



Survival through
Diversity

CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mirza Javed Iqbal
Non-Executive Director - Chairman
Mr. Abdul Rehman Qureshi
Non-Executive / Independent Director
Mr. Shoaib Ahmad Khan
Non-Executive / Independent Director
Ms. Mariam Khawar
Non-Executive / Independent Director
Mr. Khurram Javaid
Executive Director / Chief Executive Officer
Mr. Muhammad Mubeen Tariq Mughal
Executive Director
Mr. Jamshed Iqbal
Executive Director
Mr. Fazeel Bin Tariq
Non-Executive Director
Mr. Muhammad Mateen Jamshed
Non-Executive Director

AUDIT COMMITTEE

Mr. Abdul Rehman Qureshi
Chairman
Mr. Shoaib Ahmed Khan
Member
Mr. Muhammad Mateen Jamshed
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

INVESTOR RELATIONS

Financial analysts, stock brokers, interested investors and financial media desiring information regarding the Company should contact Mr. Muhammad Fahad Hafeez at the Company's Registered Office, Lahore.
Tel: + 92-42-35960841 Ext: 155
E-mail: fahadhafeez@mughalsteel.com

SHARE REGISTRAR

Enquiries concerning lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to:
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
E-mail: sfc@thk.com.pk
Web: www.thk.com.pk

SHAREHOLDER COMPLAINT HANDLING CELL

In case of shareholder complaints/queries, Please Contact:
Mr. Zeeshan Ejaz
Tel : + 92-42-35960841 Ext:136
E-mail: fahadhafeez@mughalsteel.com

AUDITORS

Fazal Mahmood & Company
Chartered Accountants
(A member firm of PrimeGlobal)
Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

SHARIAH ADVISOR

Mufti Imran Khan

LEGAL ADVISOR

Mr. Muhammad Atif Butt

TAX ADVISORS

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

CHIEF OPERATING OFFICER

Mr. Shakeel Ahmed
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

STOCK EXCHANGE LISTING

Mughal Iron & Steel Industries Limited is a listed Company and its shares are traded on the Pakistan Stock Exchange Limited ("PSX"). The Company's shares are quoted in leading dailies under the Engineering Sector with symbol "MUGHAL".

CREDIT RATING

VIS Credit Rating Company Limited
Long-term entity rating (A+)
Short-term entity rating (A1)
Future Outlook : Stable

The Pakistan Credit Rating Agency Limited

Long-term entity rating (A+)
Short-term entity rating (A1)
Future Outlook: Stable

BANKERS

Askari Bank Limited
Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Bank of Punjab (Islamic Taqwa Division)
Bank of Khyber
Bank Al-Habib Limited
Bank Makramah Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
ICBC Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
Samba Bank Limited
Standard Chartered Bank Limited
United Bank Limited

GEOGRAPHICAL PRESENCE Registered / Corporate office

31-A Shadman 1
Lahore, Pakistan
Tel: + 92-42-35960841-3
Fax: + 92-42-35960846
E-mail: info@mughalsteel.com

Sale centres and warehouse

Badami Bagh
Lahore, Pakistan

Factory & warehouses

17-KM Sheikhpura Road
Lahore, Pakistan

Company Website:

www.mughalsteel.com

Note: Company's Financial Statements are also available at the above website.



DIRECTORS' REVIEW

Dear Valued Shareholders,

The Directors of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** (the Company), are pleased to present a brief review of the Company's un-audited standalone and consolidated condensed interim financial information for the quarter ended September 30, 2024. The consolidated condensed interim financial information incorporates the Company's subsidiary Mughal Energy Limited. The Company owns 90% of the ordinary shares and 100% of the Class-B shares of Mughal Energy Limited

CONSOLIDATED BUSINESS, FINANCIAL & OPERATIONAL REVIEW

On consolidated basis, the Group posted gross sales of Rs. 24,646.439 million for the quarter ended September 30, 2024 as compared to Rs. 24,073.628 million in the corresponding period.

The entire gross sale was attributed to ferrous and non-ferrous segments of Mughal Iron & Steel Industries Limited (the holding company). The consolidated loss for the quarter stood at Rs. 23.711 million out of which Rs. 23.593 million was attributable to equity holders of the holding company, with the remaining amount being attributable to the non-controlling interest. This translated into loss per share (LPS) of Rs. 0.07 per share for the quarter ended September 30, 2024 as compared to earnings per share (EPS) of Rs. 1.53 per share in the corresponding period. This was mainly due to decrease in gross margins on account of decrease in selling prices and significant increase in finance cost.

The consolidated asset base as at September 30, 2024 recorded an increase of Rs. 1,061.247 million compared to June 30, 2024. Resultantly, net worth as at September 30, 2024 stood at Rs. 26,329.885 million out of which Rs. 26,006.910 million was attributable to the equity holders of the holding company.

Within the ferrous segment, overall volumes witnessed increased. Within the non-ferrous segment overall volumes witnessed decline mainly due to in-house consumption of iron instead of external sales. Gross margins of ferrous segment declined, whereas, that of non-ferrous segments witnessed improvement. Within the energy segment, since it is yet to commence commercial operations, therefore, it posted insignificant loss during the quarter, which was mainly on account of salaries, fee & subscription and various routine expenses. However, profitable results are anticipated post achieving commercial operations.

STAND ALONE BUSINESS, FINANCIAL & OPERATIONAL REVIEW

On standalone basis, the Company posted gross sales of Rs. 24,646.439 million for the quarter ended September 30, 2024 as compared to Rs. 24,073.628 million in the corresponding period. The profit for the period stood at Rs. 6.946 million.

Out of total sales, total net external sales for ferrous segment increased by 10%, whereas, sales for non-ferrous segment decreased by 18% as compared to corresponding period. The increase in sales of ferrous segment was associated with increase in volumes. Decrease in sales of non-ferrous segment was associated with decrease in external sales of iron. Gross margins of ferrous segment declined, whereas, non-ferrous segments witnessed improvement. However, overall gross margins witness improvement as compared to quarter ended June 30, 2024. This translated into earnings per share (EPS) of Rs. 0.02 per share for the quarter ended September 30, 2024 as compared to earnings per share (EPS) of Rs. 1.53 per share in the corresponding period. This reduction in net profit was mainly due to decrease in gross margins on account of decrease in selling prices and significant increase in finance cost. Levies were in line with topline. Deferred tax was on account of increase in deferred tax asset on account of losses and minimum taxes available for carry forward.

The asset base recorded an increase of Rs. 1,078.156 million compared to last year. Resultantly, the net worth as at June 30, 2024 stood at Rs. 26,142.436 million as compared to Rs. 26,135.491 million as at June 30, 2024 with a breakup value of Rs. 77.88 per share as at September 30, 2024 as compared to Rs. 77.87 as at June 30, 2024.

SUBSIDIARY COMPANY - MUGHAL ENERGY LIMITED (MEL)

The 36.50 MW hybrid captive power plant project is in process and expected to achieve CoD

CONSOLIDATION

Mughal energy Limited is subsidiary company of the Company. Therefore, the Company has annexed consolidated condensed interim financial statements in addition to its separate condensed interim financial statements, in accordance with the requirements of International Financial Reporting Standards.

FUTURE OUTLOOK

Going forward, the impact of decrease in base discount rate and cheaper electricity from Mughal Energy Limited will benefit the Company.

ACKNOWLEDGEMENT

The Board remains committed to provide sustained returns to our shareholders, in addition to maintaining our reputation for good governance. Lastly, we would like to thank all stakeholders for their patronage and look forward to their continued support.

For and on behalf of the Board of Directors,



Mirza Javed Iqbal
(Chairman/Director)

Date: October 30, 2024
Place: Lahore



Khurram Javaid
(CEO / Director)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024**

Rupees	Note	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6.	19,604,282,900	19,593,572,075
Long-term investment		3,202,861,480	3,200,119,465
Long-term loans to employees		45,060,647	57,056,557
Long-term deposits		<u>2,838,069</u>	<u>2,838,069</u>
		<u>22,855,043,096</u>	<u>22,853,586,166</u>
CURRENT ASSETS			
Inventories	7.	26,415,337,522	26,075,368,171
Trade debts		12,844,817,195	10,805,747,538
Loans and advances		991,002,988	930,042,671
Deposits, prepayments and other receivables		326,744,145	480,875,723
Due from the government		3,948,090,407	4,363,442,154
Cash and bank balances		<u>2,774,291,730</u>	<u>3,568,109,063</u>
		<u>47,300,283,987</u>	<u>46,223,585,320</u>
		<u>70,155,327,083</u>	<u>69,077,171,486</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital		<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid-up capital		3,356,339,330	3,356,339,330
Capital reserves		3,304,952,020	3,304,952,020
Revaluation surplus on property, plant and equipment		3,718,441,614	3,740,482,178
Un-appropriated profits		<u>15,762,703,369</u>	<u>15,733,717,082</u>
		26,142,436,333	26,135,490,610
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing- secured		2,161,425,638	2,453,774,048
Deferred taxation		1,785,823,802	2,013,705,826
Defined benefit obligation		809,219,338	768,993,162
Deferred liabilities		<u>79,686,242</u>	<u>82,101,274</u>
		4,836,155,020	5,318,574,310
CURRENT LIABILITIES			
Trade and other payables		2,954,294,054	4,269,040,823
Unclaimed dividends		2,954,068	2,954,068
Unpaid dividends		7,951,175	8,019,268
Accrued profit / mark-up		1,458,420,914	1,220,484,158
Short-term borrowings		30,671,131,722	27,992,424,673
Current portion of long-term financing		4,076,194,735	4,123,903,070
Current portion of deferred grant		<u>5,789,062</u>	<u>6,280,506</u>
		<u>39,176,735,730</u>	<u>37,623,106,566</u>
		<u>44,012,890,750</u>	<u>42,941,680,876</u>
		<u>70,155,327,083</u>	<u>69,077,171,486</u>

CONTINGENCIES AND COMMITMENTS

8.

The annexed notes form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Note	2024	2023
Gross sales		24,646,439,209	24,073,627,838
Sales tax		<u>(3,045,609,890)</u>	<u>(3,034,632,108)</u>
Net sales before commission	9.	21,600,829,319	21,038,995,730
Commission		<u>(16,670,631)</u>	<u>(6,866,309)</u>
Net sales		21,584,158,688	21,032,129,421
Cost of sales	10.	<u>(19,595,404,314)</u>	<u>(18,514,429,753)</u>
GROSS PROFIT		1,988,754,374	2,517,699,668
Sales and marketing expenses		<u>(35,785,762)</u>	<u>(71,962,902)</u>
Administrative expenses		<u>(215,060,268)</u>	<u>(203,477,700)</u>
Other charges		<u>(688,458)</u>	<u>(59,811,490)</u>
Allowance for expected credit losses (ECL)- charge / reversal		<u>(4,739,073)</u>	<u>71,203,673</u>
Other income		<u>94,735,422</u>	<u>51,929,954</u>
Finance cost		<u>(1,904,155,747)</u>	<u>(1,583,410,519)</u>
		<u>(2,065,693,886)</u>	<u>(1,795,528,984)</u>
LOSS / PROFIT BEFORE LEVIES AND TAXATION		(76,939,512)	722,170,684
Minimum tax		<u>(143,996,790)</u>	<u>(115,514,817)</u>
Final taxes		<u>-</u>	<u>(67,802,969)</u>
		<u>(143,996,790)</u>	<u>(183,317,786)</u>
LOSS / PROFIT BEFORE TAXATION		(220,936,302)	538,852,898
Taxation		<u>227,882,025</u>	<u>(23,796,399)</u>
PROFIT FOR THE PERIOD		6,945,723	515,056,499
EARNINGS PER SHARE-BASIC AND DILUTED	11.	0.02	1.53

The annexed notes form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Note	2024	2023
PROFIT FOR THE PERIOD		6,945,723	515,056,499
OTHER COMPREHENSIVE INCOME			
Other comprehensive income - net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>6,945,723</u>	<u>515,056,499</u>

The annexed notes form an integral part of these condensed interim financial statements.



Khurram Javid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	Capital Reserves				Revenue Reserve	Total Equity
	Issued, subscribed and paid-up capital	Share premium account	Contingency reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits	
BALANCE AS AT JUNE 30, 2023 - (audited)	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 period	-	-	-	-	515,056,499	515,056,499
Other comprehensive income-net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	515,056,499	515,056,499
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	(23,866,066)	23,866,066	-
BALANCE AS AT SEPTEMBER 30, 2023 - (unaudited)	<u>3,356,339,330</u>	<u>2,324,952,020</u>	<u>980,000,000</u>	<u>3,974,512,112</u>	<u>15,251,688,983</u>	<u>25,887,492,445</u>
BALANCE AS AT JUNE 30, 2024 - (audited)	<u>3,356,339,330</u>	<u>2,324,952,020</u>	<u>980,000,000</u>	<u>3,740,482,178</u>	<u>15,733,717,082</u>	<u>26,135,490,610</u>
Profit for the period	-	-	-	-	6,945,723	6,945,723
Other comprehensive income-net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	6,945,723	6,945,723
Transfer of Incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	(22,040,564)	22,040,564	-
BALANCE AS AT SEPTEMBER 30, 2024 - (unaudited)	<u>3,356,339,330</u>	<u>2,324,952,020</u>	<u>980,000,000</u>	<u>3,718,441,614</u>	<u>15,762,703,369</u>	<u>26,142,436,333</u>

The annexed notes form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in / generated from operations	12.	(1,064,702,330)	396,173,760
Net decrease in long-term loans to employees		10,745,910	1,428,380
Defined benefits paid		(17,943,923)	(12,931,148)
Taxes and levies paid - net		(303,231,947)	(45,417,829)
Net cash used in / generated from operating activities		(1,375,132,290)	339,253,163
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(155,704,871)	(66,999,374)
Proceeds from disposal of tangible fixed assets		4,830,000	-
Payments for short-term loan to subsidiary company		(20,000,000)	-
Profit received on loan to subsidiary		44,051,991	-
Profit received on short-term deposit receipts		4,850,296	27,494,267
Net cash used in investing activities		(121,972,584)	(39,505,107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of long-term financing		(341,713,221)	(427,777,637)
Net proceeds from short-term borrowings		2,795,172,523	1,909,021,210
Net proceeds from short-term loans from Directors		-	55,582,982
Finance cost paid		(1,633,459,285)	(1,411,607,142)
Dividends paid		(68,093)	(52,390)
Net cash generated from financing activities		819,931,924	125,167,023
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS		(677,172,950)	424,915,079
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		3,397,555,530	2,885,126,870
NET EXCHANGE DIFFERENCE ON FOREIGN CURRENCY ACCOUNTS		(178,909)	3,227,788
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13.	2,720,203,671	3,313,269,737

The annexed notes form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

1. THE COMPANY AND ITS 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 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 and Badami Bagh, Lahore
- Sales centres	Badami Bagh, Lahore

These condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. Condensed interim consolidated financial statements of the Company are prepared separately. The Company's only investment is in Mughal Energy Limited, in which the Company holds 90% ordinary shares and 100% Class-B Shares.

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) 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 with the requirements of (IAS) 34 or (IFASs), the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

These condensed interim financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes and are presented in Pakistani Rupees (Rs.), which is the functional currency of the Company.

These condensed interim financial statements are unaudited and do not include all the information and disclosures as are required for annual audited financial statements, and therefore, should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2024, except detailed below or elsewhere. During the period, certain amendments / interpretations became effective and were adopted by the Company. Management has assessed the changes laid down by the amendments / interpretations that became effective during the period or are yet not effective and determined that they do not have any significant impact on these condensed interim financial statements.

Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss. Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2024. The impact of remeasurement of retirement benefit plan has not been incorporated in the condensed interim financial statements.

5. CRITICAL ACCOUNTING ESTIMATES & JUDGMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2024, except as disclosed otherwise in respective notes.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	Note	September 30, 2024	June 30, 2024
		(Unaudited)	(Audited)
6. PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	6.1	19,170,608,282	19,285,834,510
Capital work-in-progress		433,674,618	307,737,565
		<u>19,604,282,900</u>	<u>19,593,572,075</u>
6.1 Following is the movement in tangible fixed assets:			
Opening net book value		19,285,834,510	18,250,834,254
Additions / transfers during the period / year:			
Plant and machinery		165,000	1,563,341,366
Office equipment		3,796,634	1,562,002
Grid station & electric installations		-	8,670,983
Vehicles		25,363,684	46,600,691
Computers		442,500	715,080
		29,767,818	1,620,890,122
Disposals during the period / year:			
Vehicles		(4,080,490)	(15,608,482)
Depreciation charged during the period / year		(140,913,556)	(570,281,384)
Closing net book value		<u>19,170,608,282</u>	<u>19,285,834,510</u>
7. INVENTORIES			
Stores, spares and loose tools		2,772,102,923	2,657,539,836
Raw material		19,955,710,686	18,602,370,564
Finished goods / by-products		3,687,523,913	4,815,457,771
		<u>26,415,337,522</u>	<u>26,075,368,171</u>
8. CONTINGENCIES AND COMMITMENTS			
Contingencies:			
i) There has been no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended June 30, 2024, except as disclosed elsewhere in the interim financial report.			
ii) Aggregate amount of corporate guarantees issued on behalf of Mughal Energy Limited (subsidiary company), for the purpose of availing financing, amounted to Rs. 1,539.607 million as at September 30, 2024 (June 30, 2024: Rs. 1,539.607 million), against total approved limit of Rs. 6,000.000 million.			
Commitments:			
i) Major non-capital & capital commitments			
		<u>4,949,762,259</u>	<u>8,036,658,414</u>

Rupees	Note	September 30, 2024	September 30, 2023
		(Unaudited)	(Unaudited)
9. SALES-NET			
Local sales		16,916,318,962	16,859,067,270
Export sales		4,684,510,357	4,179,928,460
		<u>21,600,829,319</u>	<u>21,038,995,730</u>
9.1 Reconciliation with segment information:			

Rupees	Ferrous	Non-Ferrous	Total
Net revenue from external customers:			
- Local sales	16,916,318,962	-	16,916,318,962
- Export sales	-	4,684,510,357	4,684,510,357
September 30, 2024	<u>16,916,318,962</u>	<u>4,684,510,357</u>	<u>21,600,829,319</u>
- Local sales	15,343,723,047	1,515,344,223	16,859,067,270
- Export sales	-	4,179,928,460	4,179,928,460
September 30, 2023	<u>15,343,723,047</u>	<u>5,695,272,683</u>	<u>21,038,995,730</u>

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
10. COST OF SALES		
Opening stock of finished goods and by-product	4,815,457,771	4,136,449,387
Cost of goods manufactured		
- Raw material consumed	15,331,126,516	18,468,643,485
- Salaries, wages and other benefits	436,079,498	379,123,121
- Stores, spares and loose tools consumed	383,392,361	480,144,360
- Fuel and power	2,077,322,910	2,213,451,198
- Repair and maintenance	573,516	805,840
- Other manufacturing expenses	111,899,098	110,944,996
- Depreciation	127,076,557	127,375,831
	18,467,470,456	21,780,488,831
Closing stock of finished goods and by-product	(3,687,523,913)	(7,402,508,465)
	<u>19,595,404,314</u>	<u>18,514,429,753</u>

11. EARNINGS PER SHARE-BASIC AND DILUTED

Profit for the period	Rupees	<u>6,945,723</u>	<u>515,056,499</u>
Weighted average number of ordinary shares	Number	<u>335,633,933</u>	<u>335,633,933</u>
Earnings per share - Basic	Rupees / share	<u>0.02</u>	<u>1.53</u>

12. CASH USED IN / GENERATED FROM OPERATIONS

Loss / profit before levies and taxation	(76,939,512)	722,170,684
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	140,913,556	140,752,751
Expense recognized for employee defined benefit change	58,170,099	58,170,099
Allowance for expected credit losses (ECL)-charge / reversal	(4,739,073)	71,203,673
Gain on disposal of tangible fixed assets	(749,510)	-
Profit on long term investments	(2,742,015)	(3,002,632)
Profit on term deposit receipts	(783,796)	(17,969,090)
Net unrealized foreign exchange gain / loss	(24,942,214)	10,888,701
Finance cost	1,871,396,041	1,568,143,635
Finance income on loan to subsidiary	(42,712,571)	-
Provision for workers' profit participation fund	-	38,784,677
Interest on workers' profit participation fund	2,055,931	15,266,884
Provision for workers' welfare fund	-	14,738,177
	<u>1,995,866,448</u>	<u>1,896,976,875</u>
Profit before working capital changes	1,918,926,936	2,619,147,559
Effect on cash flow due to working capital changes <i>(Increase) / decrease in current assets:</i>		
Inventories	(339,969,351)	(3,868,838,808)
Trade debts	(2,032,643,763)	(65,436,700)
Loans and advances	(40,960,317)	227,686,818
Deposits, prepayments and other receivables	148,725,658	435,417,106
Due from the government	574,586,905	83,656,643
	<u>(1,690,260,868)</u>	<u>(3,187,514,941)</u>
<i>Increase / (Decrease) in current liabilities:</i>		
Trade and other payables	<u>(1,293,368,398)</u>	<u>964,541,142</u>
	<u>(1,064,702,330)</u>	<u>396,173,760</u>

13. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

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

Cash and bank balances	2,774,291,730	3,324,291,709
Temporary bank overdrawn	(54,088,059)	(11,021,972)
	<u>2,720,203,671</u>	<u>3,313,269,737</u>

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

14. SEGMENT REPORTING

14.1 Reportable segments:

The Company's reportable segments are as follows:

- Ferrous
- Non - Ferrous

Ferrous segment comprises of mild steel related products whereas non-ferrous segment mainly comprises of copper products and iron. Information regarding the Company's reportable segments is presented below:

14.2 Segment revenues and measure of segment profit or loss:

Following is an analysis of the Company's revenue and results by reportable segment for the quarter ended September 30, 2024 and September 30, 2023 along with reconciliation of the total of the reportable segments' measures of profit or loss to the Company's profit or loss for the period:

Rupees	Ferrous Quarter ended		Non-Ferrous Quarter ended		Total Quarter ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total sales	16,916,318,962	15,343,723,047	6,194,441,093	7,015,827,646	23,110,760,055	22,359,550,693
Inter-segment transactions	-	-	(1,509,930,736)	(1,320,554,963)	(1,509,930,736)	(1,320,554,963)
Net external sales	16,916,318,962	15,343,723,047	4,684,510,357	5,695,272,683	21,600,829,319	21,038,995,730
Commission	(16,670,631)	(6,866,309)	-	-	(16,670,631)	(6,866,309)
Net sales after commission	16,899,648,331	15,336,856,738	4,684,510,357	5,695,272,683	21,584,158,688	21,032,129,421
Total cost of sales	(16,152,799,538)	(14,113,768,248)	(4,952,535,512)	(5,721,216,468)	(21,105,335,050)	(19,834,984,716)
Inter-segment transaction	-	-	1,509,930,736	1,320,554,963	1,509,930,736	1,320,554,963
External cost of sales	(16,152,799,538)	(14,113,768,248)	(3,442,604,776)	(4,400,661,505)	(19,595,404,314)	(18,514,429,753)
Gross profit	746,848,793	1,223,088,490	1,241,905,581	1,294,611,178	1,988,754,374	2,517,699,668
Sales and marketing expenses	(24,214,285)	(59,965,404)	(11,571,477)	(11,997,498)	(35,785,762)	(71,962,902)
Allowance for ECL	(9,026,510)	75,012,727	4,287,437	(3,809,054)	(4,739,073)	71,203,673
Other income	-	-	3,414,911	58,100,293	3,414,911	58,100,293
Finance cost	(4,461,597)	(119,590,538)	(90,968,422)	(21,972,376)	(95,430,019)	(141,562,914)
	(37,702,392)	(104,543,215)	(94,837,551)	20,321,365	(132,539,943)	(84,221,850)
Segment profit before taxation and unallocated income and expenses	709,146,401	1,118,545,275	1,147,068,030	1,314,932,543	1,856,214,431	2,433,477,818
Un allocated income and expenses:						
Administrative expenses					(215,060,268)	(203,477,700)
Other charges					(688,458)	(59,811,490)
Other income					91,320,511	(6,170,339)
Finance cost					(1,808,725,728)	(1,441,847,605)
Minimum tax					(143,996,790)	(115,514,817)
Final taxes					-	(67,802,969)
Taxation					227,882,025	(23,796,399)
Profit for the period					6,945,723	515,056,499

Revenue reported above represents revenue generated from external customers. Inter segment transactions, represent sale of iron scrap by non-ferrous segment to ferrous segment which has been eliminated. The accounting policies of the reportable segments (except as disclosed otherwise) are the same as the Company's accounting policies as described in note 4 to these condensed interim financial statements. The ferrous segment allocates certain percentage of sales and marketing relating common expenditure to non-ferrous segment. Segment profit represents the profit earned by each segment before taking account of unallocated income and expenses which are presented separately. This is the measure reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

14.3 Revenue from external customers:

The analysis of the Company's revenue from external customers for major products is as follows:

Percentage	Quarter ended	
	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Ferrous:		
- Steel re-bars	52.71%	54.56%
- Girders	38.94%	38.37%
- Billets	8.35%	7.07%
- Others	0.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>
Non-Ferrous:		
- Copper Products	98.38%	90.50%
- Iron	0.00%	9.50%
- Others	1.62%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

14.4 Information about major customers:

Revenue from major local customers of ferrous segment represented 54% (September 2023: 26%) of the total revenue of ferrous segment. Revenue from major local customers of non-ferrous segment represents Nil (September 2023: 17%) of the total revenue of non-ferrous segment and Nil (September 2023: 64%) of the total local revenue of non-ferrous segment. Revenue from major foreign customers of non-ferrous segment represent 94% (September 2023: 66%) of the total revenue of non-ferrous segment and 94% (September 2023: 90%) of the total foreign revenue of non-ferrous segment.

14 14.5 Geographical information:

All revenues from external customers for ferrous segment were generated in Pakistan. 100% (September 2023: 73%) 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 the sales outside Pakistan is made to customers in the People's Republic of China. All non-current assets of the Company as at September 30, 2024 and June 30, 2024 were located and operating in Pakistan.

14.6 Measure of total assets and total liabilities:

Reportable segments' assets and liabilities as at September 30, 2024 and June 30, 2024 are reconciled to total assets and liabilities as follows:

Rupees	Ferrous	Non-Ferrous	Total
- Segment assets for reportable segments	40,032,082,253	15,535,540,350	55,567,622,603
- Unallocated assets	-	-	14,587,704,480
- Total assets as per statement of financial position as at September 30, 2024	<u>40,032,082,253</u>	<u>15,535,540,350</u>	<u>70,155,327,083</u>
- Segment liabilities for reportable segments	813,659,037	2,279,027,325	3,092,686,362
- Unallocated liabilities	-	-	40,920,204,388
- Total liabilities as per statement of financial position as at September 30, 2024	<u>813,659,037</u>	<u>2,279,027,325</u>	<u>44,012,890,750</u>
- Segment assets for reportable segments	39,640,953,556	13,645,668,597	53,286,622,153
- Unallocated assets	-	-	15,790,549,332
- Total assets as per statement of financial position as at June 30, 2024	<u>39,640,953,556</u>	<u>13,645,668,597</u>	<u>69,077,171,486</u>
- Segment liabilities for reportable segments	2,660,082,424	1,741,664,860	4,401,747,284
- Unallocated liabilities	-	-	38,539,933,592
- Total liabilities as per statement of financial position as at June 30, 2024	<u>2,660,082,424</u>	<u>1,741,664,860</u>	<u>42,941,680,876</u>

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	Quarter / year ended	
	September 30, 2024	June 30, 2024
	(Unaudited)	(Audited)
14.7 Other information:		
Depreciation		
- Ferrous	98,257,918	424,354,670
- Non-Ferrous	23,117,870	65,732,802
- Unallocated	19,537,768	80,193,912
	<u>140,913,556</u>	<u>570,281,384</u>
Additions to tangible fixed assets		
- Ferrous	165,000	1,563,341,366
- Unallocated	29,602,818	57,548,756
	<u>29,767,818</u>	<u>1,620,890,122</u>

- 14.8** Segment results that are reported to the CEO 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 other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated. The operations principally comprise of two segments 'Ferrous segment' and 'Non-ferrous segment'. Ferrous segment comprises of mild steel related products whereas non-ferrous segment comprises mainly of copper products and iron.

Rupees	Quarter ended			As at
	September 30, 2024	September 30, 2023	September 30, 2024	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)

15. SHARIAH DISCLOSURE

<i>Statement of financial position:</i>			19,691,649,982	18,077,813,805
Financing / loans / advances obtained as per Islamic mode			837,767,742	806,905,066
Interest or mark-up accrued on any conventional loan or advance			3,202,861,480	3,200,119,465
Long-term and short-term shariah compliant investments			2,772,145,043	2,933,647,018
Shariah compliant bank deposits / bank balances / TDRs				
<i>Statement of profit or loss:</i>				
Revenue earned from a shariah compliant business segment	21,600,829,319	21,038,995,730		
Profit earned from shariah compliant bank deposits / balances / TDRs	21,099,252	9,140,924		
Exchange gain earned	25,121,123	54,872,504		
Profit earned from shariah compliant investments	2,742,015	3,002,632		
Profit / interest earned on any conventional loan or advances	42,712,571	-		
Mark up / profit paid on Islamic mode of financing	766,618,953	732,587,679		
Interest paid on any conventional loan or advance	1,104,777,088	802,572,158		

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

15.2 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.

16. FINANCIAL RISK MANAGEMENT

These condensed interim financial statements do not include all financial risk management information and disclosures, which are required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024. There has been no change in any risk management policies since the year end.

17. FAIR VALUE DISCLOSURES

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 unconsolidated condensed interim 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 unconsolidated condensed interim financial statements approximate their respective fair values and there were no transfers amongst level of fair value analysis of financial assets during the period.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Information about the fair value hierarchy of items of property, plant and equipment as at the end of the reporting period is as follows:

Rupees	Level 2	Fair value as at September 30, 2024	Fair value as at June 30, 2024
		(Unaudited)	(Audited)
Property, plant and equipment:			
Freehold land	635,600,000	635,600,000	635,600,000
Factory building on freehold land	294,757,674	294,757,674	297,759,745
Plant and machinery	15,400,287,390	15,400,287,390	15,497,779,779
Power plant	1,626,745,010	1,626,745,010	1,641,223,751
Other machinery and equipment	33,909,966	33,909,966	34,125,000
	<u>17,991,300,040</u>	<u>17,991,300,040</u>	<u>18,106,488,275</u>

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.

18. RELATED PARTY DISCLOSURES

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. Details of transactions / outstanding balances with related parties, not otherwise disclosed elsewhere, are as follows:

Rupees	Quarter ended		As at	
	September 30, 2024	September 30, 2023	September 30, 2024	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Mughal Energy Limited				
<i>Detail of outstanding balance</i>				
- Short-term loan			790,772,162	770,772,162
- Finance income accrued on short-term loan			24,919,106	26,258,526
<i>Detail of transactions</i>				
- Commission income	-	15,000,000		
- Finance income on short-term loan	42,712,571	-		
- Short-term loan given	20,000,000	-		
Al-Bashir (Private) Limited - (Common directorship / shareholding)				
<i>Detail of outstanding balance</i>				
- Security deposit payable			-	500,000
<i>Detail of transactions</i>				
- Rent expense	-	1,254,000		
Major shareholders, key management personnel and their relatives				
Major shareholders, Directors and their relatives				
<i>Detail of transactions</i>				
- Remuneration / meeting fee	22,902,671	24,771,401		
- Short-term loan repaid	-	55,582,982		
Key management personnel (other than Directors) and their relatives				
<i>Detail of outstanding balance</i>				
- Loans and advances			919,260	31,760
<i>Detail of transactions</i>				
- Salaries and benefits expense	13,162,400	10,455,000		

18.1 Mughal Energy Limited became subsidiary w.e.f November 30, 2023, before which it was associated due to common directorship and shareholding.

18.2 Chief Executive Officer, Executive Directors and certain Executives are given company maintained cars. There are no transactions with key management personnel other than under the terms of employment and otherwise disclosed, if any.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

19. DATE OF AUTHORIZATION

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 30, 2024.

20. GENERAL / SUBSEQUENT EVENTS - NON ADJUSTING EVENTS

The figures have been rounded off to the nearest rupee.

The corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison, however, no material significant reclassification has been made.

In order to comply with the requirements of International Accounting Standard, IAS - 34 - 'Interim Financial Reporting', the condensed interim statement of financial position as of the end of the current interim period has been compared with the statement of financial position as of the end of the immediately preceding financial year, the condensed interim statement of profit or loss and the condensed statement of comprehensive income for the current interim period has been compared with the statement of profit or loss and statement of comprehensive income for the comparable interim period of the immediately preceding financial year, whereas, the condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the relevant statements for the comparable year-to-date period of the immediately preceding financial year.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

Rupees	Note	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6.	24,147,818,439	23,969,741,890
Long-term investment		52,861,480	50,119,465
Long-term loans to employees		45,060,647	57,056,557
Long-term deposits		<u>2,925,569</u>	<u>2,925,569</u>
		<u>24,248,666,135</u>	<u>24,079,843,481</u>
CURRENT ASSETS			
Inventories	7.	26,415,337,522	26,075,368,171
Trade debts		12,844,817,195	10,805,747,538
Loans and advances		214,037,846	172,317,509
Deposits, prepayments and other receivables		301,825,039	454,617,197
Due from the government		4,417,126,416	4,822,537,243
Cash and bank balances		<u>2,803,633,350</u>	<u>3,773,765,740</u>
		<u>46,996,777,368</u>	<u>46,104,353,398</u>
		<u>71,245,443,503</u>	<u>70,184,196,879</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital		<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid-up capital		3,356,339,330	3,356,339,330
Capital reserves		3,304,952,020	3,304,952,020
Revaluation surplus on property, plant and equipment		3,718,441,614	3,740,482,178
Un-appropriated profits		<u>15,627,177,299</u>	<u>15,628,729,508</u>
Equity attributable to equity holders of the holding company		<u>26,006,910,263</u>	<u>26,030,503,036</u>
Non-controlling interest		<u>322,974,945</u>	<u>323,093,380</u>
		<u>26,329,885,208</u>	<u>26,353,596,416</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing- secured		<u>2,535,605,528</u>	<u>2,841,956,188</u>
Deferred taxation		1,785,823,802	2,013,705,826
Defined benefit obligation		809,219,338	768,993,162
Deferred liabilities		<u>79,686,242</u>	<u>82,101,274</u>
		<u>5,210,334,910</u>	<u>5,706,756,450</u>
CURRENT LIABILITIES			
Trade and other payables		<u>3,000,085,763</u>	<u>4,352,181,446</u>
Unclaimed dividends		2,954,068	2,954,068
Unpaid dividends		7,951,175	8,019,268
Accrued profit / mark-up		1,466,486,356	1,227,279,659
Short-term borrowings		30,671,131,722	27,992,424,673
Short-term loans from Directors - unsecured		426,810,394	376,983,463
Current portion of long-term financing		4,124,014,845	4,157,720,930
Current portion of deferred grant		<u>5,789,062</u>	<u>6,280,506</u>
		<u>39,705,223,385</u>	<u>38,123,844,013</u>
		<u>44,915,558,295</u>	<u>43,830,600,463</u>
		<u>71,245,443,503</u>	<u>70,184,196,879</u>
CONTINGENCIES AND COMMITMENTS			
	8.		

The annexed notes form an integral part of these consolidated condensed interim financial statements.



Khurram Javid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Note	2024	2023
Gross sales		24,646,439,209	24,073,627,838
Sales tax		(3,045,609,890)	(3,034,632,108)
Net sales before commission	9.	21,600,829,319	21,038,995,730
Commission		(16,670,631)	(6,866,309)
Net sales		21,584,158,688	21,032,129,421
Cost of sales	10.	(19,595,404,314)	(18,514,429,753)
GROSS PROFIT		1,988,754,374	2,517,699,668
Sales and marketing expenses		(35,785,762)	(71,962,902)
Administrative expenses		(217,239,247)	(203,477,700)
Other charges		(740,958)	(59,811,490)
Allowance for expected credit losses (ECL)- charge / reversal		(4,739,073)	71,203,673
Other income		52,988,315	51,929,954
Finance cost		(1,890,834,092)	(1,583,410,519)
		(2,096,350,817)	(1,795,528,984)
LOSS / PROFIT BEFORE LEVIES AND TAXATION		(107,596,443)	722,170,684
Minimum tax		(143,996,790)	(115,514,817)
Final taxes		-	(67,802,969)
		(143,996,790)	(183,317,786)
LOSS / PROFIT BEFORE TAXATION		(251,593,233)	538,852,898
Taxation		227,882,025	(23,796,399)
LOSS / PROFIT FOR THE PERIOD		(23,711,208)	515,056,499
SHARE OF LOSS / PROFIT ATTRIBUTABLE TO:			
- Equity holders of the holding company		(23,592,773)	515,056,499
- Non-controlling interest		(118,435)	-
		(23,711,208)	515,056,499
LOSS / EARNINGS PER SHARE-BASIC AND DILUTED	11.	(0.07)	1.53

The annexed notes form an integral part of these consolidated condensed interim financial statements.



Khurram Javid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Note	2024	2023
LOSS / PROFIT FOR THE PERIOD		(23,711,208)	515,056,499
OTHER COMPREHENSIVE INCOME			
Other comprehensive income - net of tax		-	-
TOTAL COMPREHENSIVE LOSS / INCOME FOR THE PERIOD		<u><u>(23,711,208)</u></u>	<u><u>515,056,499</u></u>
SHARE OF TOTAL COMPREHENSIVE LOSS / INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
- Equity holders of the holding company		(23,592,773)	515,056,499
- Non-controlling interest		(118,435)	-
		<u><u>(23,711,208)</u></u>	<u><u>515,056,499</u></u>

The annexed notes form an integral part of these consolidated condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	Attributable to equity holders of the holding company					Shareholder's Equity	Non- controlling interest	Total Equity
	Issued, subscribed and paid-up capital	Capital Reserves			Revenue Reserve			
		Share premium account	Contingency reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits			
BALANCE AS AT JUNE 30, 2023-(audited)	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 for the period	-	-	-	-	515,056,499	515,056,499	-	515,056,499
Other comprehensive income-net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	515,056,499	515,056,499	-	515,056,499
Transfer incremental of incremental depreciation relating to revaluation surplus on property, plant and equipment -net of tax	-	-	-	(23,866,066)	23,866,066	-	-	-
BALANCE AS AT SEPTEMBER 30, 2023	3,356,339,330	2,324,952,020	980,000,000	3,974,512,112	15,251,688,983	25,887,492,445	-	25,887,492,445
-(unaudited)	3,356,339,330	2,324,952,020	980,000,000	3,974,512,112	15,251,688,983	25,887,492,445	-	25,887,492,445
BALANCE AS AT JUNE 30, 2024-(audited)	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
Loss for the period	-	-	-	-	(23,592,773)	(23,592,773)	(118,435)	(23,711,208)
Other comprehensive income-net of tax	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(23,592,773)	(23,592,773)	(118,435)	(23,711,208)
Transfer of Incremental depreciation relating to revaluation surplus on property, plant and equipment -net of tax	-	-	-	(22,040,564)	22,040,564	-	-	-
BALANCE AS AT SEPTEMBER 30, 2024	3,356,339,330	2,324,952,020	980,000,000	3,718,441,614	15,627,177,209	26,006,910,263	322,974,945	26,329,885,208
-(unaudited)	3,356,339,330	2,324,952,020	980,000,000	3,718,441,614	15,627,177,209	26,006,910,263	322,974,945	26,329,885,208

The annexed notes form an integral part of these consolidated condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in / generated from operations	12.	(1,113,638,406)	396,173,760
Net decrease in long-term loans to employees		10,745,910	1,428,380
Defined benefits paid		(17,943,923)	(12,931,148)
Taxes and levies paid - net		(303,612,757)	(45,417,829)
Net cash used in / generated from operating activities		(1,424,449,176)	339,253,163
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(323,070,595)	(66,999,374)
Proceeds from disposal of tangible fixed assets		4,830,000	-
Profit received on short-term deposit receipts		4,850,296	27,494,267
Net cash used in investing activities		(313,390,299)	(39,505,107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of long-term financing		(341,713,221)	(427,777,637)
Net proceeds from short-term borrowings		2,795,172,523	1,909,021,210
Net proceeds from short-term loans from Directors		49,826,931	55,582,982
Finance cost paid		(1,618,866,672)	(1,411,607,142)
Dividends paid		(68,093)	(52,390)
Net cash generated from financing activities		884,351,468	125,167,023
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS		(853,488,007)	424,915,079
CASH AND CASH EQUIVALENTS AT THE BEGINNING		3,603,212,207	2,885,126,870
NET EXCHANGE DIFFERENCE ON FOREIGN			
CURRENCY ACCOUNTS		(178,909)	3,227,788
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13.	2,749,545,291	3,313,269,737

The annexed notes form an integral part of these consolidated condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

These condensed interim financial statements are the consolidated condensed 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

Mughal Iron & Steel Industries Limited:

Mughal Iron & Steel Industries Limited (MISIL) was incorporated in Pakistan as a public limited company on February 16, 2010 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its registered office is situated at 31-A, Shadman I, Lahore. The ordinary shares of MISIL are listed on the Pakistan Stock Exchange Limited (PSX). The operations of MISIL comprise of ferrous and non-ferrous business segments, however, its principal activity is manufacturing and sale of mild steel products relating to ferrous segment.

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. MEL has two classes of issued share capital comprising of ordinary shares and Class-B shares. Ordinary shares are listed on the Growth Enterprise Market (GEM) board of the Pakistan Stock Exchange Limited (PSX), whereas, Class-B shares are unquoted.

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:	Geographical location / address:
- Registered office	
- Mughal Iron & Steel Industries Limited	31-A Shadman-1, Lahore
- Mughal Energy Limited	31-A Shadman-1, Lahore
- Manufacturing plants	
- Mughal Iron & Steel Industries Limited	17-KM Sheikhpura Road, Lahore
- Mughal Energy Limited	17-KM Sheikhpura Road, Lahore
- Warehouses	
- Mughal Iron & Steel Industries Limited	17-KM Sheikhpura Road, Lahore and Badami Bagh, Lahore
- Sales centres	
- Mughal Iron & Steel Industries Limited	Badami Bagh, Lahore

Mughal Iron & Steel Industries Limited holds 90% of the ordinary shares and 100% of the Class-B shares of Mughal Energy Limited.

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) 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 with the requirements of (IAS) 34 or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

These consolidated condensed interim financial statements include the financial statements of Mughal Iron & Steel Industries Limited and its subsidiary - Mughal Energy Limited ("referred as the Group"). The financial statements of the subsidiary have been consolidated on line by line basis. All material inter-organization balances, transactions and resulting unrealized profits / losses have been eliminated.

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes and are presented in Pakistani Rupees (Rs.), which is the functional currency of the Group.

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

These consolidated condensed interim financial statements are unaudited and do not include all the information and disclosures as are required for annual audited consolidated financial statements, and therefore, should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended June 30, 2024, except detailed below or elsewhere. During the period, certain amendments / interpretations became effective and were adopted by the holding company and the subsidiary company. Management has assessed the changes laid down by the amendments / interpretations that became effective during the period or are yet not effective and determined that they do not have any significant impact on these consolidated condensed interim financial statements.

Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss of the holding company. Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out by the holding company on June 30, 2024. The impact of remeasurement of retirement benefit plan has not been incorporated in the consolidated condensed interim financial statements.

5. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of consolidated condensed interim financial statements in conformity with the approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited consolidated financial statements of the Group for the year ended June 30, 2024, except as disclosed otherwise in respective notes.

Rupees	Note	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
6. PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	6.1	20,622,192,884	20,737,419,112
Land subject to operating lease		121,690,398	121,690,398
Capital work-in-progress		<u>3,403,935,157</u>	<u>3,110,632,380</u>
		<u>24,147,818,439</u>	<u>23,969,741,890</u>
6.1 Following is the movement in tangible fixed assets:			
Opening net book value		20,737,419,112	18,250,834,254
Additions / transfers / additions due to subsidiary acquisition during the period / year:			
Freehold land		-	1,451,584,602
Plant and machinery		165,000	1,563,341,366
Office equipment		3,796,634	1,562,002
Grid station & electric installations		-	8,670,983
Vehicles		25,363,684	46,600,691
Computers		442,500	715,080
		29,767,818	3,072,474,724
Disposals during the period / year:			
Vehicles		(4,080,490)	(15,608,482)
Depreciation charged during the period / year		<u>(140,913,556)</u>	<u>(570,281,384)</u>
Closing net book value		<u>20,622,192,884</u>	<u>20,737,419,112</u>
7. INVENTORIES			
Stores, spares and loose tools		2,772,102,923	2,657,539,836
Raw material		19,955,710,686	18,602,370,564
Finished goods / by-products		3,687,523,913	4,815,457,771
		<u>26,415,337,522</u>	<u>26,075,368,171</u>

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

8. CONTINGENCIES AND COMMITMENTS

Contingencies:

- i) There has been no significant change in the status of contingencies as reported in the annual audited consolidated financial statements of the Group for the year ended June 30, 2024, except as disclosed elsewhere in the interim financial report.
- ii) Aggregate amount of corporate guarantees issued by the Mughal Iron & Steel Industries Limited (holding company) on behalf of Mughal Energy Limited (subsidiary company), for the purpose of availing financing, amounted to Rs. 1,539.607 million as at September 30, 2024 (June 30, 2024: Rs. 1,539.607 million), against total approved limit of Rs. 6,000.000 million.

Rupees	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Commitments:		
i) Major non-capital & capital commitments	<u>6,939,029,995</u>	<u>9,844,889,693</u>
Rupees	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Local sales	<u>16,916,318,962</u>	<u>16,859,067,270</u>
Export sales	<u>4,684,510,357</u>	<u>4,179,928,460</u>
	<u>21,600,829,319</u>	<u>21,038,995,730</u>

9.1 Reconciliation with segment information:

Rupees	Ferrous	Non-Ferrous	Total
Net revenue from external customers:			
- Local sales	16,916,318,962	-	16,916,318,962
- Export sales	-	4,684,510,357	4,684,510,357
September 30, 2024	<u>16,916,318,962</u>	<u>4,684,510,357</u>	<u>21,600,829,319</u>
- Local sales	15,343,723,047	1,515,344,223	16,859,067,270
- Export sales	-	4,179,928,460	4,179,928,460
September 30, 2023	<u>15,343,723,047</u>	<u>5,695,272,683</u>	<u>21,038,995,730</u>

10. COST OF SALES

Opening stock of finished goods and by-product	4,815,457,771	4,136,449,387
Cost of goods manufactured		
- Raw material consumed	<u>15,331,126,516</u>	<u>18,468,643,485</u>
- Salaries, wages and other benefits	<u>436,079,498</u>	<u>379,123,121</u>
- Stores, spares and loose tools consumed	<u>383,392,361</u>	<u>480,144,360</u>
- Fuel and power	<u>2,077,322,910</u>	<u>2,213,451,198</u>
- Repair and maintenance	<u>573,516</u>	<u>805,840</u>
- Other manufacturing expenses	<u>111,899,098</u>	<u>110,944,996</u>
- Depreciation	<u>127,076,557</u>	<u>127,375,831</u>
	<u>18,467,470,456</u>	<u>21,780,488,831</u>
Closing stock of finished goods and by-product	<u>(3,687,523,913)</u>	<u>(7,402,508,465)</u>
	<u>19,595,404,314</u>	<u>18,514,429,753</u>

11. LOSS / EARNINGS PER SHARE-BASIC AND DILUTED

Loss / profit for the period	Rupees	<u>(23,592,773)</u>	<u>515,056,499</u>
Weighted average number of ordinary shares	Number	<u>335,633,933</u>	<u>335,633,933</u>
Loss / earnings per share - Basic	Rupees / share	<u>(0.07)</u>	<u>1.53</u>

**SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Note	September 30, 2024	September 30, 2023
		(Unaudited)	(Unaudited)
12. CASH USED IN / GENERATED FROM OPERATIONS			
Loss / profit before levies and taxation		(107,596,443)	722,170,684
<i>Adjustments:</i>			
Depreciation of property, plant and equipment		140,913,556	140,752,751
Expense recognized for employee defined benefit charge		58,170,099	58,170,099
Allowance for expected credit losses (ECL)-charge / reversal		(4,739,073)	71,203,673
Gain on disposal of tangible fixed assets		(749,510)	-
Profit on long term investments		(2,742,015)	(3,002,632)
Profit on term deposit receipts		(783,796)	(17,969,090)
Net unrealized foreign exchange gain / loss		(24,942,214)	10,888,701
Finance cost		1,858,073,370	1,568,143,635
Provision for workers' profit participation fund		-	38,784,677
Interest on workers' profit participation fund		2,055,931	15,266,884
Provision for workers' welfare fund		-	14,738,177
		<u>2,025,256,348</u>	<u>1,896,976,875</u>
Profit before working capital changes		<u>1,917,659,905</u>	<u>2,619,147,559</u>
Effect on cash flow due to working capital changes <i>(Increase) / decrease in current assets:</i>			
Inventories		(339,969,351)	(3,868,838,808)
Trade debts		(2,032,643,763)	(65,436,700)
Loans and advances		(41,720,337)	227,686,818
Deposits, prepayments and other receivables		148,725,658	435,417,106
Due from the government		565,026,794	83,656,643
		<u>(1,700,580,999)</u>	<u>(3,187,514,941)</u>
<i>Increase / (Decrease) in current liabilities:</i>			
Trade and other payables		<u>(1,330,717,312)</u>	<u>964,541,142</u>
		<u>(1,113,638,406)</u>	<u>396,173,760</u>

13. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

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

Cash and bank balances	2,803,633,350	3,324,291,709
Temporary bank overdrawn	<u>(54,088,059)</u>	<u>(11,021,972)</u>
	<u>2,749,545,291</u>	<u>3,313,269,737</u>

14. SEGMENT REPORTING

14.1 Reportable segments:

The Group's reportable segments are as follows:

- Ferrous
- Non - Ferrous
- Energy

14.1.1 Ferrous segment comprises of mild steel related products, non-ferrous segment mainly comprises of copper products and iron, whereas, energy segment comprises of operations of Mughal Energy Limited. Information regarding the Group's reportable segments is presented below:

14.2 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 quarter ended September 30, 2024 and September 30, 2023 along with reconciliation of the total of the reportable segments' measures of profit or loss to the Group's profit or loss for the period:

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	Ferrous Quarter ended		Non-Ferrous Quarter ended		Energy Quarter ended		Total Quarter ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total sales - net	16,916,318,962	15,343,723,047	6,194,441,093	7,015,827,646	-	-	23,110,760,055	22,359,550,693
Inter-segment transactions	-	-	(1,509,930,736)	(1,320,554,963)	-	-	(1,509,930,736)	(1,320,554,963)
Net external sales	16,916,318,962	15,343,723,047	4,684,510,357	5,695,272,683	-	-	21,600,829,319	21,038,995,730
Commission	(16,670,631)	(6,866,309)	-	-	-	-	(16,670,631)	(6,866,309)
Net sales after commission	16,899,648,331	15,336,856,738	4,684,510,357	5,695,272,683	-	-	21,584,158,688	21,032,129,421
Total cost of sales	(16,152,799,538)	(14,113,768,248)	(4,952,535,512)	(5,721,216,468)	-	-	(21,105,335,050)	(19,834,984,716)
Inter-segment transactions	-	-	1,509,930,736	1,320,554,963	-	-	1,509,930,736	1,320,554,963
Cost of sales	(16,152,799,538)	(14,113,768,248)	(3,442,604,776)	(4,400,661,505)	-	-	(19,595,404,314)	(18,514,429,753)
Gross profit	746,848,793	1,223,088,490	1,241,905,581	1,294,611,178	-	-	1,988,754,374	2,517,699,668
Sales and marketing expenses	(24,214,285)	(59,965,404)	(11,571,477)	(11,997,498)	-	-	(35,785,762)	(71,962,902)
Administrative expenses	-	-	-	-	(2,178,979)	-	(2,178,979)	-
Other charges	-	-	-	-	(52,500)	-	(52,500)	-
Allowance for ECL	(9,026,510)	75,012,727	4,287,437	(3,809,054)	-	-	(4,739,073)	71,203,673
Other income	-	-	3,414,911	58,100,293	965,464	-	4,380,375	58,100,293
Finance cost	(4,461,597)	(119,590,538)	(90,968,422)	(21,972,376)	(1,017)	-	(95,431,036)	(141,562,914)
	(37,702,392)	(104,543,215)	(94,837,551)	20,321,365	(1,267,032)	-	(133,806,975)	(84,221,850)
Segment profit before taxation and unallocated income and expenses	709,146,401	1,118,545,275	1,147,068,030	1,314,932,543	(1,267,032)	-	1,854,947,399	2,433,477,818

Rupees	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Unallocated income and expenses:		
Administrative expenses	(215,060,268)	(203,477,700)
Other charges	(688,458)	(59,811,490)
Other income	48,607,940	(6,170,339)
Finance cost	(1,795,403,056)	(1,441,847,605)
Minimum tax	(143,996,790)	(115,514,817)
Final taxes	-	(67,802,969)
Taxation	227,882,025	(23,796,399)
Loss / profit for the period	(23,711,208)	515,056,499

14.2.1 Reconciliations of reportable segment revenues, profit or loss:

Operating revenues

- Total external revenue for reportable segment	21,600,829,319	21,038,995,730
- Elimination of inter-company revenue	-	-
- Consolidated revenue	<u>21,600,829,319</u>	<u>21,038,995,730</u>

Profit or loss

- Total external profit or loss for the period for reportable segments	6,945,723	515,056,499
- Elimination of inter-company revenue / expense	(30,656,931)	-
- Consolidated loss / profit for the period	<u>(23,711,208)</u>	<u>515,056,499</u>

14.3 Revenue from external customers:

The analysis of the Company's revenue from external customers for major products is as follows:

Ferrous:

- Steel re-bars	52.70%	54.56%
- Girders	38.95%	38.37%
- Billets	8.35%	7.07%
- Others	0.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

Non-Ferrous:

- Copper Products	98.38%	90.50%
- Iron	1.62%	9.50%
- Others	0.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

14.4 Information about major customers:

Revenue from major local customers of ferrous segment represented 54% (September 2023: 26%) of the total revenue of ferrous segment. Revenue from major local customers of non-ferrous segment represents Nil (September 2023: 17%) of the total revenue of non-ferrous segment and Nil (September 2023: 64%) of the total local revenue of non-ferrous segment. Revenue from major foreign customers of non-ferrous segment represent 94% (September 2023: 66%) of the total revenue of non-ferrous segment and 94% (September 2023: 90%) of the total foreign revenue of non-ferrous segment.

14.5 Geographical information:

All revenues from external customers for ferrous segment were generated in Pakistan. 100% (September 2023: 73%) 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 the sales outside Pakistan is made to customers in the People's Republic of China. All non-current assets of the Company as at September 30, 2024 and June 30, 2024 were located and operating in Pakistan.

14.6 Measure of total assets and total liabilities:

Reportable segments' assets and liabilities as at September 30, 2024 and June 30, 2024 are reconciled to total assets and liabilities as follows:

Rupees	Ferrous	Non-Ferrous	Energy	Total
- Segment assets for reportable segments	39,979,220,773	15,535,540,350	5,055,720,187	60,570,481,310
- Unallocated assets	-	-	-	10,674,962,193
- Total assets as per consolidated statement of financial position as at September 30, 2024	<u>39,979,220,773</u>	<u>15,535,540,350</u>	<u>5,055,720,187</u>	<u>71,245,443,503</u>
- Segment liabilities for reportable segments	1,040,251,932	2,052,434,430	1,427,667,545	4,520,353,907
- Unallocated liabilities	-	-	-	40,395,204,388
- Total liabilities as per consolidated statement of financial position as at September 30, 2024	<u>1,040,251,932</u>	<u>2,052,434,430</u>	<u>1,427,667,545</u>	<u>44,915,558,295</u>
- 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 consolidated statement of financial position as at June 30, 2024	<u>39,590,834,091</u>	<u>13,645,668,597</u>	<u>5,053,968,581</u>	<u>70,184,196,879</u>
- 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 consolidated statement of financial position as at June 30, 2024	<u>2,660,082,424</u>	<u>1,741,664,860</u>	<u>1,413,919,587</u>	<u>43,830,600,463</u>

Quarter / year ended

Rupees	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
14.7 Other information:		
Depreciation		
- Ferrous	98,257,918	424,354,670
- Non-Ferrous	23,117,870	65,732,802
- Unallocated	19,537,768	80,193,912
	<u>140,913,556</u>	<u>570,281,384</u>
Additions to tangible fixed assets		
- Ferrous	165,000	1,563,341,366
- Non-Ferrous	-	-
- Energy (addition due to acquisition for subsidiary)	-	1,573,275,000
- Unallocated	29,602,818	57,548,756
	<u>29,767,818</u>	<u>3,194,165,122</u>

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	Quarter ended		As at	
	September 30, 2024	September 30, 2023	September 30, 2024	June 30, 2024
15. SHARIAH DISCLOSURE	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<i>Statement of consolidated financial position:</i>				
Financing / loans / advances obtained as per Islamic mode			20,333,127,168	18,077,813,804
Interest or mark-up accrued on any conventional loan or advance			845,833,184	813,700,567
Long-term and short-term shariah compliant investments			52,861,480	50,119,465
Shariah compliant bank deposits / bank balances / TDRs			2,798,771,599	3,131,634,530
<i>Statement of consolidated profit or loss:</i>				
Revenue earned from a shariah compliant business segment	21,600,829,319	21,038,995,730		
Profit earned from shariah compliant bank deposits / balances / TDRs	21,106,395	9,140,924		
Exchange gain earned	25,121,123	54,872,504		
Profit earned from shariah compliant investments	2,742,015	3,002,632		
Mark up / profit paid on Islamic mode of financing	766,618,953	732,587,679		
Interest paid on any conventional loan or advance	1,127,842,308	802,572,158		

15.1 Disclosures other than above are not applicable to the Group.

15.2 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.

16. FINANCIAL RISK MANAGEMENT

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures, which are required in the annual consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2024. There has been no change in any risk management policies since the year end.

17. FAIR VALUE DISCLOSURES

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 condensed interim 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 condensed interim financial statements approximate their respective fair values and there were no transfers amongst level of fair value analysis of financial assets during the period.

Information about the fair value hierarchy of items of property, plant and equipment as at the end of the reporting period is as follows:

Rupees	Level 2	Fair value as at September 30, 2024	Fair value as at June 30, 2024
		(Unaudited)	(Audited)
Property, plant and equipment:			
Freehold land	2,087,184,602	2,087,184,602	2,087,184,602
Factory building on freehold land	294,757,674	294,757,674	297,759,745
Plant and machinery	15,400,287,390	15,400,287,390	15,497,779,779
Power plant	1,626,745,010	1,626,745,010	1,641,223,751
Other machinery and equipment	33,909,966	33,909,966	34,125,000
	<u>19,442,884,642</u>	<u>19,442,884,642</u>	<u>19,558,072,877</u>
Land subject to operating lease	121,690,398	121,690,398	121,690,398
	<u>19,564,575,040</u>	<u>19,564,575,040</u>	<u>19,679,763,275</u>

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.

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

18. RELATED PARTY DISCLOSURES

Related parties comprise of 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. Details of transactions / outstanding balances with related parties, not otherwise disclosed elsewhere, are as follows:

Rupees	Quarter ended		As at	
	September 30, 2024	September 30, 2023	September 30, 2024	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Mughal Energy Limited				
<i>Detail of transactions</i>				
- Commission income	-	15,000,000		
Al-Bashir (Private) Limited - (Common directorship / shareholding)				
<i>Detail of outstanding balance</i>				
- Security deposit payable			-	500,000
<i>Detail of transactions</i>				
- Rent expense	-	1,254,000		
Major shareholders, key management personnel and their relatives				
Major shareholders, Directors and their relatives				
<i>Detail of transactions</i>				
- Remuneration / meeting fee	24,294,769	24,771,401		
- Short-term loan received	49,826,931	55,582,982		
- Rent expense	90,750	-		
Key management personnel (other than Directors) and their relatives				
<i>Detail of outstanding balance</i>				
- Loans and advances			919,260	31,760
<i>Detail of transactions</i>				
- Salaries and benefits expense	13,162,400	10,455,000		

- 18.1 Mughal Energy Limited became subsidiary w.e.f November 30, 2023, before which it was associated due to common directorship and shareholding.
- 18.2 Chief Executive Officer, Executive Directors and certain Executives are given company maintained cars. There are no transactions with key management personnel other than under the terms of employment and otherwise disclosed, if any.

19. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements have been approved by the Board of Directors and authorized for issue on October 30, 2024.

20. GENERAL / SUBSEQUENT EVENTS - NON ADJUSTING EVENTS

The figures have been rounded off to the nearest rupee.

The corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison, however, no material significant reclassification has been made.

In order to comply with the requirements of International Accounting Standard, IAS - 34 - 'Interim Financial Reporting', the consolidated condensed interim statement of financial position as of the end of the current interim period has been compared with the consolidated statement of financial position as of the end of the immediately preceding financial year, the consolidated condensed interim statement of profit or loss and the consolidated condensed interim statement of comprehensive income for the current interim period has been compared with the statement of profit or loss and statement of comprehensive income for the comparable interim period of the immediately preceding financial year, whereas, the consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the relevant statements for the comparable year-to-date period of the immediately preceding financial year.



Khurram Javid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Muhammad Mubeen Tariq Mughal
Director

MUGHALSTEEL.COM

