them to collect contractual cash flows, which consist solely of principal and interest payments.

15.2 These represent aggregate amount of funds maintained in different accounts over which lien is marked in favor of investment agent. The said amounts can only be utilized for purpose of payments to sukuk holders as and when due. These carried profit ranging between 4% to 5% (2024: 6.75% to 8.50) per annum.

Rupees	2025	2024
16. CASH AND BANK BALANCES		
Balances with:		
Islamic banks:		
- Current accounts	1,727,051,036	2,431,760,691
- Saving accounts	724,999,921	94,000,360
	2,452,050,957	2,525,761,051
Conventional banks:		
- Current accounts	433,381,507	207,050,135
- Saving accounts	202,049,782	76,608,060
- Term deposits	-	323,992,592
	635,431,289	607,650,787
	3,087,482,246	3,133,411,838
Cash in hand	4,296,479	26,811,258
	3,091,778,725	3,160,223,096

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

16.1 Cash and bank balances includes US\$ 457,132 (2024: US\$ 177,878) held in foreign currency accounts.

16.2 Saving accounts carried profit ranging between 1.50% to 20.75% (2024: 7.41% to 21.50%) per annum.

16.3 Term deposits were matured during the year and carried profit ranging between 13.30% to 16.50% (2024: 13.50% to 16.50%) per annum.

17. AUTHORIZED SHARE CAPITAL

The authorized share capital of the Company is Rs. 10,000.000 million (2024: 10,000.000 million) divided into 700.000 million (2024: 700.000 million) ordinary shares of Rs. 10/- each, 250.000 million (2024: 250.000 million) ordinary Class-B shares of Rs. 10/- each and 50.000 million (2024: 50.000 million) ordinary Class-C shares of Rs. 10/- each. Ordinary Class-C shares carry 05 votes per share, are participatory in surplus assets in case of liquidation, are not convertible into ordinary shares, have right to dividend / bonus shares / right shares declared / issued by the Company in respect of ordinary Class-C shares, whereas, the rights and privileges relating to ordinary Class-B shares have yet not been determined by the members of the Company.

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Issued, subscribed and paid-up capital comprises of the following classes of ordinary shares:

2025	2024	Note	2025	2024
Number of shares			Rupees	
335,633,933	335,633,933	Ordinary shares	3,356,339,330	3,356,339,330
33,062,447	-	Ordinary Class-C shares	330,624,470	-
368,696,380	335,633,933		3,686,963,800	3,356,339,330

18.1 Break-up of ordinary shares is as follows:

2025	2024	Note	2025	2024
Number of shares			Rupees	
202,207,479	202,207,479	Shares allotted for consideration paid in cash	2,022,074,790	2,022,074,790
58,579,553	58,579,553	Shares allotted for consideration other than cash	585,795,530	585,795,530
74,846,901	74,846,901	Shares allotted as bonus shares	748,469,010	748,469,010
335,633,933	335,633,933		3,356,339,330	3,356,339,330

18.1.1 These represent shares issued against purchase of business comprising of net assets of Mughal Steel (AoP) including fixed assets.

18.1.2 213.595 million (2024: 213.595 million) ordinary shares of Rs. 10/- each were held by major shareholders, key management personnel and their relatives. Ordinary shareholders holding 50.51% of the ordinary shares of the Company have entered into a voting trust arrangement. Under this arrangement, the voting rights attached to these shares are exercised collectively through the voting trustee for the purposes of general meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

18.1.3 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company and rank equally with regard to Company's residual assets.

18.2 Break-up of ordinary Class-C shares is as follows:

2025	2024	Note	2025	2024
Number of shares			Rupees	
33,062,447	-	Shares allotted for consideration		
		paid in cash	18.21	330,624,470
33,062,447	-			330,624,470

18.2.1 Movement in ordinary Class-C shares allotted for consideration paid in cash is as follows:

2025	2024	Note	2025	2024
Number of shares			Rupees	
-	-	Opening balance	-	-
33,062,447	-	Ordinary Class-C shares issued	18.22	330,624,470
33,062,447	-	Closing balance		330,624,470

18.2.2 This represented the issuance of 9.85% right shares (i.e. 9.85 ordinary Class-C shares for every 100 ordinary shares held) comprising of 30.062 million ordinary Class-C shares at an exercise price of Rs. 45/- per share inclusive of premium of Rs. 35/- per share. The proceeds were duly utilized for meeting working capital requirements which was inline with the purpose disclosed in the offering document.

18.2.3 25.639 million (2024: Nil) ordinary Class-C shares of Rs. 10/- each were held by major shareholders, key management personnel and their relatives.

18.2.4 Ordinary Class-C shares carry 05 votes per share, are participatory in surplus assets in case of liquidation, are not convertible into ordinary shares, have right to dividend / bonus shares / right shares declared / issued by the Company in respect of ordinary Class-C shares and rank equally with regard to Company's residual assets.

18.3 Pursuant, to covenants contained in the financing agreements, the Company is prevented from declaring dividend, if such declaration leads to breach of any financial covenants stipulated therein.

Rupees	Note	2025	2024
19. CAPITAL RESERVES			
Share premium account	19.1	3,467,578,494	2,324,952,020
Contingency reserve	19.2	980,000,000	980,000,000
		4,447,578,494	3,304,952,020

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
19.1	Break-up of share premium account is as follows:		
	Share premium in respect of ordinary shares	2,324,952,020	2,324,952,020
	Share premium in respect of ordinary Class-C shares	19.1.1	
		1,142,626,474	-
		3,467,578,494	2,324,952,020

19.1.1	Movement of share premium in respect of ordinary Class-C shares is as follows:		
	Opening balance	-	-
	Share premium recognized during the year @ Rs. 35/- per ordinary Class-C share	1,157,185,645	-
	Transaction costs relating to issue of ordinary Class-C shares	(14,559,171)	-
	Closing balance	1,142,626,474	-

19.1.2 Share premium account can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

19.2 This represents contingency reserve set aside from un-appropriated profit for meeting future catastrophic events.

Rupees	2025	2024
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20. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	Revaluation surplus on property, plant and equipment - net of deferred tax	3,899,891,432	3,740,482,178
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20.1	Movement in revaluation surplus on property, plant and equipment - net of deferred tax:		
	Opening balance	3,740,482,178	3,998,378,178
	Transfer of incremental depreciation for the year	(68,062,264)	(90,767,218)
	Transfer of incremental depreciation on disposals	(6,248,747)	-
	Tax impact due to change in regime for export sales	-	(167,128,782)
	Effect of change in enacted tax rate	233,720,265	-
	Closing balance	3,899,891,432	3,740,482,178

20.2	Breakup of revaluation surplus net of deferred tax is as follows:		
	Freehold land	572,274,137	572,274,137
	Factory building on freehold land	138,993,434	134,837,777
	Plant and machinery	2,470,080,335	2,339,921,621
	Power plant	718,543,526	693,448,643
		3,899,891,432	3,740,482,178

20.3 The revaluation surplus on property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
21. LONG-TERM FINANCING - SECURED			
Obtained under conventional mode:			
- Long-term loans	21.1	1,955,989,205	2,531,920,979
Obtained under Islamic mode:			
- Diminishing musharaka	21.2	117,900,433	189,021,464
- Shariah compliant sukuk certificates	21.3	3,054,990,886	3,856,734,675
		3,172,891,319	4,045,756,139
Total long-term financing		5,128,880,524	6,577,677,118
Current portion shown under current liabilities		(1,086,385,517)	(4,123,903,070)
		4,042,495,007	2,453,774,048

21.1	Long-term loans:			
	Bank Alfalah Limited - II	21.1.1	-	19,750,000
	Bank Alfalah Limited - IV	21.1.2	-	39,997,824
	Soneri Bank Limited - I	21.1.3	28,411,460	33,759,139
	Soneri Bank Limited - II	21.1.4	20,512,000	24,688,000
	Habib Bank Limited - I	21.1.5	128,469,000	175,185,000
	Habib Bank Limited - II	21.1.6	1,078,596,745	1,463,541,016
	Pak Libya Holding Company (Private) Limited	21.1.7	700,000,000	525,000,000
	Pak Brunei Investment Company Limited	21.1.8	-	250,000,000
			1,955,989,205	2,531,920,979
	Current portion shown under current liabilities		(499,517,217)	(750,931,707)
			1,456,471,988	1,780,989,272

21.1.1 This was completely repaid during the year.

21.1.2 This was completely repaid during the year.

21.1.3 This represents outstanding amount in respect of term finance facility obtained for the purpose of financing procurement and installation of solar system. It is repayable in 120 equal monthly installments with last installment due in November 2031. It carries mark up at the rate of 3MK + 2.00% per annum.

21.1.4 This represents outstanding amount in respect of SBP scheme for renewable energy facility obtained for the purpose of financing procurement and installation of solar system. It is repayable in 120 equal monthly installments with last installment due in May 2030. It carries mark up at SBP rate + 3.00% per annum.

21.1.5 This represents outstanding amount in respect of SBP scheme for LTFF obtained for the purpose of financing imported plant and machinery for non-ferrous segment. It is repayable in 20 equal quarterly installments, post completion of grace period of 12 months, with last installment due in March 2028. It carries mark up at SBP rate + 1% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

21.1.6 This represents outstanding amount in respect of term finance obtained for the purpose of financing imported plant and machinery for non-ferrous segment and certain spares for ferrous segment. It is repayable in 20 equal quarterly installments, post completion of grace period of 12 months, with last installment due in June 2028. It carries mark up at the rate of 3MK + 1% per annum.

21.1.7 This represents outstanding amount in respect of term finance facility obtained for the purpose of financing the 36.50 MW captive hybrid power plant of Mughal Energy Limited. It is repayable in 24 equal quarterly installments, post completion of grace period of 18 months, with last installment due in June 2030. It carries mark up at the rate of 3MK + 1.60% per annum.

21.1.8 This was completely repaid during the year.

Rupees	Note	2025	2024
21.2 Diminishing musharaka:			
Meezan Bank Limited - I	21.2.1	15,212,698	70,018,917
Meezan Bank Limited - II	21.2.2	102,687,735	119,002,547
		117,900,433	189,021,464
Current portion shown under current liabilities		(31,877,414)	(71,128,248)
		86,023,019	117,893,216

21.2.1 This represents outstanding amount in respect of diminishing musharaka facility obtained for the purpose of financing plant and machinery for ferrous segment. It is repayable in 18 equal quarterly installments, with the last installment due in March 2026. It carries mark up at the rate of 3MK + 1% per annum.

21.2.2 This represents outstanding amount in respect of Islamic temporary refinance facility obtained for purchase of plant and machinery for ferrous segment. It is repayable in 32 equal quarterly installments, with the last installment due in June 2031. It carries mark up at SBP rate + 4% per annum. The fair value of the loan has been determined by discounting the loan proceeds using prevailing market rates of interest for similar instruments. The differential between the loan proceeds and fair value of the loan has been recorded as deferred grant (note 4.23 and 24).

Rupees	Note	2025	2024
21.3 Shariah compliant sukuk certificates:			
Sukuk I - (Diminishing musharaka)	21.3.1	554,990,886	1,356,734,675
Sukuk II - (Shirkat-ul-Aqd musharaka)	21.3.2	-	2,500,000,000
Sukuk V - (Shirkat-ul-Aqd musharaka)	21.3.3	2,500,000,000	-
		3,054,990,886	3,856,734,675
Current portion shown under current liabilities		(554,990,886)	(3,301,843,115)
		2,500,000,000	554,891,560

21.3.1 This represents the amortized cost of 3,000 privately placed, rated, secured, OTC listed shariah compliant sukuk certificates aggregating to Rs. 3,000.000 million (inclusive of a green shoe option of Rs. 1,000.000 million) having face value of Rs. 1,000,000/- each, issued for a period of 5 years (inclusive of 1 year grace period) to Qualified Institutional Buyers (QIBs) in accordance with Section 66 of the Companies Act, 2017 for the purpose of meeting working capital requirements of the Company and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

utilized accordingly. These carry profit at the rate of 3MK + 1.30% per annum and are repayable in 16 equal quarterly installments, with the last installment due in March 2026. Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited (VIS) as per their latest reports have assigned long-term rating of A+ to the sukuk certificates.

21.3.2 This represented privately placed, rated, secured Sukuk - II certificates, having 15 months tenure to finance the Company's working capital requirements. The certificates carried profit at the rate of 3MK + 1.45% per annum, payable on quarterly basis. The principal amount was completely repaid upon maturity in March 2025. This included Rs. 25,000 million on account of Indus Engineering (Private) Limited (related party).

21.3.3 This represents privately placed, rated, secured Sukuk - V certificates, issued during the year, having 15 months tenure to finance the Company's working capital requirements. The certificates carry profit at the rate of 3MK + 1.45% per annum, payable on quarterly basis. The principal amount is repayable in bullet upon maturity in July 2026. The certificates are secured by way of joint pari passu charge over present and future current assets of the Company. Pakistan Credit Rating Agency Limited (PACRA) as per its latest report has assigned long-term rating of AA- to these certificates.

21.4 Except as disclosed in note 21.1.7, the above outstanding facilities are secured by joint pari passu / ranking charges to the extent of Rs. 5,652.672 million (2024: Rs. 10,496.905 million) over present and future fixed assets (excluding land and building) of the Company with 25% margin and by way of personal guarantees of Directors, other than Independent Directors. In addition the Company is also required to comply with certain financial covenants including but not limited to prohibition with respect to payment of dividend until certain financial requirements are satisfied.

Rupees	2025	2024
22. DEFERRED TAXATION		
Net deferred tax liability is recognized in respect of following taxable / (deductible) temporary differences:		
- Accelerated tax depreciation	2,719,905,855	2,821,707,820
- Revaluation surplus on property, plant and equipment	1,752,714,454	2,025,575,633
	4,472,620,309	4,847,283,453
- Defined benefit obligation	(329,856,519)	(299,907,333)
- Allowance for expected credit losses	(17,411,900)	(28,481,021)
- Tax losses	(1,150,035,707)	(940,426,246)
- Minimum taxes	(524,708,198)	(1,564,763,027)
	(2,022,012,324)	(2,833,577,627)
	2,450,607,985	2,013,705,826

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

22.1 Movement in the net deferred tax liability is as follows:

Rupees	Opening balance	Recognized during the year in			Closing balance
		Statement of profit or loss	Statement of comprehensive income	Statement of changes in equity	
Accelerated tax depreciation	2,821,707,820	(101,801,965)	-	-	2,719,905,855
Revaluation surplus					
on property, plant and equipment	2,025,575,633	(39,140,914)	-	(233,720,265)	1,752,714,454
Defined benefit obligation	(299,907,333)	(35,887,910)	5,938,724	-	(329,856,519)
Allowance for expected credit losses	(28,481,021)	11,069,121	-	-	(17,411,900)
Tax losses	(940,426,246)	(209,609,461)	-	-	(1,150,035,707)
Minimum taxes	(1,564,763,027)	1,040,054,829	-	-	(524,708,198)
June 30, 2025	2,013,705,826	664,683,700	5,938,724	(233,720,265)	2,450,607,985
Accelerated tax depreciation	2,199,427,327	622,280,493	-	-	2,821,707,820
Revaluation surplus					
on property, plant and equipment	1,916,478,351	(58,031,500)	-	167,128,782	2,025,575,633
Defined benefit obligation	(189,161,842)	(113,509,582)	2,764,091	-	(299,907,333)
Allowance for expected credit losses	(41,993,203)	13,512,182	-	-	(28,481,021)
Tax losses	(5,655,687)	(934,770,559)	-	-	(940,426,246)
Minimum taxes	-	(1,564,763,027)	-	-	(1,564,763,027)
June 30, 2024	3,879,094,946	(2,035,281,993)	2,764,091	167,128,782	2,013,705,826

22.2 Deferred tax assets and liabilities on temporary differences are measured at 34.50% (2024: 39.00%). Deferred tax asset is recognized for tax losses, minimum tax, alternative corporate tax, and tax losses available for carry forward, if, the realization of the related tax benefit through future taxable profits is probable. Tax losses are measured at 29%.

Rupees	Note	2025	2024
23. DEFINED BENEFIT OBLIGATION			
Defined benefit obligation	23.1	956,105,853	768,993,162

23.1 This represents the present value of the defined benefit obligation recognized in the statement of financial position (note 4.4). The latest actuarial valuation was carried out on June 30, 2025 using Projected unit credit (PUC) method by an approved actuary. It includes Rs. 119.368 million (2024: Rs. 105.926 million) on account of present value of defined benefit obligation of key management personnel. The Company does not have any plan assets covering its defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
23.2	Changes in net liability recognized in statement of financial position:		
Opening balance		768,993,162	601,259,811
Expense charged to profit or loss	23.4	256,309,598	220,778,947
Remeasurements recognized in other comprehensive income	23.5	(17,213,693)	(7,087,412)
		1,008,089,067	814,951,346
Defined benefits paid		(51,983,214)	(45,958,184)
		956,105,853	768,993,162
23.3	Changes in present value of defined benefit obligation:		
Opening value of obligation		768,993,162	601,259,811
Current service cost		150,757,268	130,661,821
Interest cost		105,552,330	90,117,126
Remeasurements of obligation:			
- Actuarial gain from changes in financial assumptions		(8,198,519)	(2,742,386)
- Actuarial loss from changes in demographic assumptions		41,502,553	-
- Experience adjustments		(50,517,727)	(4,345,026)
Defined benefits paid		(51,983,214)	(45,958,184)
Present value of defined benefit obligation as at June 30,		956,105,853	768,993,162
23.4	Expense charged to profit or loss:		
Current service cost		150,757,268	130,661,821
Interest cost		105,552,330	90,117,126
		256,309,598	220,778,947
23.4.1	The expense charged to profit or loss includes Rs. 32.953 million (2024: Rs. 31.530 million) in respect of key management personnel.		
23.5	Remeasurements charged to other comprehensive income:		
Actuarial gain from changes in financial assumptions		(8,198,519)	(2,742,386)
Actuarial loss from changes in demographic assumptions		41,502,553	-
Experience adjustments		(50,517,727)	(4,345,026)
		(17,213,693)	(7,087,412)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
23.6 Function-wise breakup of expense charged to profit or loss:		
Cost of sales	157,348,716	146,961,106
Sales and marketing expenses	12,511,135	8,383,176
Administrative expenses	86,449,747	65,434,665
	256,309,598	220,778,947
23.7 Key actuarial assumptions used:		
Discount rate used for interest cost in profit or loss charge (%)	14.75%	16.25%
Discount rate used for year end obligation (%)	11.75%	14.75%
Future salary increased (%)	10.75%	13.75%
Next salary increase	01-Jul-25	01-Jul-24
Pre-retirement mortality	SLIC 2001-2005	
	Setback 1 year	
Withdrawal rates	Age based	
Retirement assumption	Age 60	
Actuarial valuation method used	Projected unit credit (PUC) method	

Figures in this note are based on the latest actuarial valuation carried out as at June 30, 2025.

23.8 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principle assumptions is:

Rupees	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+/- by 100 bps	877,554,568	986,758,299
Salary increase	+/- by 100 bps	989,113,787	874,503,768

There is no significant change in the obligation if the life expectancy increases by 1 year.

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Based on actuary's advice, the amount of expected expense in respect of the defined benefit plan in 2025-26 will be Rs. 248.891 million.

The average duration of the defined benefit obligation is 6 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

23.9 Experience adjustments in respect of defined benefit obligation:

Rupees	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	34,080,673	7,132,391	(8,832,119)	(4,345,026)	(50,517,727)

23.10 Expected benefit payments for the next 6 years and beyond:

Rupees	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031 and onwards
	277,045,445	148,590,347	121,435,483	117,992,193	123,965,607	7,753,524,274

Rupees	Note	2025	2024
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24. DEFERRED LIABILITIES

Deferred income	24.1	68,923,790	70,499,980
Deferred grant	24.2	8,562,498	11,601,294
		77,486,288	82,101,274

24.1 This represents unrecognized sale proceeds in respect of long-term loans to employees against vehicles.

24.2 This represents the non-current portion of the deferred grant recognized (note 4.23). Deferred grant amounting to Rs. 3.039 million (2024: Rs. 6.267 million) was amortized during the year.

Rupees	Note	2025	2024
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25. TRADE AND OTHER PAYABLES

Creditors		5,277,917,622	2,565,707,171
Accrued and other liabilities		291,320,144	180,007,011
Utilities payable	25.1	806,498,827	1,352,257,800
Withholding taxes payable		210,345,905	99,565,253
Contract liabilities (Running account with customers)	25.2	79,095,326	21,460,329
Workers' profit participation fund payable	25.3	73,126,313	35,869,326
Workers' welfare fund payable		27,699,333	14,173,933
		6,766,003,470	4,269,040,823

25.1 This includes amount of Rs. Nil (2024: Rs. 591.131 million) provided as per the decision of the Honorable Islamabad High Court in the matter of charging Fuel Price Adjustment (FPA) and Quarterly Tariff Rate Adjustment (QTR) in electricity bills for the period relating from July 2022 to December 2022, in favor of LESCO. As at June 30, 2024, the Company had deposited Rs. 239.112 million against the said liability, with the outstanding amount being paid in two monthly installments during the year ended June 30, 2025.

25.2 These are unsecured and represented advance payments received from customers against which goods are to be supplied.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
25.3	Workers' profit participation fund payable:		
Opening balance		35,869,326	233,598,643
Charge for the year	34.	73,126,313	35,869,326
		108,995,639	269,467,969
Interest charge		6,317,620	48,507,612
Payments		(42,186,946)	(282,106,255)
Closing balance		73,126,313	35,869,326

26. This represents unclaimed and unpaid dividend amounts and includes amount of Rs. 6.901 million (2024: Rs. 6.972 million) on account of unclaimed / unpaid dividend outstanding for more than three years.

Rupees	Note	2025	2024
27.	ACCRUED PROFIT / MARK-UP		
Payable under Islamic mode of financing in respect of:			
- Long-term financing		66,173,287	11,245,552
- Short-term borrowings		240,157,159	402,333,540
		306,330,446	413,579,092
Payable under conventional mode of financing in respect of:			
- Long-term financing		46,054,702	110,491,890
- Short-term borrowings		243,360,997	696,413,176
		289,415,699	806,905,066
		595,746,145	1,220,484,158

27.1 This includes Rs. Nil (2024: Rs. 4.660 million) payable to Indus Engineering (Private) Limited (related party).

Rupees	Note	2025	2024
28.	SHORT-TERM BORROWINGS		
Short-term borrowings availed from:	28.1		
- Islamic banks - secured		11,453,470,654	11,032,057,666
- Conventional banks / development financial institutions - secured		9,430,968,872	13,789,813,474
		20,884,439,526	24,821,871,140
Short-term unsecured Sukuks (shirkat-ul-Aqd musharaka):			
- Sukuk - III	28.2	-	3,000,000,000
- Sukuk - VI	28.3	2,000,000,000	-
		2,000,000,000	3,000,000,000
		22,884,439,526	27,821,871,140
Temporary bank overdraft	28.4	296,328	170,553,533
		22,884,735,854	27,992,424,673

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

28.1 Short-term borrowings have been obtained from various conventional and Islamic banks under profit / mark-up arrangements for meeting various working capital requirements. The aggregate credit facilities available to the Company for utilization other than under trade credit amounted to Rs. 36,433.136 million (2024: Rs. 38,311.000 million) which represent the aggregate of all facility agreements between the Company and respective banks in respect of funded and non-funded facilities. Out of the total available facilities, Rs. 7,438.338 million (2024: Rs. 3,323.000 million) remained unavailed as at June 30, 2025. Funded facilities include various facilities comprising of running finance, cash finance, karobar finance, running musharaka, istisna, wakala and other import credit facilities which can be used interchangeably. Unfunded facilities represent facilities for opening letters of credit and guarantees. Majority of the funded facilities are sublimits of unfunded facilities. The facilities are secured by ranking / pari passu / joint pari passu charges over present and future current assets of the Company, pledge of stocks, lien over documents, title of ownership of goods imported under letters of credit, lien over EE statements, against trust receipts duly executed in favor of banks and personal guarantees of the Directors except for Independent Directors and carry mark-up at the rates ranging from SBP / 1MK to 6MK rate + 0.50% to 2.25% (2024: SBP / 1MK to 6MK rate + 0.50% to 1.50%) per annum.

28.2 This represented privately placed, rated, unsecured sukuk certificates, issued during the year, having 06 months tenure to finance the Company's working capital requirements. The certificates carried profit at the rate of 6MK + 1.10% per annum. It was repaid in bullet in October 2024 upon maturity. This included Rs. 100.000 million on account of Indus Engineering (Private) Limited (related party).

28.3 This represents privately placed, rated, unsecured sukuk certificates, issued during the year, having 06 months tenure to finance the Company's working capital requirements. The certificates carry profit at the rate of 6MK + 1.10% per annum and are repayable in bullet in December 2025. Pakistan Credit Rating Agency Limited (PACRA) as per its latest report has assigned long-term rating of A+ to the certificates.

28.4 This represented temporary overdraft due to cheques issued by the Company at the reporting date to be met with subsequent deposits.

29. CONTINGENCIES AND COMMITMENTS

Contingencies:

Guarantees:

- i) Aggregate amount of corporate guarantees issued on behalf of Mughal Energy Limited (subsidiary company), for the purpose of availing financing, amounted to Rs. 2,389.607 million as at June 30, 2025 (2024: Rs. 1,539.607 million), against total approved limit of Rs. 6,000.000 million.
- ii) Aggregate amount of guarantees issued by banks / insurance companies on behalf of the Company in the normal course of the business amounted to Rs. 1,736.191 million as at June 30, 2025 (2024: Rs. 2,607.379 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Claims subject to legal proceedings:

The details of claims by and / or against the Company which are currently subject to the legal proceedings are detailed below:

S.No	Name of the court, agency or authority	Particulars of the case	Principal parties	Date instituted
i)	Honorable Lahore High Court	Writ petition has been filed before the Honorable Lahore High Court against demand of Rs. 1.581 million on account of Punjab Infrastructure Development Cess on import of goods in Punjab. The Company has challenged the constitutionality of Punjab Infrastructure Development Cess Act, 2015. No provision has been made in these financial statements as both the management and the Company's legal advisor are optimistic that the ultimate outcome of this case will be in favor of the Company.	Company and Federation of Pakistan	June 22, 2016
ii)	Honorable Lahore High Court	The Additional Commissioner Inland Revenue (ACIR) passed an amended assessment order u/s 122(1)/122(5A) of the Income Tax Ordinance, 2001 for Tax Year 2013 creating demand of Rs. 198.484 million. The Company filed appeal before Commissioner Inland Revenue Appeals (CIR-A). However, CIR-A maintained the order of the ACIR. The Company subsequently filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which was accepted. However, the department filed reference before the Honorable Lahore High Court which is pending adjudication. No provision has been made in these financial statements as both the management and the Company's legal advisor are optimistic that the ultimate outcome of this case will be in favor of the Company.	Company and Federal Board of Revenue	June 02, 2017
iii)	Honorable Lahore High Court	The Deputy Commissioner Inland Revenue (DCIR) initiated audit proceedings u/s 177 of the Income Tax Ordinance, 2001 for the Tax Year 2004, creating demand of Rs. 14.196 million against which appeal was filed before Commissioner Inland Revenue - Appeals (CIR-A) who decided the case in favor of the Company. However, the department filed appeal before the Appellate Tribunal Inland Revenue (ATIR) whereby the ATIR maintained the order passed by the CIR-A. The department has filed reference before the Honorable Lahore High Court which is pending till date. No provision has been made in these financial statements as both the management and the Company's legal advisor are optimistic that the ultimate outcome of this case will be in favor of the Company.	Company and Federal Board of Revenue	July 01, 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

S.No	Name of the court, agency or authority	Particulars of the case	Principal parties	Date instituted
iv)	Honorable Lahore High Court	The Deputy Commissioner Inland Revenue (DCIR) initiated audit proceedings u/s 161 of the Income Tax Ordinance, 2001 for the Tax Year 2023, creating demand of Rs. 320.217 million against which appeal was filed before Commissioner Inland Revenue - Appeals (CIR-A) who decided the case against the Company. However, the Company filed appeal before the Appellate Tribunal Inland Revenue (ATIR) whereby the ATIR decided the matter in favor of the Company. The department has filed reference before the Honorable Lahore High Court which is pending till date. No provision has been made in these financial statements as both the management and the Company's legal advisor are optimistic that the ultimate outcome of this case will be in favor of the Company.	Company and Federal Board of Revenue	July 06, 2023
v)	Honorable Lahore High Court	The Honorable Lahore High Court, in proceedings initiated u/s 6 of the Recognition and Enforcement (Arbitral Agreements and Foreign Arbitral Awards) Act, 2011, in the matter of Metro Metals Northwest, Inc. versus Mughal Iron & Steel Industries Limited, passed an order dated January 29, 2025, directing that the foreign arbitral award in the amount of USD 2.508 million be recognized and enforced as a decree of the Court. The Company has filed an Intra-Court Appeal (ICA) before the Division Bench of the Honorable Lahore High Court, accompanied by an application seeking interim relief which is currently pending till date. No provision has been made in these financial statements, as both the management and the Company's legal advisor are of the considered view that the final outcome of the proceedings is likely to be in favor of the Company.	Company and Metro Metals Northwest, Inc.	March 15, 2025

Rupees	2025	2024
Commitments:		
i) Non-capital commitments	1,197,898,852	7,871,350,695
ii) Capital commitments		
- Foreign	251,133,260	165,307,719
iii) The amount of future payments under short-term leases and the period in which these payments will become due are as follows:		
- Within 1 year	17,500,000	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
30. NET SALES		
Local sales		
- Manufacturing	73,949,450,102	72,832,462,134
- Trading	1,607,847,439	-
	75,557,297,541	72,832,462,134
Export sales		
- Manufacturing	13,787,741,384	19,070,594,696
- Trading	134,926,437	516,570,057
	13,922,667,821	19,587,164,753
	89,479,965,362	92,419,626,887

30.1 All goods are transferred at point of time. Revenue recognized during the year from contract liabilities as at the beginning of the year amounted to Rs. 21.208 million (2024: Rs. 79.391 million).

30.2 Reconciliation with segment information is as follows:

Rupees	Ferrous	Non- Ferrous	Total
Net revenue from external customers:			
Local sales			
- Manufacturing	71,940,574,012	2,008,876,090	73,949,450,102
- Trading	1,607,847,439	-	1,607,847,439
Export sales			
- Manufacturing	-	13,787,741,384	13,787,741,384
- Trading	-	134,926,437	134,926,437
June 30, 2025	73,548,421,451	15,931,543,911	89,479,965,362
Local sales			
- Manufacturing	69,121,254,123	3,711,208,011	72,832,462,134
Export sales			
- Manufacturing	-	19,070,594,696	19,070,594,696
- Trading	-	516,570,057	516,570,057
June 30, 2024	69,121,254,123	23,298,372,764	92,419,626,887

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
31. COST OF SALES			
Opening stock of finished goods / by-products		4,815,457,771	4,136,449,387
<i>Cost of goods manufactured</i>			
- Raw material consumed	31.1	65,500,089,522	70,200,042,988
- Salaries, wages and other benefits	31.2	1,997,190,466	1,637,850,413
- Stores, spares and loose tools consumed		2,057,605,698	1,907,754,904
- Fuel and power		9,531,037,921	10,656,719,334
- Repair and maintenance		10,741,513	1,077,090
- Other manufacturing expenses		365,501,886	424,963,790
- Depreciation	6.1.1	517,976,661	515,572,453
		79,980,143,667	85,343,980,972
Closing stock of finished goods / by-products		(3,519,648,406)	(4,815,457,771)
		81,275,953,032	84,664,972,588

31.1	Raw material consumed:		
	Opening stock of raw material	12,925,793,918	14,965,064,048
	Purchases - net	59,584,077,570	68,160,772,858
		72,509,871,488	83,125,836,906
	Closing stock of raw material	(7,009,781,966)	(12,925,793,918)
		65,500,089,522	70,200,042,988

31.1.1 Raw material consumed includes Rs. 1,660.792 million (2024: Rs. 332.304 million) on account of trading sales during the year.

31.2 This includes Rs. 157.349 million (2024: Rs. 146.961 million) in respect of defined benefit obligation.

Rupees	Note	2025	2024
32. SALES AND MARKETING EXPENSES			
Salaries and other benefits	32.1	95,362,037	63,592,988
Advertisement and sales promotion		98,292,541	93,538,031
Freight, clearing and handling		20,253,951	28,367,867
Insurance		13,854,630	21,788,404
		227,763,159	207,287,290

32.1 This includes Rs. 12.511 million (2024: Rs. 8.383 million) in respect of defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
33. ADMINISTRATIVE EXPENSES			
Directors' remuneration and benefits	33.1	87,462,220	90,007,108
Salaries and other benefits	33.1	617,873,066	534,958,235
Travelling and conveyance		2,024,700	2,803,130
Postage, telephone and fax		4,657,659	3,787,699
Printing, stationery and publication		5,204,805	3,766,150
Legal and professional charges		650,000	3,795,000
Fee and subscription		74,554,717	107,613,033
Rent, rates and taxes		13,732,370	5,292,661
Computers and website maintenance		4,782,444	6,357,309
Vehicle running and maintenance		1,463,447	852,775
Utilities		29,313,886	41,250,904
Insurance		3,677,448	2,896,698
Depreciation	6.1.1	58,393,936	54,708,931
		903,790,698	858,089,633

33.1 This includes aggregate of Rs. 86.550 million (2024: Rs. 65.434 million) in respect of defined benefit obligation.

33.2 Amount of Rs. 1.989 million (2024: Rs. 2.056 million) was paid during the year on account of fee to Shariah Advisors.

Rupees	Note	2025	2024
34. OTHER CHARGES			
Auditors' remuneration	34.1	4,122,826	4,074,000
Workers' profit participation fund		73,126,313	35,869,326
Workers' welfare fund		27,699,333	14,173,933
Donations	34.2	-	31,000,000
Foreign exchange loss - net		39,514,473	-
Loss arising from the derecognition of financial asset measured at amortized cost	7.1	4,433,301	-
Balances written off - net		417,528	-
		149,313,774	85,117,259

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

34.1 The charges for professional services consist of the following in respect of joint auditors' services for:

Rupees	2025	2024
Fazal Mahmood & Company, Chartered Accountants		
- Audit fee	1,260,000	1,260,000
- Audit fee of consolidated financial statements	525,000	525,000
- Half yearly review	181,913	157,500
- Review report on code of corporate governance & other certifications	63,000	63,000
- Out of pocket expenses	31,500	31,500
	2,061,413	2,037,000
Muniff Ziauddin & Company, Chartered Accountants		
- Audit fee	1,260,000	1,260,000
- Audit fee of consolidated financial statements	525,000	525,000
- Half yearly review	181,913	157,500
- Review report on code of corporate governance & other certifications	63,000	63,000
- Out of pocket expenses	31,500	31,500
	2,061,413	2,037,000
	4,122,826	4,074,000

34.2 Detail of recipients of donations, where total donation exceeds 10% of total donations or Rs. 1,000,000/- whichever is higher:

Rupees	2025	2024
Rehman foundation	-	12,900,000
Help line foundation	-	5,500,000
	-	18,400,000

34.2.1 Above recipients of donations do not include any donee in which any director or his / her spouse had any interest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
35. OTHER INCOME			
Profit on saving accounts		58,935,319	78,319,460
Profit on term deposit receipts		783,796	49,084,396
Profit on investment in long-term debt instruments		7,457,907	11,746,667
Profit on investments in short-term debt instruments		3,446,739	-
Finance income on long-term loan to subsidiary company	8.2	5,926,647	-
Finance income on short-term loan to subsidiary company	12.2	111,790,275	26,258,526
Foreign exchange gain - net		-	85,179,462
Gain on disposal of tangible fixed assets		12,291,029	5,906,918
Commission against corporate guarantee	29.	-	45,000,000
Balances written back - net		-	24,097,421
Gain on sale of store items		-	29,699,605
		200,631,712	355,292,455

36. FINANCE COST			
Profit / mark-up in respect of:			
- Long-term financing		989,851,382	838,161,724
- Short-term borrowings		4,571,619,355	5,330,247,680
		5,561,470,737	6,168,409,404
Interest on workers' profit participation fund	25.3	6,317,620	48,507,612
Bank charges		155,240,691	147,121,963
		5,723,029,048	6,364,038,979

36.1 Borrowing costs capitalized during the year amounted to Rs. Nil (2024: Rs. 1.100 million). The rate of mark-up has been disclosed in note 21 to the financial statements.

Rupees	Note	2025	2024
37. LEVIES			
Prior year	37.1	(560,668,831)	-
Minimum tax	37.2	78,436,144	490,957,242
Final tax	37.3	-	217,739,406
		(482,232,687)	708,696,648

37.1 This represented the difference arising due to variation between the accounting provision and the final tax liability determined at the time of filing the income tax return. The difference primarily related to the Company's decision, at the time of filing, to opt for taxation under the Normal Tax Regime (NTR) in respect of its export operations rather than being taxed under the Final Tax Regime (FTR). This resulted in a reduction in tax liability due to adjustment of minimum taxes against the final liability.

37.2 This represents minimum tax liability in respect of bar re-rolling mill operations which has been recognized as levy.

37.3 This represented final taxes paid u/s 154 of the Income Tax Ordinance, 2001 recognized as levy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
38. TAXATION			
Prior year		-	(54,467,719)
Current	38.1	209,298,126	-
Deferred tax - origination and reversal of temporary differences		664,683,700	(2,035,281,993)
		873,981,826	(2,089,749,712)

38.1 The current tax liability represents corporate and super tax on taxable income in respect of operations other than that of bar re-rolling mill. Relationship between tax liability as per applicable tax laws and accounting profit along with its bifurcation into current income tax and levies is as follows:

Rupees	2025	2024
Profit before taxation	1,357,267,313	618,835,647
Tax on accounting profit at the applicable corporate tax rate of 29% (2024: 29%)	393,607,522	179,462,338
Tax effect of income subject to final taxation	-	(591,087,370)
Tax effect of amounts that are admissible for tax purposes	(146,723,347)	(482,782,841)
Tax effect of amounts that are inadmissible for tax purposes	157,981,065	214,725,540
Tax effect of loss	-	897,421,739
Tax effect of minimum taxation and credits	(219,460,619)	490,957,242
Prior year	-	(54,467,719)
Deferred tax	664,683,700	(2,035,281,993)
Tax effect of super tax	102,319,649	-
Tax liability for the year as per applicable tax laws	952,417,969	(1,381,053,064)
Portion of current tax representing minimum tax categorized as levy	(78,436,144)	(490,957,242)
Portion of current tax representing final tax categorized as levy	-	(217,739,406)
Portion of tax liability as per tax laws, representing income tax under IAS - 12	873,981,826	(2,089,749,712)

Rupees		2025	2024
39.	EARNINGS PER SHARE – BASIC AND DILUTED		
Profit for the year	Rupees	965,518,174	1,999,888,711
Weighted average number of ordinary shares	Number	335,633,933	335,633,933
Weighted average number of ordinary Class-C shares	Number	5,706,669	-
Weighted average number of total ordinary shares	Number	341,340,602	335,633,933
Earnings per share – Basic	Rupees / share	2.83	5.96

39.1 There were no dilutive potential ordinary shares outstanding as at June 30, 2025 and June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
40. CASH GENERATED FROM OPERATIONS			
Profit before levies and taxation		1,357,267,313	618,835,647
Adjustments:			
Depreciation of property, plant and equipment		576,370,597	570,281,384
Employee defined benefit charge	23.4	256,309,598	220,778,947
Allowance for expected credit losses - reversal	11.2	(22,558,982)	(60,449,113)
Balances written off - net	34.	417,528	-
Balances written back - net	35.	-	(24,097,421)
Profit on term deposit receipts	35.	(783,796)	(49,084,396)
Profit on investment in long-term debt instrument	35.	(7,457,907)	(11,746,667)
Profit on investments in short-term debt instrument	35.	(3,446,739)	-
Finance income on long-term loan			
to subsidiary company	35.	(5,926,647)	-
Finance income on short-term loan			
to subsidiary company	35.	(111,790,275)	(26,258,526)
Net unrealized foreign exchange gain / loss		(808,592)	39,922,333
Gain on disposal of tangible fixed assets	35.	(12,291,029)	(5,906,918)
Finance cost	36.	5,561,470,737	6,168,409,404
Workers' profit participation fund	34.	73,126,313	35,869,326
Interest on workers' profit participation fund	36.	6,317,620	48,507,612
Workers' welfare fund	34.	27,699,333	14,173,933
		6,336,647,759	6,920,399,898
Profit before working capital changes		7,693,915,072	7,539,235,545
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Inventories		10,458,711,946	(3,045,107,705)
Trade debts		(4,396,881,389)	(1,460,915,170)
Loans and advances		(87,264,375)	272,120,056
Deposits, prepayments and other receivables		(17,585,568)	160,421,459
Due from the Government		(310,420,150)	(40,231,973)
		5,646,560,464	(4,113,713,333)
Increase / (Decrease) in current liabilities:			
Trade and other payables		2,437,358,275	1,516,965,214
		15,777,833,811	4,942,487,426

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

41. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

Cash and cash equivalents included in the statement of cash flows comprise of the following amounts:

Rupees	Note	2025	2024
- Bank balances under lien	15.2	69,670,421	407,885,967
- Cash and bank balances	16.	3,091,778,725	3,160,223,096
- Temporary bank overdraft	28.4	(296,328)	(170,553,533)
		3,161,152,818	3,397,555,530

42. CAPACITY AND ACTUAL PRODUCTION

Ferrous:

Melting

- Capacity	590,000	590,000
- Actual production	300,640	280,127

Re-rolling

- Capacity	630,000	630,000
- Actual production	305,488	245,612

Non-Ferrous:

Melting

- Capacity	10,000	10,000
- Actual production	975	570

Recycling plant

- Capacity	90,000	90,000
- Actual processing	38,773	56,537

42.1 Short-fall in actual production of ferrous segment is due to market demand, whereas, short-fall in actual processing of non-ferrous recycling plant is due to limitation of non-ferrous operations and shift of focus on ferrous operations.

Rupees	2025	2024
43. NUMBER OF EMPLOYEES		
Number of persons employed as at June 30,	2,080	2,216
Average number of employees during the year	2,148	2,284

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

44. RELATED PARTY DISCLOSURE

The Company ("the reporting entity") in the normal course of business carries out arm's length transactions with various related parties ("the entities"). Related parties comprise of group company (subsidiary) and entities regarded as related / associated due to common directorship or common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control of or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity.

Following are the related parties / associated companies / undertakings with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding of the Company;

Name of related party	Relationship	Shareholding %
Mughal Energy Limited	Subsidiary company	90% ordinary shares & 100% Class-B shares
Mr. Mirza Javed Iqbal	Director	-
Mr. Khurram Javaid	Director	-
Mr. Muhammad Mubeen Tariq Mughal	Director	-
Mr. Jamshed Iqbal	Director	-
Mr. Muhammad Mateen Jamshed	Director	-
Mr. Fazeel Bin Tariq	Director	-
Ms. Mariam Khawar	Director	-
Mr. Shoaib Ahmed khan	Director	-
Mr. Abdul Rehman Qureshi	Director	-
Mr. Muhammad Zafar Iqbal	Key management personnel	-
Mr. Shakeel Ahmad Mughal	Key management personnel	-
Mr. Muhammad Fahad Hafeez	Key management personnel	-
Mr. Muhammad Sayyam	Close family member	-
Mr. Fahad Javaid	Close family member	-
Mrs. Tabbasum Javed	Close family member	-
Mrs. Samina Jamshed	Close family member	-
Mrs. Sumaira Shakeel Ahmed	Close family member	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Detail of related party transactions during the year, (other than those which have been disclosed elsewhere in these financial statements) are as follows:

Rupees	2025	2024
Entities		
AI-Bashir (Private) Limited		
Rental expense	-	2,112,000
Indus Engineering (Private) Limited		
Rental expense	-	242,000
Profit expense	-	2,348,975
Mughal Energy Limited		
Sales	512,660,449	774,005,490
Rental expense	3,500,000	-
Commission income	-	45,000,000
Finance income on long-term loan	5,926,647	-
Finance income on short-term loan	111,790,275	26,258,526
Long-term loan - issued	2,500,000,000	-
Short-term loan - repaid / issued - net	790,772,162	770,772,162
Acquisition of shares	-	3,150,000,000
Major shareholders, key management personnel and their relatives		
Major shareholders, Directors and their relatives		
Dividends paid	-	683,483,757
Ordinary Class-C shares issued	1,153,758,960	-
Short-term loans - repayment - net	-	5,689,036
Key management personnel (other than Directors) and their relatives		
Loans and advances - issued / repayments - net	108,240	313,240
Dividends paid	-	20,054

- 44.1** There were no outstanding balances with related parties as at the year end except for those which have been disclosed separately in relevant notes. Details of salaries and benefits to key management personnel have been disclosed in note 45.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

45. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Rupees	Chief Executive Officer		Executive Directors		Executives	
	2025	2024	2025	2024	2025	2024
Managerial remuneration	28,361,283	30,409,636	49,897,936	50,272,914	405,367,765	293,606,856
Defined benefit charge	5,548,112	5,317,357	9,735,421	8,790,602	85,302,045	69,743,726
Other short-term benefits	-	-	-	-	60,387,816	69,850,003
	33,909,395	35,726,993	59,633,357	59,063,516	551,057,626	433,200,585
Number of persons	1	1	2	2	97	97

45.1 Chairman of the Board of Directors, was paid fee aggregating to Rs. 9.738 million (2024: Rs. 9.325 million).

45.2 Executives include aggregate amount in respect of salary and benefits to key management personnel (other than Directors) amounting to Rs. 77.659 million (2024: Rs. 61.357 million). Benefits include Rs. 17.669 million (2024: Rs. 17.428 million) on account of defined benefit charge and Rs. 7.800 million (2024: Rs. 12.087 million) on account of other benefits.

45.3 Amount charged in these financial statements in respect of meeting fee amounted to Rs. 6.165 million (2024: 5.625 million) on account of meeting fee paid to Independent Directors and Non-Executive Directors.

45.4 Chief Executive Officer, Executive Directors, certain key management personnel (other than Directors) and some of the executives are provided with Company maintained cars in accordance with their terms of employment. The Company bears travelling expenses (if any) of Chairman, Chief Executive Officer, Directors and other key management personnel relating to travel for official purposes including expenses incurred in respect of attending Board and Committee meetings.

45.5 Executives mean employees other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1,200,000/- in a financial year.

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Rupees	Opening balance	Financing cash flows (46.1)	Other changes	Closing balance
Long-term financing	6,577,677,118	(1,455,076,610)	6,280,016	5,128,880,524
Unclaimed dividends	2,954,068	-	-	2,954,068
Unpaid dividends	8,019,268	(171,861)	-	7,847,407
Accrued profit / mark-up	1,220,484,158	(6,186,208,750)	5,561,470,737	595,746,145
Short-term borrowings	27,821,871,140	(4,937,431,614)	-	22,884,439,526
June 30, 2025	35,631,005,752	(12,578,888,835)	5,567,750,753	28,619,867,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Opening balance	Financing cash flows (46.1)	Other changes	Closing balance
Long-term financing	4,980,477,894	1,589,540,853	7,658,371	6,577,677,118
Unclaimed dividends	2,956,938	(2,870)	-	2,954,068
Unpaid dividends	6,105,932	(1,072,115,250)	1,074,028,586	8,019,268
Accrued profit / mark-up	889,758,212	(5,837,683,458)	6,168,409,404	1,220,484,158
Short-term borrowings	20,995,046,293	6,826,824,847	-	27,821,871,140
Short-term loans from Directors	5,689,036	(5,689,036)	-	-
June 30, 2024	26,880,034,305	1,500,875,086	7,250,096,361	35,631,005,752

46.1 This represents net amount of proceeds and repayments.

47. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks arising 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 the Company's risk management framework and for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

47.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. The carrying value of financial assets represents the maximum credit risk. The detail of financial assets along with maximum exposure to credit risk is as follows:

Rupees	2025	2024
Long-term investment	-	50,119,465
Long-term loans	2,552,252,447	57,056,557
Long-term deposits	2,838,069	2,838,069
Trade debts - net	15,231,833,733	10,805,747,538
Loans and advances	81,175,594	851,773,867
Deposits, prepayments and other receivables	265,552,285	164,202,927
Short-term investment and other financial assets	238,625,512	407,885,967
Bank balances	3,087,482,246	3,133,411,838
	21,459,759,886	15,473,036,228

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Maximum exposure to credit risk by type of counterparty is as follows:

Rupees	2025	2024
Trade debts - net	15,231,833,733	10,805,747,538
Long-term loans	2,500,000,000	-
Bank balances with banking companies and financial institutions	3,157,152,667	3,670,842,206
Others	570,773,486	996,446,484
	21,459,759,886	15,473,036,228

Geographically, there is no concentration of credit risk except for certain receivables from export parties which constitute 4.45% (2024: 3.57%) of total financial assets. Out of the total financial assets, credit risk is concentrated in trade debts and bank balances as they constitute 85.67% (2024: 92.75%) of the total financial assets.

The Company's exposure to customers is diversified and majority of the Company's customers have been transacting with the Company without any default history. None of the customers are credit-impaired at the reporting date. Expected credit loss assessment in respect of trade debts is provided in note 11 and 4.7. Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Long-term investment, long-term loans, long-term deposits, certain items of loans and advances, deposits, prepayments and other receivables and short-term investment and other financial assets are considered to have low credit risk. Expected credit loss policy in respect of these financial assets is provided in note 4.7.

The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties assigned to them by credit rating agencies. Out of the total bank balances of Rs. 3,157.153 million (2024: Rs. 3,670.842 million) amounts aggregating to Rs. 2,950.563 million (2024: Rs. 3,410.320 million) are with banks having short-term credit rating of A1+. Whereas the remaining major amounts are placed with banks having minimum short-term credit rating of A-1.

In respect of guarantees provided by the Company, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the guarantees provided.

The other financial assets are neither material to the financial statements nor exposed to any significant credit risk.

The Company does not hold any collateral as security against any of its financial assets other than long-term loans to employees and advances to employees as detailed in relevant notes. Detail of financial assets on which lien of sukuk holders is marked is given in note 15. Deposits, prepayments and other receivables include margin against import and margin against guarantees issued by banks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

47.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations (this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters) by maintaining adequate reserves, banking facilities and reserve borrowing facilities and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in notes 21 and 28 to the financial statements is a detail of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact of netting agreements.

Rupees	Carrying amount	Contractual cash flows	Within 1 year	More than 1 but less than 5 years	After 5 years
Financial liabilities					
<i>At amortized cost</i>					
- Long-term financing	5,128,880,524	6,517,806,222	1,831,798,084	4,646,142,857	39,865,280
- Trade and other payables	6,375,736,593	6,375,736,593	6,375,736,593	-	-
- Unclaimed dividends	2,954,068	2,954,068	2,954,068	-	-
- Unpaid dividends	7,847,407	7,847,407	7,847,407	-	-
- Accrued profit / mark-up	595,746,145	595,746,145	595,746,145	-	-
- Short-term borrowings	22,884,735,854	22,884,735,854	22,884,735,854	-	-
June 30, 2025	34,995,900,591	36,384,826,289	31,698,818,151	4,646,142,857	39,865,280
Financial liabilities					
<i>At amortized cost</i>					
- Long-term financing	6,577,677,118	8,453,746,967	5,154,433,608	3,156,572,341	142,741,018
- Trade and other payables	4,097,971,982	4,097,971,982	4,097,971,982	-	-
- Unclaimed dividends	2,954,068	2,954,068	2,954,068	-	-
- Unpaid dividends	8,019,268	8,019,268	8,019,268	-	-
- Accrued profit / mark-up	1,220,484,158	1,220,484,158	1,220,484,158	-	-
- Short-term borrowings	27,992,424,673	27,992,424,673	27,992,424,673	-	-
June 30, 2024	39,899,531,267	41,775,601,116	38,476,287,757	3,156,572,341	142,741,018

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts. The contractual cash flow relating to long-term financing have been determined on the basis of expected profit / mark-up rates. These rates have been disclosed in note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

47.3 Market risk

Market risk is the risk that changes in market prices, such as currency risk, interest rates and equity prices will affect the Company's income or the value of its holdings of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

i) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is mainly exposed to currency risk on foreign trade debts, foreign creditors, foreign currency accounts and short-term foreign loans which are denominated in currency other than the functional currency of the Company.

The Company's net exposure to foreign currency risk is as follows:

Rupees	2025	2024
- in US Dollar (\$)	16,555,521	15,042,274
- Pakistani rupee to US Dollar (\$) exchange rate as at June 30,	282.15	279.00

Sensitivity analysis:

At the reporting date, if the Pakistani rupee had reasonably possibly strengthened / weakened by 5% against foreign currency, it would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss on net basis by the amounts shown below at the reporting date:

Rupees	2025	2024
- Increase / decrease in US Dollar (\$) conversion rate	233,557,008	209,839,718

The analysis assumes that all other variables, in particular interest and tax rates, remain constant and ignores any impact of forecast sales and purchases.

Foreign currency risk management:

The Company manages currency risk by maintaining balance between sight and deferred letters of credit and switching amongst them when required necessary and taking currency exposures for limited periods within predefined limits while rigorously monitoring open exposures. Foreign currency risk is also curtailed due to existence of both import and export activities in foreign currencies.

ii) Price risk:

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments trading in market. The Company does not hold any investments which exposed it to price risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

iii) Interest rate risk:

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long-term financing, short-term borrowings, long-term investment in debt instruments, long-term loan to subsidiary company, short-term loan to subsidiary company, short-term investments, saving accounts and term deposit receipts. At the reporting date the interest rate risk profile of the Company's interest bearing financial instruments is:

Rupees	2025	2024
- Financial assets	3,665,675,215	1,723,229,141
- Financial liabilities	28,013,320,050	34,399,548,258

Sensitivity analysis:

Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial instruments at fair value through profit or loss, therefore, a change in interest rate at the reporting date would not affect the profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at reporting date would have increased / decreased profit for the year by Rs. 243.476 million (2024: 326.764 million). The related mark-up rates for variable rate financial instruments are indicated in the relevant notes to the financial statements. The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the period and assets / liabilities of the Company.

Interest rate risk management:

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

47.4 Fair value of financial instruments

Fair value is 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. In estimating fair value of an asset or liability, the Company takes into the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs - are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs - these are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs - are unobservable inputs for the asset or liability.

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long-term loans to employees, long-term deposits and long-term loans under SBP refinance schemes, the fair value of financial assets and financial liabilities recognized in these financial statements equals the transaction price at initial recognition. The fair value of the long-term loans under SBP refinance schemes has been determined using discounting techniques. However, due to immaterial effect and impracticalities, the fair value of long-term loans to employees and long-term deposits has not been determined and their carrying value has been assumed to be equal to their fair value. Accordingly, the carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values.

Rupees	Amortized cost	
	2025	2024
47.5 Financial instruments by category		
Financial assets:		
Maturity within one year		
- Trade debts	15,231,833,733	10,805,747,538
- Loans and advances	81,175,594	851,773,867
- Deposits, prepayments and other receivables	265,552,285	164,202,927
- Short-term investment and other financial assets	238,625,512	407,885,967
- Cash and bank balances	3,091,778,725	3,160,223,096
Maturity after one year		
- Long-term investment	-	50,119,465
- Long-term loan	2,552,252,447	57,056,557
- Long-term deposits	2,838,069	2,838,069
	21,464,056,365	15,499,847,486

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Other financial liabilities	
	2025	2024
Financial liabilities:		
<i>Maturity within one year</i>		
- Trade and other payables	6,375,736,593	4,097,971,982
- Unclaimed dividends	2,954,068	2,954,068
- Unpaid dividends	7,847,407	8,019,268
- Accrued profit / mark-up	595,746,145	1,220,484,158
- Short-term borrowings	22,884,735,854	27,992,424,673
- Current portion of long-term financing	1,086,385,517	4,123,903,070
<i>Maturity after one year</i>		
- Long-term financing	4,042,495,007	2,453,774,048
	34,995,900,591	39,899,531,267
Off balance sheet financial liabilities:		
- Letters of credits	1,449,032,112	8,223,060,916
- Letters of guarantees	1,736,191,495	2,607,378,653
- Corporate guarantees on behalf of subsidiary company	2,389,607,329	1,539,607,329
	5,574,830,936	12,370,046,898

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
48. SHARIAH DISCLOSURE			
Statement of financial position:			
Financing (long-term, short-term, or lease financing)			
obtained as per Islamic mode	21 & 28	16,626,361,973	18,077,813,805
Interest or mark-up accrued on any conventional loan or advance	27	289,415,699	806,905,066
Long-term and short-term shariah compliant investments	7 & 15	3,318,955,091	3,200,119,465
Shariah compliant bank deposits / bank balances / TDRs	16	2,955,102,885	2,933,647,018
Statement of comprehensive income:			
Revenue earned from a shariah compliant business segment	31	89,479,965,362	92,419,626,887
Loss on shariah compliant investments	34	4,433,301	-
Profit earned from shariah compliant bank deposits / balances / TDRs	35	56,166,922	59,998,534
Profit earned from shariah compliant investments	35	10,904,645	11,746,667
Total interest earned on any conventional loan or advance	35	117,716,923	26,258,526
Profit paid on Islamic mode of financing	36	3,097,999,137	2,701,780,096
Interest paid on any conventional loan or advance	36	2,463,471,600	3,466,629,308

48.1 Disclosures other than above are not applicable on the Company.

48.2 Source and detailed breakup of other income is provided in note 35.

48.3 Other disclosure requirements:

The Company maintains good relationship with shariah compliant banks / takaful operators and carries out trade and other routine banking / takaful transactions with them.

49. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is currently financing majority of its operations / investing activities through long-term financing and short-term loans in addition to its equity. The Company has a gearing ratio of 49.31% (2024: 56.96%) as of the reporting date. In accordance with the agreements executed with the lenders the Company is required to ensure that the total long-term financing to equity ratio does not exceed the lender covenants. The Company ensured compliance with all lender covenants.

50. RECLASSIFICATION OF ITEMS IN FINANCIAL STATEMENTS

Presentation of the following corresponding figures of items in the financial statements have been reclassified for better presentation:

Reclassified from component:	Reclassified to component:	Rupees
Cash and bank balances	Short-term investment and other financial assets	
- Saving accounts	- Saving accounts	407,885,967
Property, plant and equipment	Property, plant and equipment	
- Other plant and machinery	- Plant and machinery	34,125,000
- Office equipment	- Furniture, fixtures and office equipment	12,634,311

51. DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 19, 2025 by the Board of Directors of the Company.

52. GENERAL

The figures have been rounded off to the nearest rupee.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director





05

CONSOLIDATED FINANCIAL STATEMENTS

- Independent Auditors' Report To The Members
- Consolidated Statement of Financial Position
- Consolidated Statement of Profit or Loss
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Changes In Equity
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUGHAL IRON & STEEL INDUSTRIES LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of Mughal Iron & Steel Industries Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of 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 a summary of 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 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 Auditors' 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 the 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 Matters

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
1	Revenue Recognition (Refer to note 4.7 and 32 to the consolidated financial statements) Revenue from the sale of goods is recognized as or when performance obligations are satisfied by transferring control of promised goods to customers, and control is transferred at a point in time. Revenue is measured at fair value of consideration received or receivable, excluding discounts and the payment is due on the satisfaction of performance obligation. We considered revenue recognition as a key audit matter as it was an area of significant audit risk as part of the audit process.	Our Audit Procedures Included the Following: • Obtained understanding of the processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls; • Assessed the appropriateness of the revenue accounting policies in accordance with the applicable financial reporting framework; • Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices; • Performed audit procedures to analyze variation in the price and quantity sold during the year; • Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and • Considered the adequacy of the related disclosures and assessed whether these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).

S. No.	Key Audit Matters	How the matter was addressed in our audit
2	Existence and Valuation of Inventories (Refer to note 10 to the financial statements) We have identified existence and valuation of inventories as a key audit matter as it forms a significant portion of the total assets, constituting to 22.60% of the total assets.	Our Audit Procedures Included the Following: • Our audit procedures, amongst others, included obtaining an understanding of controls over purchases and valuation of inventories and tested, on a sample basis, their design, implementation and operating effectiveness; • We performed observation of inventory counts for stores, spares and loose tools, raw material and finished goods and by-products inventories and additionally involved an external expert to perform physical inspection of scrap inventory; and • We assessed net realizable value (NRV) by comparing management's estimation of future selling prices for the products with the selling prices achieved subsequent to the reporting period. We also compared the NRV of inventories on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards.
3	The Group's Exposure to Litigation Risk (Refer to note 14 and 31 to the consolidated financial statements) The Group is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. Consequently, the Group has significant litigation cases pending at different forums. Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the consolidated financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.	Our Audit Procedures Included the Following: • Obtaining understanding of the processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Audit Committee; • A review of the correspondence with the relevant regulatory authorities and tax/legal advisors including judgments or orders passed by the competent authorities; • Discussing open matters and developments with the in-house tax/legal department personnel; • We also obtained and reviewed confirmations from the external tax and legal advisors for their views on the status of each case and an overall opinion on the open tax and legal position of the Group; and • Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessing the appropriateness of the related disclosures made in the annexed consolidated financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements (standalone and consolidated) and our Auditors' report 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 accounting and reporting standards as applicable in Pakistan and Companies Act, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

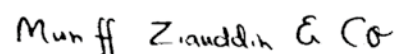
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation 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 partners on the audit resulting in this independent auditors' report are Fazal Mahmood and Arqum Naveed.



Fazal Mahmood & Company
Chartered Accountants
(Member firm of PrimeGlobal International)

September 19, 2025
Lahore
UDIN: AR202510155Zkc1UV9jH



Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

September 19, 2025
Lahore
UDIN: AR20251012353VMPYdU6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

Rupees	Note	2025	2024
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	6.	26,645,915,813	23,969,741,890
Long-term investment	7.	-	50,119,465
Long-term loans	8.	52,252,447	57,056,557
Long-term deposits	9.	2,925,569	2,925,569
		26,701,093,829	24,079,843,481
CURRENT ASSETS			
Inventories	10.	15,616,656,225	26,075,368,171
Trade debts	11.	15,231,833,733	10,805,747,538
Loans and advances	12.	246,534,884	172,317,509
Deposits, prepayments and other receivables	13.	461,136,265	454,617,197
Due from the government	14.	7,486,813,380	4,822,537,243
Short-term investment and other financial assets	15.	238,625,512	407,885,967
Cash and bank balances	16.	3,106,539,505	3,365,879,773
		42,388,139,504	46,104,353,398
TOTAL ASSETS		69,089,233,333	70,184,196,879
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital	17.	10,000,000,000	10,000,000,000
Issued, subscribed and paid-up capital	18.	3,686,963,800	3,356,339,330
Capital reserves	19.	4,447,578,494	3,304,952,020
Revaluation surplus on property, plant and equipment	20.	3,899,891,432	3,740,482,178
Un-appropriated profits		16,568,529,321	15,628,729,508
Equity attributable to equity holders of the holding company		28,602,963,047	26,030,503,036
Non-controlling interest	21.	321,104,240	323,093,380
		28,924,067,287	26,353,596,416
LIABILITIES			
NON - CURRENT LIABILITIES			
Long-term financing - secured	22.	4,813,429,321	2,841,956,188
Deferred taxation	23.	2,450,607,985	2,013,705,826
Defined benefit obligation	24.	956,105,853	768,993,162
Deferred liabilities	25.	77,486,288	82,101,274
		8,297,629,447	5,706,756,450
CURRENT LIABILITIES			
Trade and other payables	26.	6,922,946,600	4,352,181,446
Unclaimed dividends	27.	2,954,068	2,954,068
Unpaid dividends	27.	7,847,407	8,019,268
Accrued profit / mark-up	28.	614,701,293	1,227,279,659
Short-term borrowings	29.	22,884,735,854	27,992,424,673
Short-term loans from Directors - unsecured	30.	264,508,448	376,983,463
Current portion of long-term financing	22.	1,166,803,643	4,157,720,930
Current portion of deferred grant	25.	3,039,286	6,280,506
		31,867,536,599	38,123,844,013
		40,165,166,046	43,830,600,463
TOTAL EQUITY AND LIABILITIES		69,089,233,333	70,184,196,879

CONTINGENCIES AND COMMITMENTS

31.

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
Gross sales		102,279,112,016	104,820,677,681
Sales tax		(13,233,604,654)	(13,022,787,650)
Net sales before commission	32.	89,045,507,362	91,797,890,031
Commission		(66,039,032)	(37,027,059)
Net sales		88,979,468,330	91,760,862,972
Cost of sales	33.	(80,887,405,032)	(84,089,475,171)
GROSS PROFIT		8,092,063,298	7,671,387,801
Sales and marketing expenses	34.	(227,763,159)	(207,287,290)
Administrative expenses	35.	(929,613,884)	(863,172,577)
Other charges	36.	(150,104,024)	(86,070,009)
Allowance for expected credit losses - reversal	11.	22,558,982	60,449,113
Other income	37.	84,855,450	306,084,800
Finance cost	38.	(5,648,022,831)	(6,354,925,564)
		(6,848,089,466)	(7,144,921,527)
PROFIT BEFORE LEVIES AND TAXATION		1,243,973,832	526,466,274
Levies	39.	482,232,687	(708,696,648)
PROFIT / LOSS BEFORE TAXATION		1,726,206,519	(182,230,374)
Taxation	40.	(873,981,826)	2,089,749,712
PROFIT FOR THE YEAR		852,224,693	1,907,519,338
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:			
- Equity holders of the holding company		854,213,833	1,907,569,751
- Non-controlling interest		(1,989,140)	(50,413)
		852,224,693	1,907,519,338
EARNINGS PER SHARE - BASIC AND DILUTED			
	41.	2.50	5.68

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
PROFIT FOR THE YEAR	852,224,693	1,907,519,338
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss:	—	—
Items that will not be reclassified subsequently to profit or loss:		
- Remeasurement gain on defined benefit obligation	17,213,693	7,087,412
- Related deferred tax	(5,938,724)	(2,764,091)
Other comprehensive income - net of tax	11,274,969	4,323,321
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	863,499,662	1,911,842,659
SHARE OF TOTAL INCOME / (LOSS) FOR THE YEAR ATTRIBUTABLE TO:		
- Equity holders of the holding company	865,488,802	1,911,893,072
- Non-controlling interest	(1,989,140)	(50,413)
	863,499,662	1,911,842,659

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Attributable to equity holders of the holding company									
	Issued, subscribed and paid-up capital		Capital Reserves				Revenue Reserve	Shareholders' equity	Non-controlling interest	Total Equity
	Ordinary shares	Ordinary Class-C shares	Share premium account - ordinary shares	Share premium account - ordinary Class-C shares	Contingency reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits			
Rupees										
BALANCE AS AT JUNE 30, 2023	3,356,339,330	-	2,324,952,020	-	980,000,000	3,998,378,178	14,712,766,418	25,372,435,946	-	25,372,435,946
Profit / (loss) for the year	-	-	-	-	-	-	1,907,569,751	1,907,569,751	(50,413)	1,907,519,338
Other comprehensive income - net of tax	-	-	-	-	-	-	4,323,321	4,323,321	-	4,323,321
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	1,911,893,072	1,911,893,072	(50,413)	1,911,842,659
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	-	(90,767,218)	90,767,218	-	-	-
Deferred tax impact due to change in regime for export sales	-	-	-	-	-	(167,128,782)	-	(167,128,782)	-	(167,128,782)
Transactions with owners in their capacity as owners recognized directly in equity										
Final cash dividend paid for the year ended June 30, 2023 @ Rs. 3.20 per ordinary share i.e. 32%	-	-	-	-	-	-	(1,074,028,586)	(1,074,028,586)	-	(1,074,028,586)
Issue of ordinary shares to non-controlling interest	-	-	-	-	-	-	-	-	324,940,140	324,940,140
Transaction costs relating to issue of ordinary shares to non-controlling interest	-	-	-	-	-	-	(12,668,614)	(12,668,614)	(1,796,347)	(14,464,961)
BALANCE AS AT JUNE 30, 2024	3,356,339,330	-	2,324,952,020	-	980,000,000	3,740,482,178	15,628,729,508	26,030,503,036	323,093,380	26,353,596,416
Profit / loss for the year	-	-	-	-	-	-	854,213,833	854,213,833	(1,989,140)	852,224,693
Other comprehensive income - net of tax	-	-	-	-	-	-	11,274,969	11,274,969	-	11,274,969
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	865,488,802	865,488,802	(1,989,140)	863,499,662
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	-	(68,062,264)	68,062,264	-	-	-
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment	-	-	-	-	-	(6,248,747)	6,248,747	-	-	-
Effect of change in effective tax rate	-	-	-	-	-	233,720,265	-	233,720,265	-	233,720,265
Transaction with owners in their capacity as owners recognized directly in equity										
Issue of 33,062,447 ordinary Class-C shares of Rs. 10/- each fully paid in cash at a premium of Rs. 35/- per share	-	330,624,470	-	1,157,185,645	-	-	-	1,487,810,115	-	1,487,810,115
Transaction costs relating to issue of ordinary Class-C shares	-	-	-	(14,559,171)	-	-	-	(14,559,171)	-	(14,559,171)
BALANCE AS AT JUNE 30, 2025	3,356,339,330	330,624,470	2,324,952,020	1,142,626,474	980,000,000	3,899,891,432	16,568,529,321	28,602,963,047	321,104,240	28,924,067,287

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42.	15,507,004,823	4,465,302,178
Net decrease in long-term loans to employees		3,227,920	12,208,310
Defined benefits paid	24.2	(51,983,214)	(45,958,184)
Workers' profit participation fund paid		(42,186,946)	(282,106,255)
Workers' welfare fund paid	26.3	(14,173,933)	(88,701,984)
Taxes and levies paid		(1,787,141,307)	(948,183,982)
Net cash generated from operating activities		13,614,747,343	3,112,560,083
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(3,310,146,953)	(1,508,699,665)
Proceeds from disposal of tangible fixed assets		69,086,190	21,515,400
Proceeds from redemption of investment in long-term debt instrument		49,970,000	20,000
Payments for acquisition of subsidiary company		-	(3,150,000,000)
Payments for investment in short-term debt instrument		(167,249,359)	-
Profit received on investment in long-term debt instrument		7,607,372	11,760,389
Profit received on investment in short-term debt instrument		1,741,007	-
Profit received on short-term deposit receipts		4,850,296	63,566,199
Net cash used in investing activities		(3,344,141,447)	(4,561,837,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment / proceeds from long-term financing		(1,025,724,170)	1,711,540,853
Net repayment / proceeds from short-term borrowings		(4,937,431,614)	6,826,824,847
Net proceeds / repayment of short-term loans from Directors		(112,475,015)	154,544,138
Net proceeds from ordinary shares issued by subsidiary company to non-controlling interest - net		-	310,475,179
Proceeds from issuance of ordinary Class-C shares		1,487,810,115	-
Transaction costs relating to issue of ordinary Class-C shares		(14,559,171)	-
Finance cost paid		(6,097,920,014)	(5,822,523,462)
Dividends paid		(171,861)	(1,072,118,120)
Net cash used in / generated from financing activities		(10,700,471,730)	2,108,743,435
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS		(429,865,834)	659,465,841
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		3,603,212,207	2,885,126,870
CASH AND CASH EQUIVALENTS ACQUIRED OF SUBSIDIARY COMPANY		-	57,825,634
NET EXCHANGE DIFFERENCE ON FOREIGN CURRENCY ACCOUNTS		2,567,225	793,862
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	43.	3,175,913,598	3,603,212,207

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Khurram Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. THE GROUP AND IT'S OPERATIONS

These financial statements are the consolidated financial statements of Mughal Iron & Steel Industries Limited and its subsidiary (The Group). The Group consists of:

Holding company:

– Mughal Iron & Steel Industries Limited

Subsidiary company:

– Mughal Energy Limited

Group registration was granted by the Securities and Exchange Commission of Pakistan (SECP) vide its approval dated December 13, 2023.

1.1 Mughal Iron & Steel Industries Limited:

Mughal Iron & Steel Industries Limited (the holding company) was incorporated in Pakistan as a public limited company on February 16, 2010 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The ordinary and ordinary Class-C shares of the holding company are listed on the Pakistan Stock Exchange Limited (PSX). The holding company's operations comprise of ferrous and non-ferrous business segments. However, the principal activity of the holding Company is manufacturing and sale of mild steel products relating to ferrous segment. The holding Company is domiciled in Lahore.

1.2 Mughal Energy Limited:

Mughal Energy Limited (MEL) was incorporated in Pakistan as a public limited company on August 19, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its registered office is situated at 31-A, Shadman I, Lahore. The principal activity of MEL is to carry on the business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith. The issued, subscribed and paid-up capital of MEL is Rs. 2,166.732 million divided into 194.103 million ordinary shares of Rs. 10/- each and 22.570 million Class-B shares of Rs. 10/- each. Ordinary shares carry one vote per share, whereas, Class-B shares carry 100 votes per share. The holding company holds 174.692 million (2024: 174.692 million) ordinary shares representing 90% of the ordinary shares and 22.570 million (2024: 22.570 million) Class-B shares, representing 100% of the Class-B shares. Based upon the total number of ordinary and Class-B shares held, the holding company has 99.21% (2024: 99.21%) control of MEL. Ordinary shares are listed on the Growth Enterprise Market (GEM) board of the Pakistan Stock Exchange Limited (PSX), whereas, Class-B shares are unquoted.

1.3 The geographical locations and addresses of the holding company's and its subsidiary company's business units, including mills / plant are as under:

Business unit:

Mughal Iron & Steel Industries Limited:

- | | |
|------------------------|---|
| – Registered office | 31-A Shadman-I, Lahore |
| – Manufacturing plants | 17-KM Sheikhpura Road, Lahore |
| – Warehouses | 17-KM Sheikhpura Road, Lahore, Badami Bagh, Lahore and Jummah Goth, Karachi |
| – Sales centres | Badami Bagh, Lahore |

Mughal Energy Limited:

- | | |
|----------------------------|-------------------------------|
| – Registered office | 31-A Shadman-I, Lahore |
| – Manufacturing plant site | 17-KM Sheikhpura Road, Lahore |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

2. BASIS OF PREPARATION

2.1 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes.

2.3 Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). These consolidated financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Group's functional and presentation currency.

3. KEY ACCOUNTING ESTIMATES & JUDGEMENTS

In preparing these consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan, management has made judgments, 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 judgements are regularly evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- i) Useful lives, residual values, depreciation method, fair value and impairment of property, plant and equipment (note 4.2 and 6)
- ii) Provision for impairment of inventories (note 4.3)
- iii) Defined benefit plan obligation (note 4.5 and 24)
- iv) Provision for levies, current income tax and recognition of deferred tax asset (note 4.5, 4.18, 14, 22, 39 and 40)
- v) Revenue from contracts with customers (note 4.7)
- vi) Financial instruments – fair value and allowances for expected credit losses (note 4.6, 11 and 50)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- vii) Estimation of provisions (note 4.12 and 14)
- viii) Estimation of contingencies (note 4.13, 14 and 31)
- ix) Segment reporting (note 4.15 and 48)

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Accounting policies related to material class of accounts does not necessarily means it is material.

4.1 Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets and liabilities of the subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the holding company is eliminated against the holding company's share in paid-up capital of the subsidiary company.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest is that part of net results of the operations and of net assets of the subsidiary company attributable to interest which is not owned by the holding company. Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

4.2 Property, plant and equipment

Tangible fixed assets:

These are initially measured at cost. Cost comprises of historical cost, borrowing cost pertaining to the erection period and other directly attributable costs of bringing the assets to their working condition. Subsequently, these are measured at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold land which is stated at revalued amount less accumulated impairment, if any, whereas, factory building on freehold land, plant and machinery and power plant are stated at revalued amounts less subsequent accumulated depreciation and accumulated impairment, if any. Subsequent costs are included in the carrying amount of the tangible fixed assets or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Cost incurred to replace a component of an item of tangible fixed assets is capitalized and the asset so replaced is derecognized. The cost of the day to day servicing is charged to the consolidated statement of profit or loss.

Any revaluation increase arising on revaluation is recognized in the consolidated statement of other comprehensive income (OCI) and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" net of related deferred taxation, except to the extent that

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

it reverses a revaluation decrease for the same asset previously recognized in the consolidated statement of profit or loss, in which case the increase is credited to the consolidated statement of profit or loss to the extent of the decrease previously charged.

Accumulated depreciation outstanding as at the revaluation date is eliminated against the gross carrying amount of the item of tangible fixed asset revalued and the net amount is restated to the revalued amount of the item of tangible fixed asset revalued. Any decrease as a result of revaluation is recognized in the consolidated statement of profit or loss, however, a decrease is recorded in the consolidated statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets. An annual transfer from the revaluation surplus to unappropriated profits is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost, net of related deferred taxation.

Depreciation is charged to the consolidated statement of profit or loss applying the reducing balance method except for developments on leasehold lands and solar plant which is depreciated on straight line method, at the rates given in note 6.1 to the consolidated financial statements to write off the depreciable amount of each asset over its estimated useful life. Depreciation is charged from the date when the asset becomes available for use up to the date of its disposal.

Tangible fixed asset is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss on disposal or de-recognition (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is taken to consolidated statement of profit or loss. In case of disposal of revalued item of tangible fixed asset, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profits.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of tangible fixed assets are provided in note 6.

Capital work-in-progress:

These are stated at cost less identified accumulated impairment losses, if any. All expenditure connected with specific assets incurred and advances made during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are made available for use.

Developments on leasehold lands:

Developments on leasehold lands are classified as property, plant and equipment and are amortized over the lease term. Subsequent costs are capitalized only if they enhance the asset's value or extend its useful life.

Impairment:

Impairment test for property, plant and equipment is performed when there is an indication of impairment. At each period end, an assessment is made to determine whether there is any indication of impairment. If any indications exist, an estimate of the recoverable amount is calculated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the consolidated statement of profit or loss so as to reduce the carrying amount of the asset to its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Fair value is 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. Value in use is the present value of future cash flows expected to be derived from an asset or cash generating unit (CGU).

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if any.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

4.3 Inventories

These are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools	at moving average cost of invoice value plus other charges, if any, incurred thereon
Raw material	
- Externally purchased	at moving average cost of invoice value plus other charges, if any, incurred thereon
- Internally manufactured	at weighted average cost of estimated manufacturing cost
Finished goods	at weighted average cost of estimated manufacturing cost
Trading goods	at moving average cost of invoice value plus other charges, if any, incurred thereon
In-transit	at invoice value plus charges incurred thereon
End cuts	at estimated replacement cost
Wastage / by-products	at net realizable value

Estimated manufacturing cost consists of material, labor and other attributable overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred for its sale. Net realizable value of stores, spares and loose tools and raw material inventory is determined on the basis of replacement cost. Cost of inventories held for use in production of finished goods is not written down below cost, if the finished products for which they will be consumed are expected to be sold at or above cost. Purchases made on deferred settlement terms are recognized at the invoice price when that price equals the cash/sight price available under normal credit terms and reflects prevailing market rates; no separate financing component is recognized. If the deferred price significantly exceeds the cash price equivalent, the excess is recognized as finance cost over the deferral period using the effective interest method.

The Group reviews the carrying amount of inventories on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence / excess inventories, if there is any change in usage pattern and / or physical form of related inventory. Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature, which can change significantly as a result of changes in market conditions. Major spare parts

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

and stand-by equipment qualify as property, plant and equipment when the Group expects to use them for more than one year. Transfers are made to tangible fixed assets category as and when such items are available for use.

4.4 Foreign currency transactions and translation

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupees at the foreign exchange rates approximating those prevailing at the consolidated statement of financial position date. When there is temporary lack of exchangeability then rate subsequent to the reporting date, is used for translation of foreign currency balances at the reporting date. Exchange differences, if any, are charged to the consolidated statement of profit or loss.

4.5 Employee benefits

Post-employment benefit:

The holding company operates a defined benefit plan, however, based upon the number of employees, the subsidiary company is not yet required to provide any post-employment benefits. The defined benefit plan of the holding company, represents an unfunded gratuity scheme for all its permanent employees subject to a minimum qualifying period of service according to the terms of employment. The plan defines the amount which an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service, and compensation. Provision is made annually to cover obligation under the scheme.

The liability recognized in the consolidated statement of financial position in respect of the defined benefit plan of holding company, is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of any plan assets, if any. The defined benefit obligation is calculated annually by an independent actuary using Projected Unit Credit (PUC) method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using discount rate as determined by reference to market yields on Government bonds. In determining the liability, estimation is also made in respect of salary increases over upcoming years and the number of employees expected to leave before they receive the benefits. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the consolidated statement of profit or loss. Latest valuation was conducted on June 30, 2025.

Following risks are associated with the scheme:

Final salary risk:

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Discount rate fluctuation risk:

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. Decrease in corporate bond yields will increase the plan liabilities.

Demographic risk:

- a) Mortality risk – The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Withdrawal risk:

- b) The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Short-term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries and other short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Other long-term employee benefits:

The measurement of other long-term employee benefits is not usually subject to the same degree of uncertainty as the measurement of post-employment benefits. Therefore, simplified method of accounting is used for other long-term employee benefits.

4.6 Income tax

Current income tax:

Since, group taxation is not applicable, therefore, tax liability for consolidation purposes is based upon the tax provisions calculated at the individual holding company and subsidiary company levels. Accordingly, the tax expense recognized by each group company due to intra-group sales is not eliminated in the consolidated tax provision. The tax liability at individual group company levels, is calculated using prevailing tax rates or tax rates expected to apply to income for the year, if enacted or substantively enacted at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. The Group designates the amount calculated on taxable income using the enacted tax rate as current income tax within the scope of IAS - 12 'Income Taxes'. Any excess of minimum tax, over the amount designated as current income tax expense, is recognized as a 'Levy' falling under the scope of IAS - 37 'Provisions, Contingent Liabilities and Contingent Assets'. Management of respective group companies, periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. Liabilities are recognized for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made. This includes adjustments, where considered necessary, to existing provision for tax made in previous years arising from assessments framed during the period for such years. Since, Mughal Energy Limited (the subsidiary company), is in pre-commencement stage, therefore it has incurred tax loss for the year, resulting in no tax liability in respect of normal or minimum tax.

Prior income tax:

This includes adjustments, where considered necessary, to existing provision for tax made in previous years arising from assessments framed during the period for such years.

Deferred income tax:

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences arising on the initial recognition of goodwill and temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

4.7 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and the performance obligations are satisfied. The Group's contract performance obligations are fulfilled at the point in time when the goods are dispatched / shipped to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers.

Revenue is measured based on the consideration specified in a contract with a customer. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any. The Group's contract with customers do not contain any other promises that are separate performance obligations to which a portion of the transaction price needs to be allocated.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group does not enter into any contracts that provide customers with a right of return which give rise to variable consideration, nor any volume rebates / discounts are given.

The Group only receives short-term advances from its customers. Using the practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component, if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The Group applies the requirements of IFRS – 13 ‘Fair Value Measurement’ in measuring the fair value of the non-cash consideration, if any. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the respective material.

The Group pays sales commission to agents for each contract that they obtain for sales of different goods. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortization period of the asset that the Group otherwise would have used is one year or less.

Dividend on equity investments is recognized when right to receive the dividend is established.

The Group's policy relating to expected credit losses of trade debts and contract assets is mentioned in note 4.8.

The Group's policy relating to income from financial assets is mentioned in note 4.16.

The Group's policy relating to rental income is mentioned in note 4.22.

Trading / miscellaneous / other income is recognized on occurrence of transactions.

4.8 Financial instruments

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.

Initial recognition and measurement:

Trade debts and debt securities issued, if any, are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade debt without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade debt without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement:

Financial assets

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 – equity investment or fair value through profit or loss (FVTPL), as appropriate. Financial assets are not reclassified subsequent to their 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 Group classifies all its financial assets as measured at amortized cost. The classification is made in accordance with the Group's business model for managing the financial assets and contractual cash flow characteristics of the financial assets. This classification is only made when the Group's financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and when the contractual cash flows of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group does not hold any equity investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Financial liabilities

On initial recognition, financial liabilities are classified as measured at amortized cost or FVTPL, as appropriate. A financial liability is classified as at FVTPL, if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Subsequently, financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the consolidated statement of profit or loss. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in the consolidated statement of profit or loss. The Group classifies all of its financial liabilities as 'Other financial liabilities'.

Derecognition:

Financial assets

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.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of profit or loss.

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Effective interest method:

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Impairment policy:

The Group recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI, if any; and
- contract assets, if any.

The Group does not have any debt investments measured at FVOCI or contract assets.

In respect of trade debts, the Group applies the simplified approach to calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix. To measure the expected credit losses, trade debts have been grouped based on days overdue. The Group calibrates the matrix to adjust the historical credit loss experience with forward looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For financial assets (other than trade debts) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on these financial asset has significantly increased since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. For debt instruments at amortized cost, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI, if any, are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower / customer;
- a breach of contract such as a default or being more than 365 days past due; or
- it is probable that the borrower / customer will enter bankruptcy.

Presentation of allowance for ECLs in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Write-off

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

4.9 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

4.10 Balances from contract with customers

Contract assets:

Contract assets represent the Group's right to consideration in exchange for goods or services transferred to customers when that right is conditioned on something other than the passage of time. Contract assets are initially recognized when revenue is recorded but the Group does not yet have an unconditional right to payment. These are subsequently reclassified to trade debts once the right to consideration becomes unconditional.

Trade debts:

Trade debts represent the Group's right to an amount of consideration that is unconditional. Trade debts are carried at original invoice amount less expected credit losses based on a review of all outstanding amounts at the year end. Loss allowance policy is given in note 4.8.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Right of return assets:

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. Such asset, if any, is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The measurement of the asset recorded, if any, is updated for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities:

A refund liability, if any, is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The estimates of refund liabilities, if any, and the corresponding change in the transaction price are updated at the end of each reporting period.

4.11 Cash and cash equivalents

Cash and bank balances are carried in the consolidated statement of financial position at amortized cost. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprises of cash in hand, cash at banks, cash at banks under lien and short-term highly liquid investments,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

4.12 Provisions

A provision is recognized in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense. As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the consolidated statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

4.13 Contingent liabilities / assets

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes virtually certain.

4.14 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position date. Borrowing costs are recognized as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which case such costs are capitalized as part of the cost of that asset.

4.15 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that related to the transaction with any Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker. Segment results that are reported to the Group's chief operating decision-maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated. The Groups reportable business segments principally comprise of 'Ferrous segment', 'Non-ferrous segment' and 'Energy segment'. Ferrous segment comprises of mild steel products and non-ferrous segment comprises mainly of copper products and iron. Energy segment represents operations of Mughal Energy Limited (the subsidiary company) which are yet to commence. Inter-segment sales and purchases are eliminated from the total.

4.16 Finance income and finance costs

Finance income comprises income on funds invested in long-term debt instrument, short-term deposit receipts and saving accounts. Finance income is recognized as it accrues in consolidated statement of profit or loss, using effective interest method.

Finance costs comprise interest expense on borrowings. The Group's policy relating to borrowing costs is mentioned in note 4.14.

4.17 Loans, deposits, interest accrued and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

4.18 Levies

As per IAS - 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan (ICAP), the Group designates final tax and any excess of minimum tax over the amount designated as current income tax expense as 'Levies'.

4.19 Share capital

Ordinary shares and ordinary Class-C shares are classified as equity instruments and recognized at their face value. Transaction costs of an equity transaction are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

4.20 Dividend and reserve appropriations

Final dividend distributions to the shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividends are approved by the shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are approved by the Board of Directors. Any other movements in reserves are recognized in the year in which the appropriations are approved.

4.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary and ordinary Class-C shares, both of which are classified as ordinary shares for the purposes of IAS - 33 'Earnings Per Share'. Basic EPS is calculated by dividing profit attributable to ordinary and ordinary Class-C shareholders by the weighted average number of ordinary and ordinary Class-C shares outstanding during the year. Where dividends are declared at different rates for each class of ordinary shares, earnings are allocated accordingly and EPS is presented separately for each class. In the absence of declared dividends or preferential rights, EPS is presented on a combined basis based on equal participation in profits. Diluted EPS reflects the impact of all dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.22 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:

The Group has elected not to recognize right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor:

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Land subject to operating lease is initially stated at cost and subsequently at revalued amount less accumulated depreciation and accumulated impairment, if any, as the case may be. The revaluation, impairment and depreciation policy for land subject to operating leases is consistent with the normal policy in respect of tangible fixed assets as mentioned in note 4.2.

Sales and lease back / diminishing musharaka:

The Company continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. The difference between the amount of consideration received and consideration to be paid is recognized as an expense.

4.23 Deferred grant

The Group recognizes the benefit of a Government loan at below market rate of interest as a Government grant. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS – 9 ‘Financial instruments’ and the proceeds received and is presented as deferred grant. The recognition of Government grants in the consolidated statement of profit or loss is done on a systematic basis over the period of the loan.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1 New Standards, amendments to published standards and interpretations that are effective in the current year

Except as mentioned below or elsewhere, certain standards, amendments and interpretations to IFRS Standards are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements.

5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Following are the standards and amendments to the IFRS Standards that are mandatory for companies having accounting periods beginning on or after July 1, 2025 and have not been early adopted by the Group. These are considered either not to be relevant or to have any significant effect on the Group's operations upon their initial application and are, therefore, not detailed in these consolidated financial statements:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Effective date (annual periods beginning on or after)
IAS - 21	The Effects of Changes in Foreign Exchange Rates	1 January 2026
IFRS - 7	Financial Instruments: Disclosures	1 January 2026
IFRS - 9	Financial Instruments	1 January 2026
IFRS - 17	Insurance contracts	1 January 2026
	Annual improvements to IFRS - 7 'Financial Instruments Disclosure', IFRS - 9 'Financial Instruments', IFRS - 10 'Consolidated Financial Statements' and IAS - 7 'Statement of Cash Flows'	1 January 2026

5.3 Standards, amendments and interpretations to existing standards that are not yet locally notified

Following are the standards, interpretations and amendments, which have been issued by the International Accounting Standards Board (IASB) but have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025. These are considered either not to be relevant or to have any significant effect on the Group's operations upon their initial application and are therefore not detailed in these financial statements.

IFRS - 1	First Time Adoption of International Financial Reporting Standards
IFRIC - 12	Service Concession Arrangement
IFRS - 18	Presentation and Disclosures in Financial Statements
IFRS - 19	Subsidiaries without Public Accountability: Disclosures

5.4 As per directive dated December 31, 2024, issued by the Securities and Exchange Commission of Pakistan (SECP), IFRS - S1 'General Requirements for Disclosure of Sustainability-Related Financial Information' and IFRS - S2 'Climate-related Disclosures' shall be applicable from annual period beginning from July 1, 2025. The management anticipates that the adoption of these standards in future periods will have no material impact on these financial statements other than in the form of revised presentations / increased disclosures.

Rupees	Note	2025	2024
6. PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	6.1	21,740,962,080	20,737,419,112
Land subject to operating lease	6.2	-	121,690,398
Capital work-in-progress	6.4	4,904,953,733	3,110,632,380
		26,645,915,813	23,969,741,890

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.1 Reconciliation of carrying amounts of tangible fixed assets at the beginning and end of the year is as follows:

	Freehold land	Factory building on freehold Land	Plant and machinery	Power plant	Solar plant	Weighting machine	Grid station and electric installations	Furniture, fixtures and office equipment	Vehicles	Trucks and cranes	Arms and ammunition	Computers	Office building on leasehold land	Developments on leasehold lands	Total
Rupees															
Gross carrying value basis															
As at June 30, 2023															
Cost / revalued amount	635,800,000	310,166,401	14,362,824,156	1,700,750,001	188,915,084	218,434	535,483,135	25,079,075	388,448,134	177,378,116	264,683	17,151,811	30,400,000	341,340,330	18,715,203,370
Accumulated depreciation	-	-	-	-	(9,549,887)	(56,43)	(116,242,137)	(9,644,250)	(732,333,137)	(80,237,266)	(80,070)	(13,685,798)	(2,658,798)	(347,188,764)	(464,388,116)
Net book value	635,800,000	310,166,401	14,362,824,156	1,700,750,001	180,365,217	162,003	419,241,000	15,434,825	215,444,397	97,140,850	80,613	3,350,013	33,041,202	306,551,566	18,250,815,254
Net carrying value basis															
Year ended June 30, 2024															
Opening net book value	635,800,000	310,166,401	14,362,824,156	1,700,750,001	180,365,217	162,003	419,241,000	15,434,825	215,444,397	97,140,850	80,613	3,350,013	33,041,202	306,551,566	18,250,815,254
Addition due to acquisition of subsidiary	1,461,884,602	-	-	-	-	-	-	-	-	-	-	-	-	-	1,461,884,602
Additions	-	-	96,401,567	-	-	-	3,870,883	1,562,002	4,680,681	-	-	75,080	-	-	153,953,223
Transfers from capital work-in-progress	-	-	1,466,888,799	-	-	-	-	-	-	-	-	-	-	-	1,466,888,799
Disposals	-	-	-	-	-	-	-	-	(15,608,482)	-	-	-	-	-	(15,608,482)
Depreciation charge for the year	-	(12,406,656)	(394,260,743)	(56,528,250)	(7,216,713)	(4,050)	(2,328,934)	(1,685,547)	(33,421,121)	(4,571,128)	(8,082)	(1,077,655)	(78,644)	(23,883,823)	(570,281,364)
Balance as at June 30, 2024	2,087,184,602	297,759,745	15,531,904,779	1,644,223,751	173,148,444	157,953	406,570,047	15,402,280	212,764,484	82,569,722	72,581	2,852,438	3,046,583	282,857,743	20,377,418,112
Depreciation Rate (%)	-	-	4	250	350	400	250	10	15	15	10	30	20	20	7
Gross carrying value basis															
As at June 30, 2024															
Cost / revalued amount	2,087,184,602	310,166,401	15,926,865,522	1,700,750,001	189,915,084	218,434	544,138,118	26,640,777	412,686,760	177,378,116	260,683	17,865,881	30,400,000	341,340,330	21,765,225,259
Accumulated depreciation	-	(12,406,656)	(394,260,743)	(56,528,250)	(16,766,640)	(60,48)	(37,588,071)	(11,234,797)	(199,931,776)	(94,803,394)	(88,132)	(14,914,453)	(27,353,437)	(58,882,587)	(1,027,793,417)
Net book value	2,087,184,602	297,759,745	15,531,904,779	1,644,223,751	173,148,444	157,953	406,570,047	15,402,280	212,764,484	82,569,722	72,581	2,852,438	3,046,583	282,857,743	20,737,431,812
Net carrying value basis															
Year ended June 30, 2025															
Opening net book value	2,087,184,602	297,759,745	15,531,904,779	1,644,223,751	173,148,444	157,953	406,570,047	15,402,280	212,764,484	82,569,722	72,581	2,852,438	3,046,583	282,857,743	20,737,431,812
Additions	-	-	5,661,000	-	-	-	7,310,895	5,726,148	6,954,938	-	-	3,069,880	-	-	9,138,719
Transfers from assets subject to operating lease	121,682,388	-	-	-	-	-	-	-	-	-	-	-	-	-	121,682,388
Transfers from capital work-in-progress	-	375,892,690	230,588,839	196,970,755	243,893,547	-	-	-	-	-	-	-	-	377,883,060	1,424,508,891
Disposals	-	-	(40,582,888)	-	-	-	-	-	(16,212,283)	-	-	-	-	-	(56,795,161)
Depreciation charge for the year	-	(14,577,683)	(391,510,804)	(62,013,632)	(8,024,045)	(3,949)	(2,045,021)	(1,950,150)	(37,143,713)	(12,385,458)	(7,266)	(1,331,504)	(699,318)	(26,571,031)	(577,778,693)
Balance as at June 30, 2025	2,208,875,000	659,074,752	15,336,060,946	1,776,180,874	408,077,946	154,004	393,430,511	19,822,778	228,588,164	70,184,264	65,305	4,690,014	2,497,250	633,250,672	21,740,962,060
Depreciation Rate (%)	-	4	250	350	400	250	5	10	15	15	10	30	20	20	7
Gross carrying value basis															
As at June 30, 2025															
Cost / revalued amount	2,208,875,000	666,059,091	16,117,415,361	1,897,720,756	433,808,631	218,434	551,449,813	32,367,225	446,675,703	177,378,116	260,683	20,336,071	30,400,000	718,513,380	23,322,068,284
Accumulated depreciation	-	(25,984,339)	(781,354,415)	(121,539,882)	(24,730,885)	(64,430)	(158,019,302)	(13,844,947)	(28,317,539)	(107,933,852)	(95,388)	(16,245,957)	(27,982,750)	(58,252,718)	(1,581,085,204)
Net book value	2,208,875,000	659,074,752	15,336,060,946	1,776,180,874	408,077,946	154,004	393,430,511	19,822,778	228,588,164	70,184,264	65,305	4,690,014	2,497,250	633,250,672	21,740,962,060

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
6.1.1	The depreciation charge for the year has been allocated as follows:	
Cost of sales	517,976,661	515,572,453
Administrative expenses	59,201,208	54,708,931
	577,177,869	570,281,384

6.1.2 Freehold land, factory building on freehold land, plant and machinery and power plant are measured using the revaluation model. The fair value of these assets is determined periodically. The latest revaluation to assess the fair value of these assets was conducted on June 30, 2023 and performed by an independent valuer - M/s Tristar International Consultant (Private) Limited, having appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. Revaluation was carried out on the basis of information from various real estate agents of present market values of similar property in the vicinity for freehold land, replacement values of similar types of buildings based on present cost of construction for factory building on freehold land and valuations of plant and machinery and power plant based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account age, condition, location, design, adverse factors, threats and opportunities and obsolescence.

6.1.3 Had the Group's freehold land, factory building on freehold land, plant and machinery and power plant been measured on a historical cost basis, their carrying amount would have been as follows:

Rupees	2025	2024
- Freehold land	572,427,031	531,241,531
- Factory building on freehold land	446,871,038	76,714,209
- Plant and machinery	11,595,258,634	11,695,967,696
- Power plant	486,767,902	504,422,696
	13,101,324,605	12,808,346,132

6.1.4 Forced sale value as per the last revaluation report dated June 30, 2023 of freehold land, factory building on freehold land, plant and machinery and power plant was Rs. 1,845.763 million, Rs. 248.133 million, Rs. 12,979.456 million, Rs. 35.000 million and Rs. 1,360.600 million, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.1.5 Particulars of immovable fixed assets are as follows:

Description:	Location:	Approx. area of land:
- Manufacturing plant site	17-KM Sheikhpura Road, Lahore	181.6 kanals
- Warehouses and colony	17-KM Sheikhpura Road, Lahore	122.25 kanals
- Warehouse	17 KM, Sheikhpura Road, Lahore	48 kanals
- Warehouse	Badami Bagh, Lahore	7.25 kanals
- Warehouse	Qilla Sattar Shah, Lahore	104.00 kanals
- Warehouse	Jummah Goth, Karachi	76.00 kanals
- Sale centres	Badami Bagh, Lahore	3.40 Kanals
- Registered office	31-A Shadman I, Lahore	1.75 Kanals
- Power plant site	17 KM, Sheikhpura Road, Lahore	409.68 kanals

Warehouses, colony, sales centres and registered office, represent developments on leasehold lands. Developments on leasehold lands represent civil / structural improvements.

6.1.6 Title of land measuring 63 kanals and 8 marlas has not yet been transferred in the name of the holding company. The said title is currently in name of Mughal Steel (AoP) which was taken over by the holding company.

6.1.7 Detail of charge created on certain items of property, plant and equipment is given in note 22. This charge existed at June 30, 2025. The Group is not allowed to offer the assets under charge as security for additional borrowings or to sell them without prior approval of the existing lenders.

6.1.8 Property, plant and equipment includes certain assets of the holding company held under common ownership under diminishing musharaka arrangement.

6.1.9 Contractual commitments for the acquisition of property, plant and equipment amounted to Rs. 1,133.044 million as at June 30, 2025 (2024: Rs. 1,972.355 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.1.10 The detail of tangible fixed assets disposed off during the year is as follows:

Rupees	Description / particulars of buyers / relation with Company or its Directors	Mode of disposal	Revalued cost / cost	Net book value	Net proceeds	Gain / (loss)	
	Holding company						
	Plant & machinery:						
	- Induction Furnaces	Third party	Company policy	45,000,000	40,582,868	42,000,000	1,417,132
				45,000,000	40,582,868	42,000,000	1,417,132
	Vehicles:						
	- Irfan Amin	Employee	Company policy	3,782,500	2,932,745	3,330,000	397,255
	- Sher Ahmad Khawaja	Employee	Company policy	2,553,462	1,147,745	1,500,000	352,255
	- Mubashar Islam Ahmad	Employee	Company policy	2,204,187	702,787	3,000,000	2,297,213
	- Muhammad Usman Khalid	Third party	Company policy	5,617,880	2,539,985	5,500,000	2,960,015
	- Amjad Hanif	Employee	Company policy	1,802,530	905,840	1,020,000	114,160
	- Zar Wali Khan	Employee	Company policy	5,630,330	3,083,860	3,780,000	696,140
	- Muhammad Sohail	Employee	Company policy	1,666,730	778,045	600,000	(178,045)
	- Ejaz Akram	Employee	Company policy	1,202,530	605,077	600,000	(5,077)
	- Tahzib-ul-Hassan	Employee	Company policy	1,502,530	651,744	750,000	98,256
	- Muhammad Chirag	Employee	Company policy	2,067,380	1,080,878	1,046,190	(34,688)
	- Syed Zafar Abbas	Employee	Company policy	1,202,530	568,527	600,000	31,473
	- Ehsan Afzal	Third party	Company policy	1,571,820	351,494	1,270,000	918,506
	- Ehsan Afzal	Third party	Company policy	1,770,500	354,481	1,870,000	1,515,519
	- Ehsan Afzal	Third party	Company policy	1,770,500	354,481	1,570,000	1,215,519
	- Innayat ullah	Employee	Company policy	1,224,834	154,604	650,000	495,396
				35,570,243	16,212,293	27,086,190	10,873,897
	June 30, 2025			80,570,243	56,795,161	69,086,190	12,291,029
	June 30, 2024			22,552,565	15,608,482	21,515,400	5,906,918

Rupees	2025	2024
6.2	Following is the movement in land subject to operating lease:	
Opening balance	121,690,398	-
Addition due to acquisition of subsidiary	-	121,690,398
Transfer to tangible fixed assets	(121,690,398)	-
Closing balance	-	121,690,398

6.2.1 This represented land of Mughal Energy Limited (the subsidiary company) held for intended use as owner-occupied property for production and supply of goods, measuring 48 kanals costing Rs. 41.185 million, which was given on short-term operating lease to Indus Steel Mills Corporation (Private) Limited - related party. It was measured using the revaluation model. Fair value was determined periodically. The latest revaluation to assess the fair value was conducted on June 30, 2023 and performed by an independent valuer - M/s Tristar International Consultant (Private) Limited, having appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. Forced sale value as per the last revaluation report dated June 30, 2023 was Rs. 140.250 million. Had the land subject to operating lease been measured on a historical cost basis, its carrying amount would have been Rs. 41.185 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.3 Information about the fair value hierarchy of freehold land, land subject to operating lease, factory building on freehold land, plant and machinery, and power plant as at the end of the reporting period are as follows:

Rupees	Level 2	Level 3	Fair value
Tangible fixed assets			
- Freehold land	2,208,875,000	-	2,208,875,000
- Factory building on freehold land	-	659,074,752	659,074,752
- Plant and machinery	-	15,336,060,946	15,336,060,946
- Power plant	-	1,776,180,874	1,776,180,874
June 30, 2025	2,208,875,000	17,771,316,572	19,980,191,572
Tangible fixed assets:			
- Freehold land	2,087,184,602	-	2,087,184,602
- Factory building on freehold land	-	297,759,745	297,759,745
- Plant and machinery	15,531,904,779	-	15,531,904,779
- Power plant	1,641,223,751	-	1,641,223,751
	19,260,313,132	297,759,745	19,558,072,877
Land subject to operating lease	121,690,398	-	121,690,398
June 30, 2024	19,382,003,530	297,759,745	19,679,763,275

The above table shows assets recognized at fair value, analyzed between those whose fair value is based on:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

6.4 Following is the movement in capital work-in-progress:

Rupees	Note	Opening balance	Additions	Transfers	Closing balance
Tangible:					
- Payment for land	6.4.1	14,240,625	-	-	14,240,625
- Building		-	375,892,690	(375,892,690)	-
- Plant, machinery & power plant	6.4.2	3,096,391,755	2,465,774,494	(671,453,141)	4,890,713,108
- Developments on leasehold lands		-	377,163,060	(377,163,060)	-
June 30, 2025		3,110,632,380	3,218,830,244	(1,424,508,891)	4,904,953,733
June 30, 2024		1,441,155,379	3,136,416,800	(1,466,939,799)	3,110,632,380

6.4.1 This represents estimated payment for acquisition of land by the holding company, measuring 7 kanals and 7 marlas deposited in Government treasury in accordance with the Land Acquisition Act, 1894. The matter is currently pending.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
7. LONG-TERM INVESTMENT			
Investment in financial assets:			
- Long-term debt instrument - at amortized cost	7.1	-	50,119,465
		-	50,119,465

- 7.1** This represented investment in listed, rated, unsecured, privately placed term finance certificates of Soneri Bank Limited having tenure of 10 years, carrying profit at the rate of 6MK + 1.70% per annum. These had been classified as financial assets measured at amortized cost. During the year, considering the long maturity period associated with the investment, it was decided to liquidate and de-recognize the investment. The loss on disposal has been charged to the consolidated statement of profit or loss.

8. LONG-TERM LOANS

(Secured & considered good)

These loans have been provided to employees of the holding company under the terms of their employment, free of interest, to facilitate economical purchase of different kinds of vehicles, house construction and for other personal reasons etc. and are repayable over a period up to 5 years from date of disbursement. Vehicle loans are secured by registration of the said vehicle in the name of the holding company and against security cheques, while other loans are secured against gratuity and personal guarantees. No amount was provided to the Chief Executive Officer, Directors or any key management personnel of any of the Group companies, during the year ended June 30, 2025 (2024: Rs. Nil).

Rupees	2025	2024
Outstanding amount	91,061,196	103,032,753
Amounts due within twelve months and shown under current assets	(38,808,749)	(45,976,196)
	52,252,447	57,056,557

9. LONG-TERM DEPOSITS

These mainly include deposits with utility companies.

Rupees	Note	2025	2024
10. INVENTORIES			
Stores, spares and loose tools	10.1	3,534,379,078	2,657,539,836
Raw material	10.1	8,562,628,741	18,602,370,564
Finished goods / by-products	10.3	3,519,648,406	4,815,457,771
		15,616,656,225	26,075,368,171

- 10.1** Inventories include material in-transit (inbound) on account of stores, spares and loose tools and raw materials amounting to Rs. 391.497 million (2024: Rs. 79.688 million) and Rs. 1,552.847 million (2024: Rs. 5,676.651 million), respectively and material in-transit (outbound) amounting to Rs. Nil (2024: Rs. 11.023 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

10.2 Inventories are under hypothecation of commercial banks as security for facilities in respect of short-term borrowings (note 29). Inventories amounting to Rs. 8.018 million (2024: Rs. 283.838 million) are carried at fair value less costs to sell.

10.3 This includes by-products amounting to Rs. 3.823 million (2024: Rs. 278.683 million).

11. TRADE DEBTS

(Considered good and unsecured)

Trade debts are non-interest bearing and are generally on terms of 30 to 60 days. Information about the Company's exposure to credit and market risks for trade debts is included in note 50. Trade debts are under hypothecation of commercial banks as security for facilities in respect of short-term borrowings (note 29).

Rupees	Note	2025	2024
Export	11.1	954,907,546	551,293,176
Local		14,327,395,463	10,327,482,620
		15,282,303,009	10,878,775,796
Allowance for expected credit losses	11.2	(50,469,276)	(73,028,258)
		15,231,833,733	10,805,747,538

11.1 No export sale was made to any related party during the year.

Rupees	2025	2024
11.2 <i>Movement in allowance for expected credit losses is as follows:</i>		
Opening balance	73,028,258	133,477,371
Charge for the year	(22,558,982)	(60,449,113)
Closing balance	50,469,276	73,028,258

The allowance for expected credit losses assessment requires a degree of estimation and judgement and is based on the lifetime expected credit losses, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions amongst other factors include recent sales experience, historical collection rates, economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade debts. The management believes that none of the balances are credit impaired nor any further impairment allowance is necessary in respect of unprovided past due amounts as there are reasonable grounds to believe that the amounts will be recovered in short course of time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
11.3	Aging of trade debts is as follows:		
Not overdue		5,176,489,749	7,545,905,543
Past due:			
30 days		3,958,169,358	1,928,764,567
60 days		3,074,635,106	1,094,528,559
150 days		2,211,764,185	268,026,421
Greater than 150 days		861,244,611	41,550,706
		15,282,303,009	10,878,775,796
Allowance for expected credit losses		(50,469,276)	(72,028,258)
		15,231,833,733	10,806,747,538

12. LOANS AND ADVANCES

(Considered good)			
Current portion of long-term loans to employees	8.	38,808,749	45,976,196
Advances to:	12.1		
- Key management personnel		140,000	31,760
- Other employees		42,226,845	34,993,749
		42,366,845	35,025,509
Advances to suppliers		165,359,290	91,315,804
		246,534,884	172,317,509

12.1 These represent interest-free advances provided to employees of the holding company. These are secured against salary / gratuity and are repayable within twelve months. The maximum aggregate amount of loans to the key management personnel outstanding at the end of any month during the year ended June 30, 2025 was Rs. 30.415 million (2024: Rs. 8.612 million). There were no advances which were past due or impaired. No amount was provided to the Chief Executive Officer or any of the Directors of any of the Group companies during the year ended June 30, 2025 (2024: Rs. Nil).

Rupees	Note	2025	2024
13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Interest accrued on term deposit receipts		-	4,066,500
Letters of credit		7,149,744	11,006,056
Prepayments		14,351,004	30,190,126
Security deposits	13.1	2,900,000	1,300,000
Deposits	13.2	44,613,772	53,909,672
Margin	13.3	385,690,745	347,044,843
Other receivables - considered good		6,431,000	7,100,000
		461,136,265	454,617,197

13.1	Due from related parties in respect of security deposits against rent:		
- Al-Bashir (Private) Limited		-	500,000
- Indus Engineering (Private) Limited		-	600,000
		-	1,100,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 13.1.1** The maximum aggregate amount due from related parties outstanding at the end of any month during the year ended June 30, 2025 was Rs. 1.100 million (2024: Rs. 1.100 million).
- 13.2** These mainly include container security and pay orders issued to Collector of Customs as security against various import consignments.
- 13.3** This represents margin held with banks against import and against guarantees issued for the supply of steel bars and girders.

Rupees	Note	2025	2024
14. DUE FROM THE GOVERNMENT			
Sales tax - net	14.1 & 14.2	1,819,088,294	1,214,888,025
Advance income tax - net	14.3	5,444,681,854	3,384,605,986
Custom duties	14.4 , 14.5	223,043,232	223,043,232
Export regulatory duty - considered doubtful	14.6	-	-
		7,486,813,380	4,822,537,243

- 14.1** This includes Rs. 103.292 million (2024: Rs. 103.292 million) outstanding on account of alleged sales tax liability relating to holding company recovered against order of the Additional Commissioner, Punjab Revenue Authority (PRA) on the basis of presumed non-withholding of sales tax in respect of various taxable services against which appeal was filed by the holding company before the Commissioner (Appeals). The Commissioner (Appeals) passed order in favor of the holding company by partially deleting the demand to the extent of Rs. 27.495 million, which still remains refundable. In respect of the remaining amount of Rs. 75.797 million set aside proceedings were initiated and concluded, whereby, the demand of Rs. 75.797 million was sustained by the Additional Commissioner. The holding company filed appeal before the Commissioner (Appeals) against the said order, which was decided against the holding company. The holding company then filed appeal dated September 13, 2023 before the Tribunal Punjab Revenue Authority which is currently pending. The management is rigorously contesting the case and along with the holding company's legal advisor are confident that the ultimate outcome of this case will be in favor of the holding company.
- 14.2** This includes an amount of Rs. 80.783 million (2024: Rs. 80.783 million) relating to the holding company deposited under protest against a demand of Rs. 398.945 million raised by the Customs authorities on account of sales tax, whereby the Customs authorities recalculated the value of supply of local waste generated from non-ferrous segment, in accordance with the valuation rulings issued under the Customs Act, 1969, despite of the fact that in case of local supply, the said value was to be determined keeping view the provisions of section 2(46) of the Sales Tax Act, 1990, and that valuation rulings issued under the Customs Act, 1969, were applicable only in case of imports and not in case of local supplies. The matter was decided in favor of the holding company by the Collector Adjudication against which the Custom authorities filed reference with the Honorable Lahore High Court which is currently pending. The holding company and its legal advisor are of the opinion that the said demand is not legally justified and hence refundable / adjustable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
14.3 Advance income tax - net		
Opening balance	3,384,605,986	2,802,911,314
Addition due to acquisition of subsidiary	-	19,247,544
Payments	1,708,705,163	1,266,579,451
	5,093,311,149	4,088,738,309
Refunds received	-	(267,642,800)
Provisions and adjustments - net	351,370,705	(436,489,523)
Closing balance	5,444,681,854	3,384,605,986

14.4 This includes an amount of Rs. 119.216 million (2024: Rs. 119.216 million) relating to the holding company deposited under protest against demand of same amount raised by the Customs authorities on account of regulatory and additional custom duty in respect of sale of local waste generated from non-ferrous segment, despite the fact that regulatory duty and additional custom duty are not applicable on material imported under manufacturing bond / EFS scheme. The matter was decided in favor of the holding company by the Customs Appellate Tribunal, against which the Custom authorities filed reference with the Honorable Lahore High Court which is currently pending. The holding company and its legal advisor are of the opinion that the said demand is not legally justified and hence refundable / adjustable.

14.5 This includes an amount of Rs. 103.827 million (2024: Rs. 103.827 million) relating to the holding company deposited under protest against demand of same amount raised by the Customs authorities on account of regulatory and additional custom duty in respect of sale of local waste generated from non-ferrous segment, despite the fact that regulatory duty and additional custom duty are not applicable on material imported under manufacturing bond / EFS scheme. The holding company has filed refund application which is currently pending. The holding company is of the opinion that the said demand is not legally justified and hence refundable.

14.6 This represented regulatory duty paid by the holding company on export of scrap and steel products. During the year, the outstanding amount of Rs. 54.148 million has been written off against the previously recognized provision for the same amount. This write-off represents balance that was considered irrecoverable based on management's assessment and in accordance with the Group's accounting policy for provisions. The write-off has no impact on the consolidated profit or loss for the current year as the expense was recognized in prior periods when the provision was initially created.

Rupees	2025	2024
14.6.1 Export regulatory duty - considered doubtful:		
Export regulatory duty	-	54,148,408
Provision for doubtful recovery	-	(54,148,408)
	-	-
14.6.2 The movement in provision for doubtful recovery is as follows:		
Balance at the beginning of the year	54,148,408	54,148,408
Provision for the year	(54,148,408)	-
Balance at the end of the year	-	54,148,408

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
15. SHORT-TERM INVESTMENT AND OTHER FINANCIAL ASSETS			
Investment in financial assets – at amortized cost:			
- Short-term debt instrument – Islamic	15.1	168,955,091	-
Balances with banks maintained under lien in:			
- Saving accounts – Islamic	15.2	69,670,421	407,885,967
		238,625,512	407,885,967

15.1 This represents investment in unlisted, rated, and unsecured privately placed short-term sukuk certificates of Pakistan Telecommunication Company Limited having tenure of 06 months, carrying profit at the rate of 3MK + 0.05% per annum. These instruments have been classified as financial assets measured at amortized cost, as the Group intends to hold them to collect contractual cash flows, which consist solely of principal and interest payments.

15.2 These represent aggregate amount of funds maintained in different accounts over which lien is marked in favor of investment agent. The said amounts can only be utilized for purpose of payments to sukuk holders as and when due. These carried profit ranging between 4% to 5% (2024: 6.75% to 8.50%) per annum.

Rupees	2025	2024
16. CASH AND BANK BALANCES		
Balances with:		
Islamic Banks:		
- Current accounts	1,741,401,044	2,632,312,021
- Saving accounts	725,023,357	94,373,164
	2,466,424,401	2,726,685,185
Conventional Banks:		
- Current accounts	433,681,582	211,353,843
- Saving accounts	202,049,782	76,608,060
- Term deposits	-	323,992,592
	635,731,364	611,954,495
	3,102,155,765	3,338,639,680
Cash in hand	4,383,740	27,240,093
	3,106,539,505	3,365,879,773

16.1 Cash and bank balances includes US\$ 457,132 (2024: US\$ 177,878) held in foreign currency accounts.

16.2 Saving accounts carried profit ranging between 1.50% to 20.75% (2024: 7.00% to 21.50%) per annum.

16.3 Term deposits were matured during the year and carried profit ranging between 13.30% to 16.50% (2024: 13.50% to 16.50%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

17. AUTHORIZED SHARE CAPITAL

The authorized share capital of the holding company is Rs. 10,000.000 million (2024: 10,000.000 million) divided into 700.000 million (2024: 700.000 million) ordinary shares of Rs. 10/- each, 250.000 million (2024: 250.000 million) ordinary Class-B shares of Rs. 10/- each and 50.000 million (2024: 50.000 million) ordinary Class-C shares of Rs. 10/- each. Ordinary Class-C shares carry 05 votes per share, are participatory in surplus assets in case of liquidation, are not convertible into ordinary shares, have right to dividend / bonus shares / right shares declared / issued by the holding company in respect of ordinary Class-C shares, whereas, the rights and privileges relating to ordinary Class-B shares have yet not been determined by the members of the holding company.

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Issued, subscribed and paid-up capital comprises of the following classes of ordinary shares:

2025	2024	Note	2025	2024
Number of shares			Rupees	
335,633,933	335,633,933	Ordinary shares	18.1	3,356,339,330
33,062,447	-	Ordinary Class-C shares	18.2	330,624,470
368,696,380	335,633,933			3,686,963,800

18.1 Break-up of ordinary shares is as follows:

2025	2024	Note	2025	2024
Number of shares			Rupees	
202,207,479	202,207,479	Shares allotted for consideration paid in cash	2,022,074,790	2,022,074,790
58,579,553	58,579,553	Shares allotted for consideration other than cash	18.1.1	585,795,530
74,846,901	74,846,901	Shares allotted as bonus shares	748,469,010	748,469,010
335,633,933	335,633,933		3,356,339,330	3,356,339,330

18.1.1 These represent shares issued against purchase of business comprising of net assets of Mughal Steel (AoP) including fixed assets.

18.1.2 213.595 million (2024: 213.595 million) ordinary shares of Rs. 10/- each were held by major shareholders, key management personnel and their relatives. Ordinary shareholders holding 50.51% of the ordinary shares of the holding company have entered into a voting trust arrangement. Under this arrangement, the voting rights attached to these shares are exercised collectively through the voting trustee for the purposes of general meetings of the holding company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

18.1.3 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company and rank equally with regard to Company's residual assets.

18.2 Break-up of ordinary Class-C shares is as follows:

2025	2024	Note	2025	2024
Number of shares			Rupees	
33,062,447	-	Shares allotted for consideration		
		paid in cash	330,624,470	-
33,062,447	-		330,624,470	-

18.2.1 Movement in ordinary Class-C shares allotted for consideration paid in cash is as follows:

2025	2024	Note	2025	2024
Number of shares			Rupees	
-	-	Opening balance	-	-
33,062,447	-	Ordinary Class-C shares issued	330,624,470	-
33,062,447	-	Closing balance	330,624,470	-

18.2.2 This represented the issuance of 9.85% right shares (i.e. 9.85 ordinary Class-C shares for every 100 ordinary shares held) comprising of 30.062 million ordinary Class-C shares at an exercise price of Rs. 45/- per share inclusive of premium of Rs. 35/- per share. The proceeds were duly utilized for meeting working capital requirements which was in line with the purpose disclosed in the offering document.

18.2.3 25.639 million (2024: Nil) ordinary Class-C shares of Rs. 10/- each were held by major shareholders, key management personnel and their relatives.

18.2.4 Ordinary Class-C shares carry 05 votes per share, are participatory in surplus assets in case of liquidation, are not convertible into ordinary shares, have right to dividend / bonus shares / right shares declared / issued by the Company in respect of ordinary Class-C shares and rank equally with regard to Company's residual assets.

18.3 Pursuant, to covenants contained in the financing agreements, the Company is prevented from declaring dividend, if such declaration leads to breach of any financial covenants stipulated therein.

Rupees	Note	2025	2024
19. CAPITAL RESERVES			
Share premium account	19.1	3,467,578,494	2,324,952,020
Contingency reserve	19.2	980,000,000	980,000,000
		4,447,578,494	3,304,952,020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
19.1	Break-up of share premium account is as follows:		
	Share premium in respect of ordinary shares	2,324,952,020	2,324,952,020
	Share premium in respect of ordinary Class-C shares	19.1.1	
		1,142,626,474	-
		3,467,578,494	2,324,952,020

19.1.1	Movement of share premium in respect of ordinary Class-C shares is as follows:		
	Opening balance	-	-
	Share premium recognized during the year @ Rs. 35/- per ordinary Class-C share	1,157,185,645	-
	Transaction costs relating to issue of ordinary Class-C shares	(14,559,171)	-
	Closing balance	1,142,626,474	-

19.1.2 Share premium account can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

19.2 This represents contingency reserve set aside from un-appropriated profit for meeting future catastrophic events.

Rupees	2025	2024
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20. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	Revaluation surplus on property, plant and equipment - net of deferred tax	3,899,891,432	3,740,482,178
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20.1	Movement in revaluation surplus on property, plant and equipment - net of deferred tax:		
	Opening balance	3,740,482,178	3,998,378,178
	Transfer of incremental depreciation for the year	(68,062,264)	(90,767,218)
	Transfer of incremental depreciation on disposals	(6,248,747)	
	Tax impact due to change in regime for export sales	-	(167,128,782)
	Effect of change in enacted tax rate	233,720,265	-
	Closing balance	3,899,891,432	3,740,482,178

20.2	Breakup of revaluation surplus net of deferred tax is as follows:		
	Freehold land	572,274,137	572,274,137
	Factory building on freehold land	138,993,434	134,837,777
	Plant and machinery	2,470,080,335	2,339,921,621
	Power plant	718,543,526	693,448,643
		3,899,891,432	3,740,482,178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

20.3 The revaluation surplus on property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

Rupees	2025	2024
21. NON-CONTROLLING INTEREST		
Non-controlling interest	321,104,240	323,093,380

21.1 Non-controlling interest represents interest in Mughal Energy Limited and are measured on the basis of the proportion allocated as determined on the basis of their ownership interests associated with different classes and kinds of shares held.

Rupees	2025	2024
21.2 Movement in non-controlling interest is as follows:		
Opening balance	323,093,380	-
Recognition during the year - net of transaction costs	-	323,143,793
Loss allocated during the year	(1,989,140)	(50,413)
Closing balance	321,104,240	323,093,380

21.3 Set out below is the summarized audited financial information for Mughal Energy Limited for the year ended June 30, 2025 and 2024 along with calculation of non-controlling interest. The amounts disclosed are before inter-company elimination:

Rupees	2025	2024
Summarized financial information:		
Current assets	773,346,044	677,798,766
Current liabilities	533,751,498	1,297,768,135
Net current assets	239,594,546	(619,969,369)
Non-current assets	6,466,545,489	4,464,637,251
Non-current liabilities	3,270,934,316	388,182,140
Net non-current assets	3,195,611,173	4,076,455,111
Net assets	3,435,205,719	3,456,485,742
Non-controlling interest (9.35%)	321,104,240	323,093,380
Summarized statement of comprehensive income:		
Loss for the year	(21,280,023)	(19,170,281)
Total comprehensive loss	(21,280,023)	(19,170,281)
Loss allocated to non-controlling interest	(1,989,140)	(50,413)
Loss allocated to holding company	(19,290,883)	(19,119,868)
Summarized statement of cash flows:		
Cash used in operating activities	(224,170,172)	(132,809,140)
Cash used in investing activities	(1,793,140,719)	(1,315,740,330)
Cash generated from financing activities	1,826,414,993	1,593,265,114
Net decrease / increase in cash and cash equivalents	(190,895,898)	144,715,644

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
22. LONG-TERM FINANCING - SECURED			
Obtained under conventional mode:			
- Long-term loans	22.1	2,364,504,032	2,953,920,979
Obtained under Islamic mode:			
- Diminishing musharaka	22.2	560,738,046	189,021,464
- Shariah compliant sukuk certificates	22.3	3,054,990,886	3,856,734,675
		3,615,728,932	4,045,756,139
Total long-term financing		5,980,232,964	6,999,677,118
Current portion shown under current liabilities		(1,166,803,643)	(4,157,720,930)
		4,813,429,321	2,841,956,188

22.1 Long term loans:			
Bank Alfalah Limited - II	22.1.1	-	19,750,000
Bank Alfalah Limited - IV	22.1.2	-	39,997,824
Soneri Bank Limited - I	22.1.3	28,411,460	33,759,139
Soneri Bank Limited - II	22.1.4	20,512,000	24,688,000
Habib Bank Limited - I	22.1.5	128,469,000	175,185,000
Habib Bank Limited - II	22.1.6	1,078,596,745	1,463,541,016
Pak Libya Holding Company (Private) Limited	22.1.7	700,000,000	525,000,000
Pak Brunei Investment Company Limited	22.1.8	-	250,000,000
PAIR Investment Company Limited	22.1.9	272,575,431	300,000,000
Parwaaz Financial Services Limited	22.1.10	135,939,396	122,000,000
		2,364,504,032	2,953,920,979
Current portion shown under current liabilities		(579,935,343)	(784,749,567)
		1,784,568,689	2,169,171,412

22.1.1 This was completely repaid during the year.

22.1.2 This was completely repaid during the year.

22.1.3 This represents outstanding amount in respect of term finance facility obtained for the purpose of financing procurement and installation of solar system of the holding company. It is repayable in 120 equal monthly installments with last installment due in November 2031. It carries mark up at the rate of 3MK + 2.00% per annum.

22.1.4 This represents outstanding amount in respect of SBP scheme for renewable energy facility obtained for the purpose of financing procurement and installation of solar system of the holding company. It is repayable in 120 equal monthly installments with last installment due in May 2030. It carries mark up at SBP rate + 3.00% per annum.

22.1.5 This represents outstanding amount in respect of SBP scheme for LTFF obtained for the purpose of financing imported plant and machinery for non-ferrous segment of the holding company. It is repayable in 20 equal quarterly installments, post completion of grace period of 12 months, with last installment due in March 2028. It carries mark up at SBP rate + 1% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 22.1.6** This represents outstanding amount in respect of term finance obtained for the purpose of financing imported plant and machinery for non-ferrous segment and certain spares for ferrous segment of the holding company. It is repayable in 20 equal quarterly installments, post completion of grace period of 12 months, with last installment due in June 2028. It carries mark up at the rate of 3MK + 1% per annum.
- 22.1.7** This represents outstanding amount in respect of term finance facility obtained by the holding company for the purpose of financing 36.50 MW captive hybrid power plant of Mughal Energy Limited (the subsidiary company). It is repayable in 24 equal quarterly installments, post completion of grace period of 18 months, with last installment due in December 2030. It carries mark up at the rate of 3MK + 1.60% per annum.
- 22.1.8** This was completely repaid during the year.
- 22.1.9** This represent outstanding amount obtained for the 36.50 MW captive hybrid power plant project, by Mughal Energy Limited (the subsidiary company). It is repayable in 22 quarterly installments, post completion of grace period of 18 months, with the last installment due in February 2030. It carries mark up at the rate of 3MK + 1.50% per annum. It is secured by hypothecation charge on specific fixed asset, personal guarantee of all directors and corporate guarantee issued by the holding company.
- 22.1.10** This represent outstanding amount in respect of financing facility obtained for solar project by Mughal Energy Limited (the subsidiary company). It is repayable in 66 equal monthly installments, post completion of grace period of 06 months, with the last installment due in June 2030. It carries mark up at the rate of 3MK + 2% per annum. It is secured by specific charge on specific fixed assets, personal guarantee of directors and corporate guarantee issued by the holding company.

Rupees	Note	2025	2024
22.2 Diminishing musharaka:			
Meezan Bank Limited - I	22.2.1	15,212,698	70,018,917
Meezan Bank Limited - II	22.2.2	102,687,735	119,002,547
MCB Islamic Bank Limited	22.2.3	278,957,513	-
The Bank of Punjab (Taqwa - Islamic Banking)	22.2.4	163,880,100	-
		560,738,046	189,021,464
Current portion shown under current liabilities		(31,877,414)	(71,128,248)
		528,860,632	117,893,216

- 22.2.1** This represents outstanding amount in respect of diminishing musharaka facility obtained for the purpose of financing plant and machinery for ferrous segment of the holding company. It is repayable in 18 equal quarterly installments, with the last installment due in March 2026. It carries mark up at the rate of 3MK + 1% per annum.
- 22.2.2** This represents outstanding amount in respect of Islamic temporary refinance facility obtained for purchase of plant and machinery for ferrous segment of the holding company. It is repayable in 32 equal quarterly installments, with the last installment due in June 2031. It carries mark up at SBP rate + 4% per annum. The fair value of the loan has been determined by discounting the loan proceeds using prevailing market rates of interest for similar instruments. The differential between the loan proceeds and fair value of the loan has been recorded as deferred grant (note 4.23 and 25).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

22.2.3 This represents outstanding amount in respect of facility obtained for the purpose of financing the 36.50 MW captive hybrid power plant project, by Mughal Energy Limited (the subsidiary company) having tenure of 36 months inclusive of 6 months grace period. It carries mark up at the rate of 3MK + 2% per annum. It is secured by joint pari passu charge on fixed assets (excluding land, building and specific assets), personal guarantee of Directors and corporate guarantee issued by the holding company.

22.2.4 This represents outstanding amount in respect of facility obtained for the purpose of financing the 36.50 MW captive hybrid power plant project, by Mughal Energy Limited (the subsidiary company) having tenure of 60 months. It will be repayable in 20 equal monthly installments. It carries mark up at the rate of 3MK + 1.70% per annum. It is secured by joint pari passu charge on fixed assets (excluding land, building and specific assets), personal guarantee of Directors and corporate guarantee issued by the holding company.

Rupees	Note	2025	2024
22.3 Shariah compliant sukuk certificates:			
Sukuk I - (diminishing musharaka)	22.3.1	554,990,886	1,356,734,675
Sukuk II - (shirkat-ul-Aqd musharaka)	22.3.2	-	2,500,000,000
Sukuk V - (Shirkat-ul-Aqd musharaka)	22.3.2	2,500,000,000	-
		3,054,990,886	3,856,734,675
Current portion shown under current liabilities		(554,990,886)	(3,301,843,115)
		2,500,000,000	554,891,560

22.3.1 This represents the amortized cost of 3,000 privately placed, rated, secured, OTC listed shariah compliant sukuk certificates aggregating to Rs. 3,000.000 million (inclusive of a green shoe option of Rs. 1,000.000 million) having face value of Rs. 1,000,000/- each, issued by the holding company for a period of 5 years (inclusive of 1 year grace period) to Qualified Institutional Buyers (QIBs) in accordance with Section 66 of the Companies Act, 2017 for the purpose of meeting working capital requirements of the holding company and utilized accordingly. These carry profit at the rate of 3MK + 1.30% per annum and are repayable in 16 equal quarterly installments, with the last installment due in March 2026. Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited (VIS) as per their latest reports have assigned long-term rating of A+ to the sukuk certificates.

22.3.2 This represented privately placed, rated, secured Sukuk - II certificates, having 15 months tenure to finance the holding company's working capital requirements. The certificates carried profit at the rate of 3MK + 1.45% per annum, payable on quarterly basis. The principal amount was completely repaid upon maturity in March 2025. This included Rs. 25.000 million on account of Indus Engineering (Private) Limited (related party).

22.3.3 This represents privately placed, rated, secured Sukuk - V certificates, issued during the year, having 15 months tenure to finance the holding company's working capital requirements. The certificates carry profit at the rate of 3MK + 1.45% per annum, payable on quarterly basis. The principal amount is repayable in bullet upon maturity in July 2026. The certificates are secured by way of joint pari passu charge over present and future current assets of the holding company. Pakistan Credit Rating Agency Limited (PACRA) as per its latest report has assigned long-term rating of AA- to these certificates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

22.4 Except as disclosed in note 21.1.9, 21.1.10, 22.2.3 and 22.2.4, the above outstanding facilities are secured by joint pari passu / ranking charges to the extent of Rs. 5,652.672 million (2024: 10,496.905 million) over present and future fixed assets (excluding land and building) of the Group with 25% margin and by way of personal guarantees of Directors, other than Independent Directors. In addition the Group is also required to comply with certain financial covenants including but not limited to prohibition with respect to payment of dividend until certain financial requirements are satisfied.

Rupees	2025	2024
23. DEFERRED TAXATION		
Net deferred tax liability is recognized in respect of following taxable / (deductible) temporary differences:		
- Accelerated tax depreciation	2,719,905,855	2,821,707,820
- Revaluation surplus on property, plant and equipment	1,752,714,454	2,025,575,633
	4,472,620,309	4,847,283,453
- Defined benefit obligation	(329,856,519)	(299,907,333)
- Allowance for expected credit losses	(17,411,900)	(28,481,021)
- Tax losses	(1,150,035,707)	(940,426,246)
- Minimum taxes	(524,708,198)	(1,564,763,027)
	(2,022,012,324)	(2,833,577,627)
	2,450,607,985	2,013,705,826

23.1 Movement in the net deferred tax liability is as follows:

Rupees	Opening balance	Recognized during the year in			Closing balance
		Consolidated Statement of profit or loss	Consolidated Statement of comprehensive income	Consolidated Statement of changes in equity	
Accelerated tax depreciation	2,821,707,820	(101,801,965)	-	-	2,719,905,855
Revaluation surplus on property, plant and equipment	2,025,575,633	(39,140,914)	-	(233,720,265)	1,752,714,454
Defined benefit obligation	(299,907,333)	(35,887,910)	5,938,724	-	(329,856,519)
Allowance for expected credit losses	(28,481,021)	11,069,121	-	-	(17,411,900)
Tax losses	(940,426,246)	(209,609,461)	-	-	(1,150,035,707)
Minimum taxes	(1,564,763,027)	1,040,054,829	-	-	(524,708,198)
June 30, 2025	2,013,705,826	664,683,700	5,938,724	(233,720,265)	2,450,607,985
Accelerated tax depreciation	2,199,427,327	622,280,493	-	-	2,821,707,820
Revaluation surplus on property, plant and equipment	1,916,478,351	(58,031,500)	-	167,128,782	2,025,575,633
Defined benefit obligation	(189,161,842)	(113,509,582)	2,764,091	-	(299,907,333)
Allowance for expected credit losses	(41,993,203)	13,512,182	-	-	(28,481,021)
Tax losses	(5,655,687)	(934,770,559)	-	-	(940,426,246)
Minimum taxes	-	(1,564,763,027)	-	-	(1,564,763,027)
June 30, 2024	3,879,094,946	(2,035,281,993)	2,764,091	167,128,782	2,013,705,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

23.2 Deferred tax assets and liabilities on temporary differences are measured at 34.50% (2024: 39.00%). Deferred tax asset is recognized for tax losses, minimum tax, alternative corporate tax, and tax losses available for carry forward, if, the realization of the related tax benefit through future taxable profits is probable. Tax losses are measured at 29%. Deferred tax asset in respect of tax losses of the subsidiary company have not been recognized.

Rupees	Note	2025	2024
24. DEFINED BENEFIT OBLIGATION			
Defined benefit obligation	24.1	956,105,853	768,993,162

24.1 This represents the present value of the defined benefit obligation of the holding company, recognized in the consolidated statement of financial position (note 4.5). The latest actuarial valuation was carried out on June 30, 2025 using Projected unit credit (PUC) method by an approved actuary. It includes Rs. 119.368 million (2024: Rs. 105.926 million) on account of present value of defined benefit obligation of key management personnel. The holding company does not have any plan assets covering its defined benefit obligation.

Rupees	2025	2024
24.2 Changes in net liability recognized in consolidated statement of financial position:		
Opening balance	768,993,162	601,259,811
Expense charged to consolidated statement of profit or loss	256,309,598	220,778,947
Remeasurements recognized in consolidated statement of comprehensive income	(17,213,693)	(7,087,412)
	1,008,089,067	814,951,346
Defined benefits paid	(51,983,214)	(45,958,184)
	956,105,853	768,993,162

24.3 Changes in present value of defined benefit obligation:		
Opening value of obligation	768,993,162	601,259,811
Current service cost	150,757,268	130,661,821
Interest cost	105,552,330	90,117,126
Remeasurements of obligation:		
- Actuarial gain / loss from changes in financial assumptions	(8,198,519)	(2,742,386)
- Actuarial loss from changes in demographic assumptions	41,502,553	-
- Experience adjustments	(50,517,727)	(4,345,026)
Defined benefits paid	(51,983,214)	(45,958,184)
Present value of defined benefit obligation as at June 30,	956,105,853	768,993,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
24.4 Expense charged to consolidated statement of profit or loss:		
Current service cost	150,757,268	130,661,821
Interest cost	105,552,330	90,117,126
	256,309,598	220,778,947

24.4.1 The expense charged to consolidated statement of profit or loss includes Rs. 32.953 million (2024: Rs. 31.530 million) in respect of key management personnel.

Rupees	2025	2024
24.5 Remeasurements charged to consolidated statement of comprehensive income:		
Actuarial gain from changes in financial assumptions	(8,198,519)	(2,742,386)
Actuarial loss from changes in demographic assumptions	41,502,553	-
Experience adjustments	(50,517,727)	(4,345,026)
	(17,213,693)	(7,087,412)

24.6 Function-wise breakup of expense charged to consolidated statement of profit or loss:		
Cost of sales	157,348,716	146,961,106
Sales and marketing expenses	12,511,135	8,383,176
Administrative expenses	86,449,747	65,434,665
	256,309,598	220,778,947

24.7 Key actuarial assumptions used:		
Discount rate used for interest cost in profit or loss charge (%)	14.75%	16.25%
Discount rate used for year end obligation (%)	11.75%	14.75%
Future salary increased (%)	10.75%	13.75%
Next salary increase	01-Jul-25	01-Jul-24
Pre-retirement mortality	SLIC 2001-2005	
	Setback 1 year	
Withdrawal rates	Age based	
Retirement assumption	Age 60	
Actuarial valuation method used	Projected unit credit (PUC) method	

Figures in this note are based on the latest actuarial valuation carried out as at June 30, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

24.8 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principle assumptions is:

Rupees	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+- by 100 bps	877,554,568	986,758,299
Salary increase	+- by 100 bps	989,113,787	874,503,768

There is no significant change in the obligation if the life expectancy increases by 1 year.

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Based on actuary's advice, the amount of expected expense in respect of the defined benefit plan in 2025-26 will be Rs. 248.891 million.

The average duration of the defined benefit obligation is 6 years.

24.9 Experience adjustments in respect of defined benefit obligation:

Rupees	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	34,080,673	7,132,391	(8,832,119)	(4,345,026)	(50,517,727)

24.10 Expected benefit payments for the next 6 years and beyond:

Rupees	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031 and onwards
	277,045,445	148,590,347	121,435,483	117,992,193	123,965,607	7,753,524,274

Rupees	Note	2025	2024
25. DEFERRED LIABILITIES			
Deferred income	25.1	68,923,790	70,499,980
Deferred grant	25.2	8,562,498	11,601,294
		77,486,288	82,101,274

25.1 This represents unrecognized sale proceeds in respect of long-term loans to employees of the holding company against vehicle.

25.2 This represents the non-current portion of the deferred grant recognized (note 4.23) relating to the holding company. Deferred grant amounting to Rs. 3.039 million (2024: Rs. 6.267 million) was amortized during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
26. TRADE AND OTHER PAYABLES			
Creditors		5,425,801,722	2,643,203,138
Accrued and other liabilities		294,123,209	183,334,344
Utilities payable	26.1	812,426,007	1,354,085,329
Security against rent		-	480,000
Withholding taxes payable		210,674,690	99,575,047
Contract liabilities (Running account with customers)	26.2	79,095,326	21,460,329
Workers' profit participation fund payable	26.3	73,126,313	35,869,326
Workers' welfare fund payable		27,699,333	14,173,933
		6,922,946,600	4,352,181,446

26.1 This includes amount of Rs. Nil (2024: Rs. 591.131 million) provided as per the decision of the Honorable Islamabad High Court in the matter of charging Fuel Price Adjustment (FPA) and Quarterly Tariff Rate Adjustment (QTR) in electricity bills for the period relating from July 2022 to December 2022, in favor of LESCO. As at June 30, 2024, the holding company had deposited Rs. 239.112 million against the said liability, with the outstanding amount being paid in two monthly installments during the year ended June 30, 2025.

26.2 These are unsecured and represented advance payments received from customers of the holding company against which goods are to be supplied.

Rupees	Note	2025	2024
26.3 Workers' profit participation fund payable:			
Opening balance		35,869,326	233,598,643
Allocation for the year	36.	73,126,313	35,869,326
		108,995,639	269,467,969
Interest charge		6,317,620	48,507,612
Payments		(42,186,946)	(282,106,255)
Closing balance		73,126,313	35,869,326

27. This represents unclaimed and unpaid dividend amounts in respect of dividend declared by the holding company and includes amount of Rs. 6.901 million (2024: Rs. 6.972 million) on account of unclaimed / unpaid dividend outstanding for more than three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
28. ACCRUED PROFIT / MARK-UP		
Payable in respect of:		
<i>Islamic mode:</i>		
- Long-term financing	81,563,509	11,245,552
- Short-term borrowings	240,157,159	402,333,540
	321,720,668	413,579,092
<i>Conventional mode:</i>		
- Long-term financing	49,619,628	117,287,391
- Short-term borrowings	243,360,997	696,413,176
	292,980,625	813,700,567
	614,701,293	1,227,279,659

28.1 This includes Rs. Nil (2024: Rs. 4.660 million) payable to Indus Engineering (Private) Limited (related party).

Rupees	Note	2025	2024
29. SHORT-TERM BORROWINGS			
Short-term borrowings availed by the holding company from:	29.1		
- Islamic banks - secured		11,453,470,654	11,032,057,666
- Conventional banks / development financial institutions - secured		9,430,968,872	13,789,813,474
		20,884,439,526	24,821,871,140
Sukuk - III (shirkat-ul-Aqd musharaka) - unsecured	29.2	-	3,000,000,000
Sukuk - VI (shirkat-ul-Aqd musharaka) - unsecured	29.3	2,000,000,000	-
		2,000,000,000	3,000,000,000
		22,884,439,526	27,821,871,140
Temporary bank overdraft	29.4	296,328	170,553,533
		22,884,735,854	27,992,424,673

29.1 Short-term borrowings have been obtained from various conventional and Islamic banks under profit / mark-up arrangements for meeting various working capital requirements. The aggregate credit facilities available to the holding company other than under trade credit amounted to Rs. 36,433.136 million (2024: Rs. 38,311.000 million) which represent the aggregate of all facility agreements between the holding company and respective banks in respect of funded and non-funded facilities. Out of the total available facilities, Rs. 7,438.338 million (2024: Rs. 3,323.000 million) remained unveiled as at June 30, 2025. Funded facilities include various facilities comprising of running finance, cash finance, karobar finance, running musharaka, istisna, wakala and other import credit facilities which can be used interchangeably. Unfunded facilities represent facilities for opening letters of credit and guarantees. Majority of the funded facilities are sublimits of unfunded facilities. The facilities are secured by ranking / pari passu / joint pari passu charges over present and future current assets of the holding company, pledge of stocks, lien over documents, title of ownership of goods imported under letters of credit, lien

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

over EE statements, against trust receipts duly executed in favor of banks and personal guarantees of the Directors of the holding company except for Independent Directors and carry mark-up at the rates ranging from SBP / 1MK to 6MK rate + 0.50% to 2.25% (2024: SBP / 1MK to 6MK rate + 0.50% to 1.50%) per annum.

- 29.2** This represented privately placed, rated, unsecured sukuk certificates, issued during the year, having 06 months tenure to finance the holding company's working capital requirements. The certificates carried profit at the rate of 6MK + 1.10% per annum. It was repaid in bullet in October 2024 upon maturity. This included Rs. 100.000 million on account of Indus Engineering (Private) Limited (related party).
- 29.3** This represents privately placed, rated, unsecured sukuk certificates, issued during the year, having 06 months tenure to finance the holding company's working capital requirements. The certificates carry profit at the rate of 6MK + 1.10% per annum and are repayable in bullet in December 2025. Pakistan Credit Rating Agency Limited (PACRA) as per its latest report has assigned long-term rating of A+ to the certificates.
- 29.4** This represented temporary overdraft due to cheques issued by the Group at the reporting date to be met with subsequent deposits.

Rupees	2025	2024
30. SHORT-TERM LOANS FROM DIRECTORS - UNSECURED		
To subsidiary company	264,508,448	376,983,463

- 30.1** This represents interest-free and unsecured loans from Directors to respective Group companies and were repayable on demand. These loans were provided and utilized for meeting working capital / capital requirements, respectively of the subsidiary company.

31. CONTINGENCIES AND COMMITMENTS

Contingencies:

Guarantees:

- i) Aggregate amount of corporate guarantees issued by the holding company on behalf of Mughal Energy Limited (the subsidiary company), for the purpose of availing financing, amounted to Rs. 2,389.607 million (2024: Rs. 1,539.607 million) as at June 30, 2025, against total approved limit of Rs. 6,000.000 million.
- ii) Aggregate amount of guarantees issued by banks / insurance companies on behalf of the Group in the normal course of the business amounted to Rs. 1,736.191 million as at June 30, 2025 (2024: Rs. 2,607.379 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Claims subject to legal proceedings:

The details of claims by and / or against the Group which are currently subject to the legal proceedings are detailed below:

S.No	Name of the court, agency or authority	Particulars of the case	Principal parties	Date instituted
i)	Honorable Lahore High Court	Writ petition has been filed before the Honorable Lahore High Court against demand of Rs. 1.581 million on account of Punjab Infrastructure Development Cess on import of goods in Punjab. The holding company has challenged the constitutionality of Punjab Infrastructure Development Cess Act, 2015. No provision has been made in these consolidated financial statements as both the management and the holding company's legal advisor are optimistic that the ultimate outcome of this case will be in favor of the holding company.	Holding company and Federation of Pakistan	June 22, 2016
ii)	Honorable Lahore High Court	The Additional Commissioner Inland Revenue (ACIR) passed an amended assessment order u/s 122(1)/122(5A) of the Income Tax Ordinance, 2001 for Tax Year 2013 creating demand of Rs. 198.484 million. The holding company filed appeal before Commissioner Inland Revenue Appeals (CIR-A). However, CIR-A maintained the order of the ACIR. The holding company subsequently filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which was accepted. However, the department filed reference before the Honorable Lahore High Court which is pending adjudication. No provision has been made in these consolidated financial statements as both the management and the holding company's legal advisor are optimistic that the ultimate outcome of this case will be in favor of the holding company.	Holding company and Federal Board of Revenue	June 02, 2017
iii)	Honorable Lahore High Court	The Deputy Commissioner Inland Revenue (DCIR) initiated audit proceedings u/s 177 of the Income Tax Ordinance, 2001 for the Tax Year 2004, creating demand of Rs. 14.196 million against which appeal was filed before Commissioner Inland Revenue - Appeals (CIR-A) who decided the case in favor of the holding company. However, the department filed appeal before the Appellate Tribunal Inland Revenue (ATIR) whereby the ATIR maintained the order passed by the CIR-A. The department has filed reference before the Honorable Lahore High Court which is pending till date. No provision has been made in these consolidated financial statements as both the management and the holding company's legal advisor are optimistic that the ultimate outcome of this case will be in favor of the holding company.	Holding company and Federal Board of Revenue	July 01, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

S.No	Name of the court, agency or authority	Particulars of the case	Principal parties	Date instituted
iv)	Honorable Lahore High Court	The Deputy Commissioner Inland Revenue (DCIR) initiated audit proceedings u/s 161 of the Income Tax Ordinance, 2001 for the Tax Year 2023, creating demand of Rs. 320.217 million against which appeal was filed before Commissioner Inland Revenue - Appeals (CIR-A) who decided the case against the holding company. However, the holding company filed appeal before the Appellate Tribunal Inland Revenue (ATIR) whereby the ATIR decided the matter in favor of the holding company. The department has filed reference before the Honorable Lahore High Court which is pending till date. No provision has been made in these consolidated financial statements as both the management and the holding company's legal advisor are optimistic that the ultimate outcome of this case will be in favor of the holding company.	Holding company and Federal Board of Revenue	July 06, 2023
v)	Honorable Lahore High Court	The Honorable Lahore High Court, in proceedings initiated u/s 6 of the Recognition and Enforcement (Arbitral Agreements and Foreign Arbitral Awards) Act, 2011, in the matter of Metro Metals Northwest, Inc. versus Mughal Iron & Steel Industries Limited, passed an order dated January 29, 2025, directing that the foreign arbitral award in the amount of USD 2.508 million be recognized and enforced as a decree of the Court. The holding company has filed an Intra-Court Appeal (ICA) before the Division Bench of the Honorable Lahore High Court, accompanied by an application seeking interim relief which is currently pending till date. No provision has been made in these financial statements, as both the management and the holding company's legal advisor are of the considered view that the final outcome of the proceedings is likely to be in favor of the holding company.	Holding company and Metro Metals Northwest, Inc.	March 15, 2025

Rupees

2025

2024

Commitments - Group:

i)	Non-capital commitments	1,197,898,852	7,871,350,695
ii)	Capital commitments		
	- Local	359,775,481	1,627,448,579
	- Foreign	773,268,627	346,090,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
32. NET SALES		
Local sales		
- Manufacturing	73,514,992,102	72,210,725,278
- Trading	1,607,847,439	-
	75,122,839,541	72,210,725,278
Export sales		
- Manufacturing	13,787,741,384	19,070,594,696
- Trading	134,926,437	516,570,057
	13,922,667,821	19,587,164,753
	89,045,507,362	91,797,890,031

32.1 All goods are transferred at point of time. Revenue recognized during the year from contract liabilities as at the beginning of the year amounted to Rs. 21.208 million (2024: Rs. 79.391 million).

32.2 Reconciliation with segment information is as follows:

Rupees	Ferrous	Non- Ferrous	Total
Net revenue from external customers:			
Local sales			
- Manufacturing	71,506,116,012	2,008,876,090	73,514,992,102
- Trading	1,607,847,439	-	1,607,847,439
Export sales			
- Manufacturing	-	13,787,741,384	13,787,741,384
- Trading	-	134,926,437	134,926,437
June 30, 2025	73,113,963,451	15,931,543,911	89,045,507,362
Local sales			
- Manufacturing	68,532,271,066	3,678,454,211	72,210,725,277
Export sales			
- Manufacturing	-	19,070,594,696	19,070,594,696
- Trading	-	516,570,058	516,570,058
June 30, 2024	68,532,271,066	23,265,618,965	91,797,890,031

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
33. COST OF SALES			
Opening stock of finished goods / by-products		4,815,457,771	4,136,449,387
Cost of goods manufactured			
- Raw material consumed	33.1	65,111,541,522	69,624,545,571
- Salaries, wages and other benefits	33.2	1,997,190,466	1,637,850,413
- Stores, spares and loose tools consumed		2,057,605,698	1,907,754,904
- Fuel and power		9,531,037,921	10,656,719,334
- Repair and maintenance		10,741,513	1,077,090
- Other manufacturing expenses		365,501,886	424,963,790
- Depreciation	6.1.1	517,976,661	515,572,453
		79,591,595,667	84,768,483,555
Closing stock of finished goods / by-products		(3,519,648,406)	(4,815,457,771)
		80,887,405,032	84,089,475,171

33.1 Raw material consumed:

Opening stock of raw material	12,925,793,918	14,965,064,048
Purchases - net	59,195,529,570	67,585,275,441
	72,121,323,488	82,550,339,489
Closing stock of raw material	(7,009,781,966)	(12,925,793,918)
	65,111,541,522	69,624,545,571

33.1.1 Raw material consumed includes Rs. 1,660.792 million (2024: Rs. 332.304 million) on account of trading sales during the year.

33.2 This includes Rs. 157.349 million (2024: Rs. 146.961 million) in respect of defined benefit obligation.

Rupees	Note	2025	2024
34. SALES AND MARKETING EXPENSES			
Salaries and other benefits	34.1	95,362,037	63,592,988
Advertisement and sales promotion		98,292,541	93,538,031
Freight, clearing and handling		20,253,951	28,367,867
Insurance		13,854,630	21,788,404
		227,763,159	207,287,290

34.1 This includes Rs. 12.511 million (2024: Rs. 8.383 million) in respect of defined benefit obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
35. ADMINISTRATIVE EXPENSES			
Directors' remuneration and benefits	35.1	95,184,220	95,997,937
Salaries and other benefits	35.1	626,131,717	535,574,942
Travelling and conveyance		2,024,700	2,803,130
Postage, telephone and fax		4,662,184	3,787,699
Printing, stationery and publication		7,747,351	3,766,150
Legal and professional charges		747,500	3,860,000
Fee and subscription		80,482,409	109,611,068
Rent, rates and taxes		14,195,370	5,485,161
Computers and website maintenance		4,782,444	6,357,309
Vehicle running and maintenance		1,463,447	852,775
Utilities		29,313,886	37,470,777
Insurance		3,677,448	2,896,698
Depreciation	6.1.1	59,201,208	54,708,931
		929,613,884	863,172,577

35.1 This includes aggregate of Rs. 86.550 million (2024: Rs. 65.434 million) in respect of defined benefit obligation.

35.2 Amount of Rs. 1.989 million (2024: Rs. 2.056 million) was paid during the year on account of fee to Shariah Advisors of the holding company.

Rupees	Note	2025	2024
36. OTHER CHARGES			
Auditors' remuneration	36.1	4,913,076	5,026,750
Workers' profit participation fund		73,126,313	35,869,326
Workers' welfare fund		27,699,333	14,173,933
Donations	36.2	-	31,000,000
Foreign exchange loss		39,514,473	-
Loss arising from the derecognition of financial asset measured at amortized cost		4,433,301	-
Balances written off - net		417,528	-
		150,104,024	86,070,009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

36.1 The charges for professional services consist of the following in respect of joint auditors' services for:

Rupees	2025	2024
Fazal Mahmood & Company, Chartered Accountants		
- Audit fee	1,260,000	1,260,000
- Audit fee of consolidated financial statements	525,000	525,000
- Half yearly review	181,913	157,500
- Review report on code of corporate governance & other certifications	63,000	63,000
- Out of pocket expenses	31,500	31,500
	2,061,413	2,037,000
Muniff Ziauddin & Company, Chartered Accountants		
- Audit fee	1,785,000	1,785,000
- Audit fee of consolidated financial statements	525,000	525,000
- Special audit fee	-	89,034
- Half yearly review	292,163	157,500
- Review report on code of corporate governance & other certifications	218,000	401,716
- Out of pocket expenses	31,500	31,500
	2,851,663	2,989,750
	4,913,076	5,026,750

36.2 Detail of recipients of donations, where total donation exceeds 10% of total donations or Rs. 1,000,000/- whichever is higher:

Rupees	2025	2024
Rehman foundation	-	12,900,000
Help line foundation	-	5,500,000
	-	18,400,000

36.2.1 Above recipients of donations do not include any donee in which any director of any of the group companies or his / her spouse had any interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
37. OTHER INCOME			
Profit on saving accounts		58,959,340	78,337,531
Profit on term deposit receipts		783,796	49,084,396
Profit on investment in long-term debt instrument		7,457,907	11,746,667
Profit on investments in short-term debt instrument		3,446,739	-
Foreign exchange gain - net		-	85,179,462
Gain on disposal of tangible fixed assets		12,291,029	5,906,918
Commission against corporate guarantee	31.	-	20,000,000
Balances written back - net		-	24,097,421
Rental income		1,916,639	2,032,800
Gain on sale of store items		-	29,699,605
		84,855,450	306,084,800

38. FINANCE COST			
Profit / mark-up in respect of:			
- Long-term financing		913,722,293	829,043,697
- Short-term borrowings		4,571,619,355	5,330,247,680
		5,485,341,648	6,159,291,377
Interest on workers' profit participation fund		6,317,620	48,507,612
Bank charges		156,363,563	147,126,575
		5,648,022,831	6,354,925,564

38.1 Borrowing costs capitalized during the year amounted to Rs. 91.026 million (2024: Rs. 81.238 million). The rate of mark-up has been disclosed in note 22 to the consolidated financial statements.

Rupees	Note	2025	2024
39. LEVIES			
Prior year	39.1	(560,668,831)	-
Minimum tax	39.2	78,436,144	(490,957,242)
Final tax	39.3	-	(217,739,406)
		(482,232,687)	(708,696,648)

39.1 This represented the difference arising due to variation between the accounting provision and the final tax liability determined at the time of filing the income tax return. The difference primarily related to the holding company's decision, at the time of filing, to opt for taxation under the Normal Tax Regime (NTR) in respect of its export operations rather than being taxed under the Final Tax Regime (FTR). This resulted in a reduction in tax liability due to adjustment of minimum taxes against the final liability.

39.2 This represents minimum tax liability in respect of bar re-rolling mill operations of the holding company which has been recognized as levy.

39.3 This represented final taxes paid by the holding company u/s 154 of the Income Tax Ordinance, 2001 recognized as levy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
40. TAXATION		
Prior year	-	(54,467,719)
Current	209,298,126	-
Deferred tax - origination and reversal of temporary differences	664,683,700	(2,035,281,993)
	873,981,826	(2,089,749,712)

40.1 Since, group taxation is not applicable, therefore, tax liability for consolidation purposes is based upon the tax provisions calculated at the individual holding company and subsidiary company level. Accordingly, the tax expense recognized by each company due to intra-group sales is not eliminated in the consolidated tax provision. The current tax liability represented corporate and super tax on taxable income in respect of operations of the holding company other than that of bar re-rolling mill which is subject to minimum tax. Whereas, since, the subsidiary company is yet to commence its commercial operations and had incurred loss during the year, therefore, no tax liability was recognized in respect of the subsidiary company. Relationship between tax liability as per applicable tax laws and accounting profit along with its bifurcation into current income tax and levies is as follows:

Rupees	2025	2024
Profit before taxation	1,243,973,832	526,466,274
Tax on accounting profit at the applicable corporate tax rate of 29% (2024: 29%)	360,752,412	152,675,219
Tax effect of income subject to final taxation	-	(591,087,370)
Tax effect of amounts that are admissible for tax purposes	(146,723,347)	(482,782,841)
Tax effect of amounts that are inadmissible for tax purposes	157,991,066	214,725,541
Tax effect of loss	-	897,421,739
Tax effect of minimum taxation and credits	(219,460,620)	490,957,242
Tax effect of inter-company gain	32,855,110	26,787,118
Prior year	-	(54,467,719)
Deferred tax	664,683,700	(2,035,281,993)
Tax effect of super tax	102,319,649	-
Tax liability for the year as per applicable tax laws	952,417,967	(1,381,053,064)
Portion of current tax representing minimum tax categorized as levy	(78,436,144)	(490,957,242)
Portion of current tax representing final tax categorized as levy	-	(217,739,406)
Portion of tax liability as per tax laws, representing income tax under IAS - 12	873,981,826	(2,089,749,712)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees		2025	2024
41. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the year	Rupees	854,213,833	1,907,569,751
Weighted average number of ordinary shares	Number	335,633,933	335,633,933
Weighted average number of ordinary Class-C shares	Number	5,706,669	-
Weighted average number of total ordinary shares	Number	341,340,602	335,633,933
Earnings per share - Basic	Rupees / share	2.50	5.68

41.1 There were no dilutive potential ordinary shares outstanding as at June 30, 2025 and June 30, 2024.

Rupees	Note	2025	2024
42. CASH GENERATED FROM OPERATIONS			
Profit before levies and taxation		1,243,973,832	526,466,274
Adjustments:			
Depreciation of property, plant and equipment	6.1.1	577,177,869	570,281,384
Employee defined benefit charge	24.4	256,309,598	220,778,947
Allowance for expected credit losses - reversal	11.2	(22,558,982)	(60,449,113)
Balances written off - net	36.	417,528	-
Balances written back - net	37.	-	(24,097,421)
Profit on term deposit receipts	37.	(783,796)	(49,084,396)
Profit on investment in long-term debt instrument	37.	(7,457,907)	(11,746,667)
Profit on investments in short-term debt instrument	37.	(3,446,739)	-
Net unrealized foreign exchange gain / loss		(808,592)	39,922,333
Gain on disposal of tangible fixed assets	37.	(12,291,029)	(5,906,918)
Finance cost	38.	5,485,341,648	6,159,291,377
Workers' profit participation fund	36.	73,126,313	35,869,326
Interest on workers' profit participation fund	38.	6,317,620	48,507,612
Workers' welfare fund	36.	27,699,333	14,173,933
		6,379,042,864	6,937,540,397
Profit before working capital changes		7,623,016,696	7,464,006,671
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Inventories		10,458,711,946	(3,045,107,705)
Trade debts		(4,396,881,389)	(1,460,915,170)
Loans and advances		(74,217,375)	324,596,878
Deposits, prepayments and other receivables		(10,585,568)	160,421,459
Due from the Government		(604,200,269)	(479,190,580)
		5,372,827,345	(4,500,195,118)
Increase / (Decrease) in current liabilities:			
Trade and other payables		2,511,160,782	1,501,490,625
		15,507,004,823	4,465,302,178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

43. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

Cash and cash equivalents included in the consolidated statement of cash flows comprise of the following amounts:

Rupees	Note	2025	2024
- Bank balances under lien	15.2	69,670,421	407,885,967
- Cash and bank balances	16.	3,106,539,505	3,365,879,773
- Temporary bank overdraft	29.4	(296,328)	(170,553,533)
		3,175,913,598	3,603,212,207

Rupees	2025	2024
	Metric ton	

44. CAPACITY AND ACTUAL PRODUCTION

Holding company:

Ferrous:

Melting

- Capacity	590,000	500,000
- Actual production	300,640	280,127

Re-rolling

- Capacity	630,000	630,000
- Actual production	305,488	245,612

Non-Ferrous:

Melting

- Capacity	10,000	10,000
- Actual production	975	570

Recycling plant

- Capacity	90,000	90,000
- Actual processing	38,773	56,537

44.1 Short-fall in actual production of ferrous segment is due to market demand, whereas, short-fall in actual processing of non-ferrous recycling plant is due to limitation of non-ferrous operations and shift of focus on ferrous operations.

Numbers	2025	2024
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45. NUMBER OF EMPLOYEES

Number of persons employed as at June 30,	2,094	2,225
Average number of employees during the year	2,160	2,238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

46. RELATED PARTY DISCLOSURE

Following are the related parties / associated companies / undertakings with whom the Group had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding of the holding company;

Name of related party	Relationship	Shareholding %
Al-Bashir (Private) Limited	Associated company (common directorship)	-
Mr. Mirza Javed Iqbal	Director of holding and subsidiary company	-
Mr. Khurram Javaid	Director of holding and subsidiary company	-
Mr. Muhammad Mubeen Tariq Mughal	Director of holding company	-
Mr. Jamshed Iqbal	Director of holding and subsidiary company	-
Mr. Muhammad Mateen Jamshed	Director of holding and subsidiary company	-
Mr. Fazeel Bin Tariq	Director of holding company	-
Ms. Mariam Khawar	Director of holding company	-
Mr. Shoaib Ahmed Khan	Director of holding company	-
Mr. Abdul Rehman Qureshi	Director of holding company	-
Mr. Fahad Javaid	Director of subsidiary company and close family member	-
Mrs. Jahanara Sajjad	Director of subsidiary company	-
Mr. Muhammad Aslam Bhatti	Director of subsidiary company	-
Mr. Muhammad Zafar Iqbal	Key management personnel	-
Mr. Shakeel Ahmad Mughal	Key management personnel	-
Mr. Muhammad Fahad Hafeez	Key management personnel	-
Mr. Muhammad Sayyam	Close family member	-
Mrs. Tabbasum Javed	Close family member	-
Mrs. Samina Jamshed	Close family member	-
Mrs. Sumaira Shakeel Ahmed	Close family member	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Detail of related party transactions during the year, (other than those which have been disclosed elsewhere in these consolidated financial statements) are as follows:

Rupees	2025	2024
Entities		
AI-Bashir (Private) Limited		
Rental expense	-	2,112,000
Indus Engineering (Private) Limited		
Rental expense	-	242,000
Profit expense	-	2,348,975
Indus Steel Mills Corporation (Private) Limited		
Rental expense	-	290,400
Major shareholders, key management personnel and their relatives of the Holding Company		
Major shareholders, Directors and their relatives		
Dividends paid	-	683,483,757
Short-term loans - repayment / proceeds	112,475,015	154,544,138
Ordinary Class-C shares issued	1,153,758,960	-
Rent paid	363,000	330,000
Key management personnel (other than Directors) and their relatives		
Loans and advances - repayment	108,240	313,240
Dividends paid	-	20,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

There were no outstanding balances with related parties as at the year end except for those which have been disclosed separately in relevant notes. Details of salaries and benefits to key management personnel of the holding company have been disclosed in note 47.

47. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements for remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Group is as follows:

Chief Executive Officer						
Rupees	Holding Company		Subsidiary Company		Group	
	2025	2024	2025	2024	2025	2024
Managerial remuneration	28,361,283	30,409,636	7,722,000	-	36,083,283	66,492,919
Defined benefit charge	5,548,112	5,317,357	-	-	5,548,112	10,865,469
	33,909,395	35,726,993	7,722,000	-	41,631,395	77,358,388
Number of persons	1	1	1	1	1	1

Executive Directors						
Rupees	Holding Company		Subsidiary Company		Group	
	2025	2024	2025	2024	2025	2024
Managerial remuneration	49,897,936	50,272,914	-	17,309,254	49,897,936	67,582,168
Defined benefit charge	9,735,421	8,790,602	-	-	9,735,421	8,790,602
	59,633,357	59,063,516	-	17,309,254	59,633,357	76,372,770
Number of persons	2	2	-	2	2	4

Executives						
Rupees	Holding Company		Subsidiary Company		Group	
	2025	2024	2025	2024	2025	2024
Managerial remuneration	405,367,765	293,606,856	2,625,000	550,000	407,992,765	294,156,856
Defined benefit charge	85,302,045	69,743,726	-	-	85,302,045	69,743,726
Other short-term benefits	60,387,816	69,850,003	-	-	60,387,816	69,850,003
	551,057,626	433,200,585	2,625,000	550,000	553,682,626	433,750,585
Number of persons	97	97	2	3	97	97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 47.1** Chairman of the Board of Directors of the holding company, was paid fee aggregating to Rs. 9.738 million (2024: Rs. 9.325 million).
- 47.2** Executives include aggregate amount in respect of salary and benefits to key management personnel (other than Directors) of the respective Group Companies amounting to Rs. 80.284 million (2024: Rs. 61.807 million). Benefits include Rs. 17.669 million (2024: Rs. 17.428 million) on account of defined benefit charge and Rs. 7.800 million (2024: Rs. 12.087 million) on account of other benefits.
- 47.3** Amount charged in these consolidated financial statements in respect of meeting fee amounted to Rs. 7.640 million (2024: 5.625 million) on account of meeting fee paid to Independent Directors and Non-Executive Directors of the respective Group companies.
- 47.4** Chief Executive Officer, Executive Directors, certain key management personnel (other than Directors) and some of the executives of the respective Group are provided with Company maintained cars in accordance with their terms of employment. The respective Group companies bears travelling expenses (if any) of Chairman, Chief Executive Officer, Directors and other key management personnel relating to travel for official purposes including expenses incurred in respect of attending Board and Committee meetings.
- 47.5** Executives mean employees other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1,200,000/- in a financial year.

48. SEGMENT REPORTING

48.1 Reportable segments:

The Group's reportable segments are as follows:

- Ferrous
- Non - Ferrous
- Energy

Ferrous segment comprises of mild steel related products, non-ferrous segment mainly comprises of copper and iron, whereas, energy segment comprises of operations of Mughal Energy Limited. Information regarding the Group's reportable segments is presented below.

48.2 Segment revenues and measure of segment profit or loss:

Following is an analysis of the Group's revenue and results by reportable segment for the year ended June 30, 2025 and June 30, 2024 along with reconciliation of the total of the reportable segments' measures of profit or loss to the Group's profit or loss for the year:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Ferrous		Non-Ferrous		Energy		Total		Inter-company elimination		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total sales - net	73,548,421,451	69,212,254,123	18,902,368,277	28,742,566,585	-	-	92,450,779,728	97,863,840,708	(434,458,000)	(62,736,866)	92,016,321,728	97,242,103,852
Inter - segment transactions	-	-	(2,970,814,366)	(5,444,213,821)	-	-	(2,970,814,366)	(5,444,213,821)	-	-	(2,970,814,366)	(5,444,213,821)
Net external sales	73,548,421,451	69,212,254,123	15,931,553,911	23,398,372,764	-	-	89,779,965,362	92,419,626,887	(434,458,000)	(62,736,866)	89,045,507,362	91,797,890,031
Commission	(66,039,032)	(37,027,059)	-	-	-	-	(66,039,032)	(37,027,059)	-	-	(66,039,032)	(37,027,059)
Net sales after commission	73,482,382,419	69,084,227,064	15,931,553,911	23,398,372,764	-	-	89,413,926,330	92,382,599,828	(434,458,000)	(62,736,866)	88,979,468,330	91,760,862,972
Total cost of sales	(68,636,688,050)	(66,054,913,124)	(15,610,719,346)	(24,054,273,285)	-	-	(84,246,767,398)	(90,109,186,409)	388,548,000	575,497,416	(83,858,213,398)	(89,533,688,993)
Inter - segment transactions	-	-	2,970,814,366	5,444,213,821	-	-	2,970,814,366	5,444,213,821	-	-	2,970,814,366	5,444,213,821
Cost of sales	(68,636,688,050)	(66,054,913,124)	(12,639,294,982)	(18,610,059,464)	-	-	(81,275,953,032)	(84,664,972,588)	388,548,000	575,497,416	(80,887,405,032)	(84,089,475,172)
Gross profit	4,845,694,369	3,029,315,940	3,292,278,929	4,888,316,300	-	-	8,137,973,298	7,717,627,240	(45,910,000)	(46,239,440)	8,092,063,298	7,673,871,801
Sales and marketing expenses	(176,675,755)	(41,099,650)	(51,087,404)	(66,187,640)	-	-	(227,763,159)	(207,287,290)	-	-	(227,763,159)	(207,287,290)
Administrative expenses	-	-	-	-	(25,823,187)	(5,082,944)	(25,823,187)	(5,082,944)	-	-	(25,823,187)	(5,082,944)
Other charges	-	-	-	-	(790,250)	(952,750)	(790,250)	(952,750)	-	-	(790,250)	(952,750)
Allowance for expected credit loss	20,919,116	64,480,937	1,647,166	(4,031,824)	-	-	22,556,962	60,449,113	-	-	22,556,962	60,449,113
Other income	-	-	-	-	8,107,954	2,050,871	8,107,954	2,050,871	-	-	8,107,954	2,050,871
Finance cost	(9,576,408)	(55,451,963)	(293,253,006)	(497,193,906)	(2,774,540)	(4,612)	(304,603,957)	(552,660,512)	-	-	(304,603,957)	(552,660,512)
Segment profit before taxation and unallocated income and expenses	(164,340,347)	(132,070,706)	(342,693,247)	(567,413,370)	(2,280,023)	(3,989,436)	(528,313,617)	(703,473,512)	-	-	(528,313,617)	(703,473,512)
unallocated income and expenses	4,681,354,022	2,897,243,234	2,949,585,682	4,120,889,930	(2,128,023)	(3,989,436)	7,609,659,681	7,044,153,728	(45,910,000)	(46,239,440)	7,563,749,681	6,967,914,289
Unallocated income and expenses:												
Administrative expenses					(903,790,698)	(858,089,633)		-	-	-	(903,790,698)	(858,089,633)
Other charges					(49,313,774)	(85,117,259)		-	-	-	(49,313,774)	(85,117,259)
Other income					20,163,172	355,292,455		(23,384,216)	(5,258,526)		76,747,496	304,033,929
Finance cost					(5,421,919,630)	(5,911,393,080)		77,780,757	9,180,028		(5,343,418,873)	(5,802,275,052)
Levies					482,232,687	(708,686,648)		-	-		482,232,687	(708,686,648)
Taxation					(873,981,826)	2,089,749,712		-	-		(873,981,826)	2,089,749,712
Profit for the year					944,238,152	1,995,899,275		(92,013,459)	(88,379,938)		852,224,693	1,907,519,338

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

48.3 Revenue from external customers:

The analysis of the Group's revenue from external customers for major products is as follows:

%	2025	2024
Ferrous		
– Steel re-bars	56.82%	52.95%
– Girders	36.70%	27.53%
– Billets	4.28%	19.53%
– Others	2.20%	0.00%
	100.00%	100.00%
Non-Ferrous		
– Copper products	87.28%	88.76%
– Iron	0.85%	2.37%
– Others	11.88%	8.88%
	100.00%	100.00%

48.4 Information about major customers:

Revenue from major customers of ferrous segment represent 32% (2024: 21%) of the total revenue of ferrous segment. Revenue from major local customers of non-ferrous segment represent 9% (2024: 13%) of the total revenue of non-ferrous segment and 72% (2024: 85%) of the total local revenue of non-ferrous segment. Revenue from major foreign customers of non-ferrous segment represent approx. 85% (2024: 75%) of the total revenue of non-ferrous segment and 97% (2024: 89%) of the total foreign revenue of non-ferrous segment.

48.5 Geographical information:

All revenues from external customers for ferrous segment were generated in Pakistan. 87% (2024: 84%) of revenues from external customers for non-ferrous segment were generated from outside Pakistan while remaining were generated from external customers within Pakistan. Majority of sales outside of Pakistan is made to customers in the People's Republic of China. All non-current assets of the Company as at June 30, 2025 and June 30, 2024 were located and operating in Pakistan.

48.6 Measure of total assets and total liabilities:

Reportable segments' assets and liabilities as at June 30, 2025 and June 30, 2024 are reconciled to total assets and liabilities as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Ferrous	Non-Ferrous	Energy	Total
- Segment assets for reportable segments	40,505,464,130	7,257,928,621	6,694,633,966	54,458,026,717
- Unallocated assets	-	-	-	14,631,206,616
- Total assets as per consolidated statement of financial position as at June 30, 2025	40,505,464,130	7,257,928,621	6,694,633,966	69,089,233,333
- Segment liabilities for reportable segments	5,280,129,573	1,245,458,856	1,990,292,504	8,515,880,933
- Unallocated liabilities	-	-	-	31,649,285,113
- Total liabilities as per consolidated statement of financial position as at June 30, 2025	5,280,129,573	1,245,458,856	1,990,292,504	40,165,166,046
- Segment assets for reportable segments	39,590,834,091	13,645,668,597	5,053,968,581	58,290,471,269
- Unallocated assets	-	-	-	11,893,725,610
- Total assets as per statement of financial position as at June 30, 2024	39,590,834,091	13,645,668,597	5,053,968,581	70,184,196,879
- Segment liabilities for reportable segments	2,660,082,424	1,741,664,860	1,413,919,587	5,815,666,871
- Unallocated liabilities	-	-	-	38,014,933,592
- Total liabilities as per statement of financial position as at June 30, 2024	2,660,082,424	1,741,664,860	1,413,919,587	43,830,600,463

Rupees	2025	2024
48.7 Other information:		
Depreciation		
- Ferrous	426,529,859	424,354,670
- Non-Ferrous	68,142,391	65,732,802
- Unallocated	82,505,619	80,193,912
	577,177,869	570,281,384
Additions to tangible fixed assets		
- Ferrous	758,716,750	1,563,341,366
- Non-Ferrous	230,588,839	-
- Energy (Addition due to acquisition of subsidiary)	243,893,547	1,573,275,000
- Unallocated	282,626,464	57,548,756
	1,515,825,600	3,194,165,122

48.7.1 Disposals in plant & machinery were in respect of ferrous segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

49. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

Rupees	Opening balance	Financing cash flows (49.1)	Other changes	Closing balance
Long-term financing	6,999,677,118	(1,025,724,170)	6,280,016	5,980,232,964
Unclaimed dividends	2,954,068	-	-	2,954,068
Unpaid dividends	8,019,268	(171,861)	-	7,847,407
Accrued profit / mark-up	1,227,279,659	(6,097,920,014)	5,485,341,648	614,701,293
Short-term borrowings	27,821,871,140	(4,937,431,614)	-	22,884,439,526
Short-term loans from Directors	376,983,463	(112,475,015)	-	264,508,448
June 30, 2025	36,436,784,716	(12,173,722,674)	5,491,621,664	29,754,683,706
Long-term financing	4,980,477,894	1,711,540,853	307,658,371	6,999,677,118
Unclaimed dividends	2,956,938	(2,870)	-	2,954,068
Unpaid dividends	6,105,932	(1,072,115,250)	1,074,028,586	8,019,268
Accrued profit / mark-up	889,758,212	(5,822,523,462)	6,160,044,909	1,227,279,659
Short-term borrowings	20,995,046,293	6,826,824,847	-	27,821,871,140
Short-term loans from Directors	5,689,036	154,544,138	216,750,289	376,983,463
June 30, 2024	26,880,034,305	1,798,268,256	7,758,482,155	36,436,784,716

49.1 This represents net amount of proceeds and repayments.

50. FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Respective, Board of Directors of the holding company and subsidiary company, have the overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring the risk management policies. The risk management policies are established to identify and analyze the risks faced, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

50.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. The carrying value of financial assets represents the maximum credit risk. The detail of financial assets along with maximum exposure to credit risk is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
Long-term investment	–	50,119,465
Long-term loans	52,252,447	57,056,557
Long-term deposits	2,925,569	2,925,569
Trade debts - net	15,231,833,733	10,805,747,538
Loans and advances	81,175,594	81,001,705
Deposits, prepayments and other receivables	252,625,638	137,944,401
Short-term investment and other financial assets	238,625,512	407,885,967
Bank balances	3,102,155,765	3,338,639,680
	18,961,594,258	14,881,320,882

Maximum exposure to credit risk by type of counterparty is as follows:

Rupees	2025	2024
Trade debts - net	15,231,833,733	10,805,747,538
Bank balances with banking companies and financial institutions	3,171,826,186	3,876,070,048
Others	557,934,339	199,503,296
	18,961,594,258	14,881,320,882

Geographically, there is no concentration of credit risk except for certain receivables from export parties which constitute 5.04% (2024: 3.70%) of total financial assets. Out of the total financial assets, credit risk is concentrated in trade debts and bank balances as they constitute almost 97.04% (2024: 98.66%) of the total financial assets.

The Group's exposure to customers is diversified and majority of the customers have been transacting without any default history. None of the customers are credit-impaired at the reporting date. Expected credit loss assessment in respect of trade debts is provided in note 11 and 4.8. Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly, the credit risk is minimal.

Long-term investment, long-term loans to employees, long-term deposits, certain items of loans and advances, deposits, prepayments and other receivables are considered to have low credit risk. Expected credit loss policy in respect of these financial assets is provided in note 4.8.

The Group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties assigned to them by credit rating agencies. Out of the total bank balances of Rs. 3,171.826 million (2024: Rs. 3,876.070 million) amounts aggregating to Rs. 2,964.914 million (2024: Rs. 3,615.200 million) are with banks having short-term credit rating of A1+. Whereas the remaining major amounts are placed with banks having minimum short-term credit rating of A-1.

In respect of guarantees provided by the Group, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely that such an amount will not be payable under the guarantees provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The other financial assets are neither material to the consolidated financial statements nor exposed to any significant credit risk.

The Group does not hold any collateral as security against any of its financial assets other than long-term loans to employees and advances to employees as detailed in relevant notes. Detail of financial assets on which lien of sukuk holders is marked is given in note 15. Deposits, prepayments and other receivables include margin against import and margin against guarantees issued by banks.

50.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses different methods which assists it in monitoring cash flow requirements. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations (this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters) by maintaining adequate reserves, banking facilities and reserve borrowing facilities and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in notes 22 and 29 to the consolidated financial statements is a detail of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact of netting agreements.

Rupees	Carrying amount	Contractual cash flows	Within 1 year	More than 1 but less than 5 years	After 5 years
Financial liabilities					
At amortized cost					
- Long-term financing	5,980,232,964	7,651,883,219	1,968,150,080	5,617,706,448	66,026,689
- Trade and other payables	6,532,350,938	6,532,350,938	6,532,350,938	-	-
- Unclaimed dividends	2,954,068	2,954,068	2,954,068	-	-
- Unpaid dividends	7,847,407	7,847,407	7,847,407	-	-
- Accrued profit / mark-up	614,701,293	614,701,293	614,701,293	-	-
- Short-term borrowings	22,884,735,854	22,884,735,854	22,884,735,854	-	-
- Short-term loans from Directors	264,508,448	264,508,448	264,508,448	-	-
June 30, 2025	36,287,330,972	37,958,981,227	32,275,248,088	5,617,706,448	66,026,689
Financial liabilities					
At amortized cost					
- Long-term financing	6,999,677,118	9,232,344,478	5,282,021,007	3,693,676,153	256,647,317
- Trade and other payables	4,181,102,811	4,181,102,811	4,181,102,811	-	-
- Unclaimed dividends	2,954,068	2,954,068	2,954,068	-	-
- Unpaid dividends	8,019,268	8,019,268	8,019,268	-	-
- Accrued profit / mark-up	1,227,279,659	1,227,279,659	1,227,279,659	-	-
- Short-term borrowings	27,992,424,673	27,992,424,673	27,992,424,673	-	-
- Short-term loans from Directors	376,983,463	376,983,463	376,983,463	-	-
June 30, 2024	40,788,441,060	43,021,108,420	39,070,784,949	3,693,676,153	256,647,317

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts. The contractual cash flow relating to long-term financing have been determined on the basis of expected profit / mark-up rates. These rates have been disclosed in note 22 to the consolidated financial statements.

50.3 Market risk

Market risk is the risk that changes in market prices, such as currency risk, interest rates and equity prices will affect the Group's income or the value of its holdings of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

i) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Group is mainly exposed to currency risk on foreign trade debts, foreign creditors, foreign currency accounts and short-term foreign loans which are denominated in currency other than the functional currency of the Group.

The Group net exposure to foreign currency risk is as follows:

Rupees	2025	2024
- in US Dollar (\$)	16,555,521	15,042,274
- Pakistani rupee to US Dollar (\$) exchange rate as at June 30,	282.15	279.00

Sensitivity analysis:

At the reporting date, if the Pakistani rupee had reasonably possibly strengthened / weakened by 5% against foreign currency, it would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss on net basis by the amounts shown below at the reporting date:

Rupees	2025	2024
- Increase / decrease in US Dollar (\$) conversion rate	233,557,008	209,279,394

The analysis assumes that all other variables, in particular interest and tax rates, remain constant and ignores any impact of forecast sales and purchases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Foreign currency risk management:

The Group manages currency risk by maintaining balance between sight and deferred letters of credit and switching amongst them when required necessary and taking currency exposures for limited periods within predefined limits while rigorously monitoring open exposures. Foreign currency risk is also curtailed due to existence of both import and export activities in foreign currencies.

ii) Price risk:
Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments trading in market. The Group does not hold any investments which exposed it to price risk.

iii) Interest rate risk:
The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long-term financing, short-term borrowings, long-term investment in debt instruments, short-term investments, saving accounts and term deposit receipts. At the reporting date the interest rate risk profile of the Group interest bearing financial instruments is:

Rupees	2025	2024
- Financial assets	1,165,698,651	952,828,783
- Financial liabilities	28,864,672,490	34,821,548,258

Sensitivity analysis:

Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial instruments at fair value through profit or loss, therefore, a change in interest rate at the reporting date would not affect the profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at reporting date would have increased / decreased profit for the year by Rs. 276.990 million (2024: Rs. 338.687 million)

The related mark-up rates for variable rate financial instruments are indicated in the relevant notes to the consolidated financial statements. The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the period and assets / liabilities of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Interest rate risk management:

The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Group's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

50.4 Fair value of financial instruments

Fair value is 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. In estimating fair value of an asset or liability, the Group takes into the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs – these are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs – are unobservable inputs for the asset or liability.

The Group takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long-term loans to employees, long-term deposits and long-term loans under SBP refinance schemes, the fair value of financial assets and financial liabilities recognized in these consolidated financial statements equals the transaction price at initial recognition. The fair value of the long-term loans under SBP refinance schemes has been determined using discounting techniques. However, due to immaterial effect and impracticalities, the fair value of long-term loans to employees and long-term deposits has not been determined and their carrying value has been assumed to be equal to their fair value. Accordingly, the carrying amount of financial assets and financial liabilities recognized in these consolidated financial statements approximate their respective fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Amortized cost	
	2025	2024
50.5 Financial instruments by category		
Financial assets:		
Maturity within one year		
- Trade debts	15,231,833,733	10,805,747,538
- Loans and advances	81,175,594	81,001,705
- Deposits, prepayments and other receivables	252,625,638	137,944,401
- Short-term investment and other financial assets	238,625,512	407,885,967
- Cash and bank balances	3,106,539,505	3,365,879,773
Maturity after one year		
- Long-term investments	-	50,119,465
- Long-term loan to employees	52,252,447	57,056,557
- Long-term deposits	2,925,569	2,925,569
	18,965,977,998	14,908,560,975

Rupees	Other financial liabilities	
	2025	2024
Financial liabilities:		
Maturity within one year		
- Trade and other payables	6,532,350,938	4,181,102,811
- Unclaimed dividends	2,954,068	2,954,068
- Unpaid dividends	7,847,407	8,019,268
- Accrued profit / mark-up	614,701,293	1,227,279,659
- Short-term borrowings	22,884,735,854	27,992,424,673
- Short-term loans from Directors	264,508,448	376,983,463
- Current portion of long-term financing	1,166,803,643	4,157,720,930
Maturity after one year		
- Long-term financing	4,813,429,321	2,841,956,188
	36,287,330,972	40,788,441,060

Rupees		
	2025	2024
Off balance sheet financial liabilities:		
- Letters of credits	1,971,167,479	8,403,843,616
- Letters of guarantees	1,736,191,495	2,607,378,653
- Corporate guarantee	2,389,607,329	1,539,607,329
	6,096,966,303	12,550,829,598

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
51. SHARIAH COMPLIANCE DISCLOSURE			
Statement of financial position:			
Financing (long-term, short-term, or lease financing)			
obtained as per Islamic mode	22, 29 & 30	17,333,708,033	18,077,813,804
Interest or mark-up accrued on any conventional loan or advance	28	292,980,624	813,700,567
Long-term and short-term shariah compliant investments	7 & 15	168,955,091	50,119,465
Shariah compliant bank deposits / bank balances / TDRs	15 & 16	2,969,776,404	3,131,634,530
Statement of comprehensive income:			
Revenue earned from a shariah compliant business segment	32	89,045,507,362	91,797,890,031
Loss on shariah compliant investments	36	4,433,301	-
Profit earned from shariah compliant bank deposits / balances / TDRs	37	56,190,940	59,998,534
Profit earned from shariah compliant investments	37	10,904,645	11,746,667
Profit paid on Islamic mode of financing	38	3,097,999,137	2,701,780,096
Interest paid on any conventional loan or advance	38	2,385,690,843	3,466,629,308

51.1 Disclosures other than above are not applicable on the Group.

51.2 Source and detailed breakup of other income is provided in note 37.

51.3 Other disclosure requirements:

The Group maintains good relationship with shariah compliant banks / takaful operators and carries out trade and other routine banking / takaful transactions with them.

52. CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard the Group's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. 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 payment to shareholders or issue new shares. The Group is currently financing majority of its operations / investing activities through long-term financing and short-term loans in addition to its equity. The Group has a gearing ratio of 49.96% (2024: 57.05%) as of the reporting date. In accordance with the agreements executed with the lenders the Group is required to ensure that the total long-term financing to equity ratio does not exceed the lender covenants. The Group has ensures compliance with all lender covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

53. RECLASSIFICATION OF ITEMS IN FINANCIAL STATEMENTS

The consolidated financial statements provide comparative information in respect of the previous year. Presentation of the following corresponding figures of items in the consolidated financial statements have been reclassified for better presentation:

Reclassified from component:	Reclassified to component:	Rupees
Cash and bank balances	Short-term investment and other financial assets	
- Saving accounts	- Saving accounts	407,885,967
Property, plant and equipment	Property, plant and equipment	
- Other plant and machinery	- Plant and machinery	34,125,000
- Office equipment	- Furniture, fittings and office equipment	12,634,311

54. DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on September 19, 2025 by the Board of Directors of the holding company..

55. GENERAL

The figures have been rounded off to the nearest rupee.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director





06

OTHER INFORMATION

- Pattern of Shareholding Ordinary Shares
- Pattern of Shareholding Ordinary Class - C Shares
- Notice of Annual General Meeting
- Statement of Material Facts
- Form of Proxy
- پراکسی فارم

PATTERN OF SHAREHOLDING ORDINARY SHARES

AS ON JUNE 30, 2025

No. of shareholders	Having shares		Shares held	Percentage
	From	To		
1682	1	100	66896	0.0199
1376	101	500	414971	0.1236
1465	501	1000	1113449	0.3317
2249	1001	5000	4830919	1.4393
403	5001	10000	2961170	0.8823
150	10001	15000	1900218	0.5662
78	15001	20000	1386182	0.4130
70	20001	25000	1621235	0.4830
39	25001	30000	1087199	0.3239
21	30001	35000	701162	0.2089
21	35001	40000	802924	0.2392
19	40001	45000	792283	0.2361
21	45001	50000	1021160	0.3042
11	50001	55000	578170	0.1723
7	55001	60000	404533	0.1205
5	60001	65000	321538	0.0958
11	65001	70000	750994	0.2238
6	70001	75000	440238	0.1312
5	75001	80000	391271	0.1166
5	85001	90000	441185	0.1314
4	90001	95000	369031	0.1100
6	95001	100000	598836	0.1784
2	100001	105000	204500	0.0609
2	105001	110000	215250	0.0641
2	110001	115000	228795	0.0682
3	120001	125000	374700	0.1116
3	125001	130000	385057	0.1147
2	130001	135000	269730	0.0804
1	135001	140000	140000	0.0417
1	140001	145000	140511	0.0419
3	145001	150000	450000	0.1341
4	150001	155000	605596	0.1804
3	160001	165000	489277	0.1458
3	165001	170000	503502	0.1500
2	170001	175000	348906	0.1040
1	175001	180000	177435	0.0529
1	180001	185000	180548	0.0538
1	185001	190000	187500	0.0559
1	190001	195000	191190	0.0570
3	195001	200000	598550	0.1783
1	200001	205000	200050	0.0596
1	235001	240000	240000	0.0715
1	270001	275000	274529	0.0818
1	280001	285000	280506	0.0836
1	310001	315000	314194	0.0936
2	315001	320000	635728	0.1894
1	325001	330000	328232	0.0978
1	335001	340000	339230	0.1011

No. of shareholders	Having shares		Shares held	Percentage
	From	To		
1	355001	360000	360000	0.1073
1	370001	375000	373728	0.1114
1	400001	405000	404598	0.1205
1	445001	450000	448811	0.1337
1	460001	465000	460434	0.1372
1	510001	515000	511117	0.1523
1	525001	530000	530000	0.1579
1	580001	585000	583318	0.1738
1	610001	615000	610500	0.1819
1	690001	695000	690184	0.2056
1	855001	860000	859540	0.2561
1	895001	900000	900000	0.2681
1	975001	980000	976113	0.2908
1	985001	990000	985833	0.2937
1	1105001	1110000	1105287	0.3293
1	1110001	1115000	1114890	0.3322
1	1180001	1185000	1182020	0.3522
1	1195001	1200000	1198409	0.3571
1	1235001	1240000	1239222	0.3692
1	1360001	1365000	1364114	0.4064
1	1405001	1410000	1409500	0.4200
1	1745001	1750000	1748291	0.5209
1	1850001	1855000	1852170	0.5518
1	2395001	2400000	2400000	0.7151
1	3025001	3030000	3028557	0.9023
1	3105001	3110000	3106727	0.9256
1	3140001	3145000	3144024	0.9367
1	3295001	3300000	3300000	0.9832
1	3655001	3660000	3660000	1.0905
1	3740001	3745000	3744690	1.1157
1	4150001	4155000	4153351	1.2375
1	4275001	4280000	4279210	1.2750
1	4545001	4550000	4549877	1.3556
1	6875001	6880000	6876033	2.0487
1	8315001	8320000	8315010	2.4774
1	8430001	8435000	8431541	2.5121
1	8950001	8955000	8950420	2.6667
1	16780001	16785000	16781697	5.0000
1	23560001	23565000	23562603	7.0203
1	23570001	23575000	23574653	7.0239
1	23790001	23795000	23793777	7.0892
2	29095001	29100000	58198924	17.3400
1	33135001	33140000	33137840	9.8732
1	36435001	36440000	36437840	10.8564
7746			335633933	100.0000

CATEGORY OF SHAREHOLDERS ORDINARY SHARES

Category of shareholders	Shares Held	Percentage
Director, Chief Exe. Officer, and their Spouse and Minor Children	151,351,239	45.0941
Associated Companies, Undertaking and Related Parties	101,575,846	30.2639
Banks, DFI and NBFI	15,629,405	4.6567
Insurance Companies	7,166,747	2.1353
Modarabas and Mututal Funds	11,136,868	3.3182
General Public (Local)	28,171,230	8.3934
General Public (Foreign)	5,943,373	1.7708
Others	14,481,790	4.3148
Foreign Companies	177,435	0.0529
Total	335,633,933	100.0000

TRADING IN SHARES OF THE COMPANY BY THE DIRECTORS, EXECUTIVES, SUBSTANTIAL SHAREHOLDERS AND THEIR SPOUSES AND MINOR CHILDREN DURING THE YEAR ENDED JUNE 30, 2025

Name	Shares Gifted (In)	Shares Gifted (Out)
Mr. Jamshed Iqbal	8,453,044	–
Mrs. Samina Jamshed	4,267,214	–
Mr. Muhammad Mateen Jamshed	–	6,360,129
Mr. Muhammad Sayyam	–	6,360,129

PATTERN OF SHAREHOLDING ORDINARY CLASS – C SHARES

AS ON JUNE 30, 2025

No. of shareholders	Having shares		Shares held	Percentage
	From	To		
565	1	100	25616	0.0775
639	101	500	146116	0.4419
115	501	1000	83334	0.2520
164	1001	5000	410119	1.2404
28	5001	10000	192764	0.5830
20	10001	15000	243272	0.7358
9	15001	20000	155400	0.4700
3	20001	25000	67746	0.2049
1	25001	30000	25500	0.0771
2	30001	35000	61695	0.1866
2	35001	40000	74640	0.2258
3	40001	45000	127492	0.3856
2	45001	50000	92981	0.2812
2	50001	55000	109239	0.3304
1	75001	80000	77364	0.2340
1	85001	90000	86382	0.2613
1	100001	105000	103000	0.3115
1	155001	160000	158345	0.4789
1	170001	175000	173753	0.5255
1	240001	245000	244814	0.7405
1	265001	270000	267617	0.8094
1	365001	370000	368879	1.1157
1	420001	425000	421534	1.2750
1	550001	555000	554095	1.6759
1	2665001	2670000	2669331	8.0736
1	3075001	3080000	3079769	9.3150
1	3120001	3125000	3120434	9.4380
1	3260001	3265000	3264324	9.8732
2	3490001	3495000	6986068	21.1299
1	3570001	3575000	3573196	10.8074
1	6095001	6100000	6097628	18.4428
1573			33062447	100.0000

Category of shareholders	Shares Held	Percentage
Director, Chief Exe. Officer, and their Spouse and Minor Children	25639088	77.5475
Banks, DFI And NBFI	573523	1.7347
Insurance Companies	6691	0.0202
Modarabas and Mututal Funds	40017	0.1210
General Public (Local)	6112031	18.4863
General Public (Foreign)	98900	0.2991
Others	592197	1.7911
Total	33062447	100.0000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting (the Meeting) of the members (Ordinary and Ordinary Class-C) of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** (the Company) will be held on Tuesday, October 28, 2025 at 11:45 a.m. at Avari Hotel, 87-Shahrah-e-Quaid-e-Azam, Lahore to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Separate and Consolidated Audited Financial Statements of the Company together with the Chairman's Review Report, the Directors' Report and the Auditors' Reports thereon for the year ended June 30, 2025.

In accordance with section 223 of the Companies Act, 2017, and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the Annual Audited Financial Statements along with Reports of the Company can be accessed through the following QR enabled code and weblink:



<https://mughalsteel.com.pk/annual-reports-for-the-last-three-financial-years/?v=null>

2. To appoint auditors for the year ending on June 30, 2026 and fix their remuneration.

The Board of Directors upon recommendation of the Audit Committee has recommended the names of M/s. Fazal Mahmood & Company, Chartered Accountants and M/s. Muniff Ziauddin & Company, Chartered Accountants, the retiring auditors, for re-appointment as joint external auditors of the Company after obtaining their consent.

3. To elect directors of the Company, for a term of three years, commencing from October 31, 2025. The names of retiring directors are as follows:

- | | |
|-------------------------------------|--------------------------------|
| 1. Mr. Mirza Javed Iqbal | 2. Mr. Khurram Javaid |
| 3. Mr. Jamshed Iqbal | 4. Mr. Muhammad Mateen Jamshed |
| 5. Mr. Muhammad Mubeen Tariq Mughal | 6. Mr. Fazeel Bin Tariq |
| 7. Mr. Abdul Rehman Qureshi | 8. Mr. Shoaib Ahmed Khan |
| 9. Ms. Mariam Khawar | |

The retiring directors are eligible for re-election except for Mr. Abdul Rehman Qureshi whose term of being independent director has elapsed and therefore to that extent is in-eligible for re-election as independent director. The Board of Directors in accordance with section 159(1) of the Companies Act, 2017, has fixed the number of directors to be elected at the upcoming Meeting as seven. Statement required under section 166(3) of the Companies Act, 2017 is annexed.

SPECIAL BUSINESS

4. To consider and, if deemed fit, approve and ratify the transactions already executed and to be executed with related parties, by passing of special resolution as proposed in the statement under section 134(3) of the Companies Act 2017 annexed to the notice of the Meeting.
Statement of material facts as required under section 134(3) of the Companies Act, 2017 relating to the above mention special business, has been send to the members along with notice.

By Order of the Board
-sd-

Muhammad Fahad Hafeez
Company Secretary

Lahore: October 06, 2025

NOTES:

1. Closure of Share Transfer Books

The share transfer books (Ordinary and Ordinary Class-C) of the Company will remain closed from October 17, 2025 to October 28, 2025 (both days inclusive). Physical transfers / CDS Transaction IDs received in order by the Company's share registrar, M/s. THK Associates (Private) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase-VII, Karachi, up to the close of business on October 16, 2025, be treated in time for the purpose of attending and voting at the meeting.

2. Proxies

A member of the Company entitled to participate and vote at this Meeting may appoint any other member of the Company as his/her proxy to participate, speak and vote on his/her behalf at the Meeting. A member shall not be entitled to appoint more than one proxy. The instrument appointing a proxy must be properly filled-in/ executed and in order to be valid, must be received at the share registrar office of the Company, not later than forty-eight (48) hours before the time scheduled for the Meeting.

Attested copy of Computerized National Identity Card (CNIC) of the member appointing the proxy shall be attached with the instrument. A company or a corporation being a member of the Company may appoint a representative through a resolution of its board of directors for attending

and voting at the Meeting. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are further advised to follow the guidelines as laid down by the SECP vide Circular No. 1 of 2000.

An instrument of proxy applicable for the Meeting is being provided with the notice being sent to members. Further, copies of the instrument of proxy may also be obtained from the registered office of the Company during normal office hours or downloaded from the Company's website: www.mughalsteel.com.

3. Online Participation Via Zoom

Members and their proxies are being provided with the facility to participate in the meeting through electronic means via Zoom Video-Link. Interested members are requested to get themselves registered by sending the below mentioned particulars from their registered email address to fahadhafeez@mughalsteel.com, latest by the close of business hours (5:00 PM) on October 22, 2025:

Name of Member	CNIC No./ NTN No.	CDC Participant ID/Folio No.	Cell No	Registered email address

Members, who are registered, after the necessary verification, will be provided a Zoom Video-Link by the Company. Only those members whose names appear in the register of members as of October 16, 2025 will be entitled to participate in the Meeting via Zoom-Video Link.

4. Video Link Facility

Pursuant to section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least seven days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

5. Gifts at the Meeting

As per SRO 452 (I)/2025 no gifts will be distributed at the meeting.

6. Statutory Code of Conduct at General Meetings

Members are advised to adhere to the Code of Conduct as provided in section 215 of the Companies Act, 2017 and regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018. Members are further advised to take note of meeting etiquettes as prescribed in the Guidelines for Professional Conduct in General Meetings (the "Guide") issued by SECP.

7. Transmission of Annual Report and Notice of Annual General Meeting

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2025 along with the reports thereon on its website: www.mughalsteel.com and the same have also been emailed to those members who had provided their email addresses. These are also available on PUCARS system of the Pakistan Stock Exchange Limited and can also be downloaded/ viewed using the following QR enabled code and weblink:



<https://mughalsteel.com.pk/annual-reports-for-the-last-three-financial-years/?v=null>

Any member requiring printed copy of the Annual Report 2025, may send a request using a Standard Request Form placed on Company's website which shall be provided free of cost within seven (07) days.

The notice of Annual General Meeting containing QR enabled code and the weblink address to view and download the Annual Report including annual audited financial statements has been placed on Company's website: www.mughalsteel.com and in addition to being dispatched physically to the members has also been sent via email to those members who had provided their email addresses. Furthermore, the notice has also been published in English and Urdu languages in a daily newspaper of respective language having nationwide circulation.

8. Election of Directors

Any member / nominee, who seeks to contest the election to the office of director shall, whether

he/she is a retiring director or otherwise, file with the Company, at its Registered Office, 31-A, Shadman-I, Lahore, not later than fourteen days before the date of the Meeting, a notice of his/her intention to offer himself/herself for election as a director. The application/nomination to contest the election should be accompanied with the following documents:

- a. Duly signed and completed Consent to act as a director, on Appendix to Form-9 of the Companies Regulations, 2024, as required under section 167 of the Companies Act, 2017. Contesting person must be a member of the Company at the time of filing his / her consent for contesting the election of directors except in case of a person representing a member, which is not a natural person;
- b. Attested copy of valid CNIC/Passport and National Tax Number (NTN) certificate;
- c. Detail of other directorship and offices held;
- d. Detailed profile along with office address for placement on the Company's website;
- e. Signed declaration to be provided, confirming being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria, for a director under section 153 and other provisions of the Companies Act, 2017 and applicable laws and regulations.
- f. Independent directors will be elected in accordance with sections 159 and 166 of the Companies Act, 2017 and shall meet the criteria laid down under section 166 of the Companies Act, 2017 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018. The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:
 - a. Declaration of independence under regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019; and
 - b. Undertaking on non-judicial stamp paper that he/she meets the requirements of regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

9. Postal Ballot Facility and Scrutinizer

In accordance with the Companies (Postal Ballot) Regulations, 2018 (the Regulations), the right to vote through electronic voting facility and voting by post shall be provided to members of the Company in the manner and subject to conditions contained in the Regulations. Under Regulation 11 of the Regulations, M/s Fazal Mahmood & Company, Chartered Accountants, (a QCR-rated audit firm), being the statutory auditors of the Company, having relevant experience, has been appointed to act as the Scrutinizer, if so required, in case of election of directors, and to undertake necessary relevant responsibilities as defined in the Regulations.

10. General

Members holding shares in physical form are requested to promptly notify Company's share registrar, M/s. THK Associates (Private) Limited of any change in their postal/email addresses. Members maintaining their shares in CDS should have their address/email addresses updated with their relevant Participant/CDC account services.

Members who by any reason, could not claim their dividend/shares are advised to contact our shares registrar M/s. THK Associates (Private) Limited to collect/enquire about their unclaimed dividends/shares, if any.

In reference to section 72(2) of the Companies Act, 2017, all members holding physical shares are requested to get converted their shares into book entry form at the earliest. This would facilitate members in many ways including safe custody of shares, avoidance of formalities required for issuance of duplicate shares, etc. For the conversion of physical shares into book entry form, the members may contact their Brokers, CDC Participants or CDC Investor Account Service.

For any query/problem/information, members may contact Mr. Zeeshan Ejaz at +92-42-35960841 and e-mail address fahadhafeez@mughalsteel.com and/or THK Associates (Private) Limited at +92-21-35310191-6 and e-mail address sfc@thk.com.pk.

STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESS TO BE TRANSACTED AT THE FORTHCOMING ANNUAL GENERAL MEETING, INCLUDING STATEMENT REQUIRED UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF ELECTION OF DIRECTORS, IS APPENDED BELOW:

AGENDA ITEM NO. 3.

ELECTION OF DIRECTORS

In compliance with section 166(3) of the Companies Act, 2017, in case of an independent director, consent papers will only be accepted from those persons who are eligible under section 153 of the Companies Act, 2017 and meet the criteria as set out for independence under section 166 of the Companies Act, 2017, after observing relevant requirements of rules/regulations issued thereunder including availability of their names on the data bank of independent directors maintained by the Pakistan Institute of Corporate Governance. Further, the Company while selecting independent directors shall exercise its due diligence and shall also assess respective competencies, diversity, skill, knowledge and experience of candidates.

However, it is noteworthy to mention here that independent directors will be elected in the same manner as other directors are elected in terms of section 159 of the Companies Act, 2017. Final list of the contesting directors will be published in newspapers not later than seven days before the date of the said Meeting in terms of section 159(4) of the Companies Act, 2017. Further, the website of the Company will also be updated with the required information for each director. The present directors are interested in the business to the extent that they are eligible for re-election as directors of the Company.

AGENDA ITEM NO. 4.

APPROVAL OF RELATED PARTY TRANSACTIONS

During the year, the Company carried out transactions with related parties as disclosed in the relevant notes to the standalone financial statements. The transactions were carried out in accordance with Company's policy and were reviewed periodically by the Audit Committee which is chaired by an independent director. Following review by the Audit Committee, the said transactions were placed before the Board of Directors for approval. However, since, majority of the Company's directors were directly or indirectly interested due to their common directorship and/or holding of shares at the time of entering into the said transactions, the quorum of directors could not be formed for approval of these transactions. Accordingly, these transactions are being placed before the members for their approval/ratification by passing the following draft/proposed special resolutions with or without modifications:

"RESOLVED that the transactions entered into by the Company with related parties during the year ended June 30, 2025 as disclosed in relevant notes to the standalone financial statements are hereby ratified and confirmed."

It is expected that the Company may be conducting related party transactions in the upcoming financial year as well, wherein, some or majority of directors are expected to be interested in due to their relationships, common directorship and shareholding in these related parties. The members are informed that it is not possible to make estimate of the quantum of related party transactions to be undertaken in the period ending June 30, 2026, which depends on case-to-case basis, however, the Company will present the actual figures for subsequent ratification and confirmation by the members, at the next annual general meeting. Based on the above, approval of the members is also sought to authorize the Company to enter into such transactions with related parties during the ensuing year ending June 30, 2026 and further grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee by passing the following draft/purposed special resolutions:

"FURTHER RESOLVED that the Company be and is hereby authorized to enter into and carry out transactions from time to time with related parties during the ensuing year ending June 30, 2026. The members have noted that for the aforesaid transactions some or a majority of the directors may be interested. Notwithstanding the interest of the directors, the members hereby grant an advance authorization to the Board Audit Committee and the Board of Directors of the Company to review and approve all related party transactions based on the recommendation of the Board Audit Committee."

"FURTHER RESOLVED that the related party transactions as aforesaid for the period ended June 30, 2026 would subsequently be presented to the members at the next Annual General Meeting for ratification and confirmation."

The directors who are/may be interested in this subject matters are as follows:

1. Mr. Mirza Javed Iqbal
2. Mr. Khurram Javaid
3. Mr. Muhammad Mubeen Tariq Mughal
4. Mr. Fazeel Bin Tariq
5. Mr. Muhammad Mateen Jamshed
6. Mr. Jamshed Iqbal

The directors are interested in this business to the extent of their relationships, common directorships and their respective shareholding in the related parties.

MUGHAL IRON & STEEL INDUSTRIES LIMITED
FORM OF PROXY
16th ANNUAL GENERAL MEETING

I/We _____, being member(s) of Mughal Iron & Steel Industries Limited and holder of _____ Ordinary Shares as per Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/ CDC Investor Account ID # _____ and/or holder of _____ Ordinary Class-C Shares as per Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/ CDC Investor Account ID # _____ do hereby appoint _____ of _____ or failing him/ her _____ of _____ having Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/ CDC Investor Account ID # _____ as my/our proxy to attend, speak and vote for me/us and on my/ our behalf at the Annual General Meeting of Mughal Iron & Steel Industries Limited scheduled to be held on Tuesday, October 28, 2025 at 11:45 a.m. at Avari Hotel, 87-Shahrah-e-Quaid-e-Azam, Lahore and at any adjournment thereof.

At witness my/our hand this _____ day of _____ 2025.

1. Signature _____
Name _____
C.N.I.C _____
Address _____

Please
Affix Revenue
Stamps of Rs.
50/-

Members' Signature
(This Signature should
agree with the speci-
men signature with the
company)

2. Signature _____
Name _____
C.N.I.C _____
Address _____

Notes:

1. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend, speak and vote instead of him / her. A proxy must be a member of the Company.
2. A member shall not be entitled to appoint more than one proxy.
3. The instrument appointing a proxy must be duly signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of corporate entity, the board's resolution/power of attorney with specimen signature shall be furnished along with the proxy form.
5. Proxies in order to be valid, must be received at the Share Registrar office of the Company, M/s. THK Associates (Pvt.) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase-VII, Karachi not later than forty-eight (48) hours before the time scheduled for the meeting.

Manager Share Registrar
(Mughal Iron & Steel Industries Limited)
M/s. THK Associates (Pvt.) Limited

Plot No. 32-C, Jami Commercial Street 2,
D.H.A, Phase-VII, Karachi, Pakistan

AFFIX
CORRECT
POSTAGE

مغل آئرن اینڈ اسٹیل انڈسٹریز لمیٹڈ

پراکسی فارم (مختار نامہ)

سولہواں سالانہ اجلاس عام

میں/ہم _____ جو کہ مغل آئرن اینڈ اسٹیل انڈسٹریز لمیٹڈ کے رکن (ارکان) ہیں اور _____ آرڈنری شیئرز کے حامل ہیں جیسا کہ ہمارے فوئیو نمبر _____ سی ڈی سی پارٹیشن آئی ڈی # _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسیٹر اکاؤنٹ آئی ڈی نمبر _____ اور/یا _____ آرڈنری کلاس۔ سی شیئرز کے حامل ہیں جیسا کہ ہمارے فوئیو نمبر _____، سی ڈی سی پارٹیشن آئی ڈی # _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسیٹر اکاؤنٹ آئی ڈی # _____ درج ہے، بذریعہ ہذا _____ محترم / محترمہ _____ یا ان کی غیر موجودگی میں _____ جن کا فوئیو نمبر _____ سی ڈی سی پارٹیشن آئی ڈی نمبر _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسیٹر اکاؤنٹ آئی ڈی # _____ ہے، کو میرا/ہمارا وکیل نامزد کرتا / کرتے ہیں تاکہ وہ میرے/ہمارے لیے مغل آئرن اینڈ اسٹیل انڈسٹریز لمیٹڈ کی سالانہ جنرل میٹنگ، جو کہ 28 اکتوبر 2025 صبح 11:45 بجے بروز منگل آواری ہوٹل، 87 شاہراہ قائد اعظم، لاہور لاہور میں منعقد ہونے والے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقرر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

آج بروز _____ بتاریخ _____ 2025۔

گواہان

1۔

دستخط: _____
نام: _____
پتہ: _____

50/- روپے کارسیدی

ٹکٹ یہاں چسپاں کریں

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

2۔

دستخط: _____
نام: _____
پتہ: _____

دستخط رکن

کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

نوٹ

- 1۔ اجلاس ہذا میں شرکت اور ووٹ دینے کا مستحق ممبر اپنی بجائے ووٹ دینے اور شرکت کیلئے کسی دیگر ممبر کو اپنا/اپنی پراکسی مقرر کر سکتا / سکتی ہے پراکسی کے لئے کمپنی کا ممبر ہونا ضروری ہے۔
- 2۔ ایک ممبر کو ایک سے زیادہ پراکسی مقرر کرنے کا اختیار نہیں ہوگا۔
- 3۔ پراکسی تقرری کے توالات یقینی طور پر سٹیپ، دستخط شدہ اور دو لوگوں سے گواہ شدہ ہوں۔ جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں۔
- 4۔ بینیفیشل انورز اور پراکسی کو شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ہمراہ جمع کرانا ہوں گی۔ بصورت کارپوریٹ، بورڈ قرارداد/مختار نامہ نمونہ دستخط کمپنی میں پراکسی فارم کے ہمراہ جمع کرانا ہوگا۔
- 5۔ "پراکسی موثر ہونے کے لئے، اجلاس کے مقرر کردہ وقت سے کم از کم (48) گھنٹے قبل کمپنی کے شیئر رجسٹرار، میسرز THK ایبوسی ایٹس (پرائیویٹ) لمیٹڈ C-32، جانی کمرشل گلی 2، ڈی۔ ایچ۔ اے۔ فیئر-vii، کراچی دفتر میں لازماً وصول ہو جانی چاہیے۔"

Manager Share Registrar
(Mughal Iron & Steel Industries Limited)
M/s. THK Associates (Pvt.) Limited

Plot No. 32-C, Jami Commercial Street 2,
D.H.A, Phase-VII, Karachi, Pakistan

AFFIX
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