



Survival through
Diversity

CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

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COMPANY INFORMATION & MANAGEMENT REVIEW

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. Mirza Javed Iqbal
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

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

CHIEF OPERATING OFFICER

Mr. Shakeel Ahmed 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

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

Incase 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

Mohsin Tayeb Ali & Co.

TAX ADVISORS

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

STOCK EXCHANGE LISTING

Mughal Iron & Steel Industries Limited is a listed Company and its ordinary shares are traded on the Pakistan Stock Exchange Limited ("PSX"). The Company's ordinary 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
 Last updated November 18, 2025

The Pakistan Credit Rating Agency Limited

Long-term entity rating (A+)
 Short-term entity rating (A1)
 Future Outlook: Stable
 Last updated: October 15, 2025

BANKERS / INSTITUTES

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
 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
 Pak Brunei Investment Company Limited
 Pak China Investment Company Limited
 Silk Bank Limited
 Soneri Bank Limited
 Samba Bank Limited
 Standard Chartered 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
 E-mail: info@mughalsteel.com

Sale centres and warehouse

Badami Bagh
 Lahore, Pakistan

Factory & warehouses

17-KM Sheikhupura Road
 Lahore, Pakistan

Company Website:

www.mughalsteel.com

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



DIRECTORS' REVIEW

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 nine months period ended March 31, 2025. 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. 75,704.940 million for the nine months period ended March 31, 2025 as compared to Rs. 76,487.203 million in the corresponding period.

The entire gross sale was attributed to Mughal Iron & Steel Industries Limited (the holding company). The consolidated profit for the nine months period stood at Rs. 412.397 million. This translated into earnings per share (EPS) of Rs. 1.23 per share for the nine months period ended March 31, 2025 as compared to earnings per share (EPS) of Rs. 4.15 per share in the corresponding period. This was mainly due to slight decrease in overall gross margins and high finance cost. Net worth as at March 31, 2025 stood at Rs. 27,630.416 million out of which Rs. 321.934 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 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 of ferrous segment witnessed slight improvement, whereas, that of non-ferrous segment remained majorly unchanged. However, overall margins decreased due to change in overall mix of ferrous and non-ferrous operations.

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. The consolidated condensed interim financial statements provide comparative information in respect of the previous period, however, since this is the first year of consolidation, therefore, comparative information is unconsolidated.

STANDALONE BUSINESS, FINANCIAL & OPERATIONAL REVIEW

On standalone basis, the Company posted gross sales of Rs. 75,704.940 million for the nine months period ended March 31, 2025 as compared to Rs. 76,487.203 million in the corresponding period. The profit for the nine months period stood at Rs. 453.002 million.

Out of total sales, total net external sales for ferrous segment increased by 7%, whereas, sales for non-ferrous segment decreased by 23% as compared to corresponding period. The increase in sales of ferrous segment was associated with increase in volumes. 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 of ferrous segment improved slightly, whereas, non-ferrous segments remained majorly unchanged. However, overall margins decreased due to change in overall mix of ferrous and non-ferrous operations. This translated into earnings per share (EPS) of Rs. 1.35 per share for the nine months period ended March 31, 2025 as compared to earnings per share (EPS) of Rs. 4.15 per share in the corresponding period. This reduction in net profit was mainly due to slight decrease in gross margins and high finance cost. Levies were in line with topline, however, income in levies was due to recognition of prior year reversal as difference between the provision for minimum and final taxes recorded in previous year and minimum and final taxes finalized as per income tax return. Increase in deferred tax expense was on account of decrease in deferred tax asset due to reduction in tax losses and minimum taxes available for carry forward.

Inventories decreased by 20%, mainly due to decrease in raw material inventories for non-ferrous segment on account of reduction in operations. Trade debts increased by 35% mainly on account of increase in local non-ferrous operations and also due quarter end sales. However, all balances were considered good. Due from Government mainly represented advance income and sales tax.

The Company repaid the principal and profit payment in respect of Sukuk-II of Rs. 2,500.000 million having 15 months tenure. Further, Sukuk-V of Rs. 2,500.000 having tenure of 15 months was partially issued during the period. Share deposit money represented subscription money received by the Company in respect of ordinary class-C right issue. Status of contingencies and commitments has been disclosed in the relevant notes of the interim financial statements.

Resultantly, the net worth as at March 31, 2025 stood at Rs. 27,452.914 million as compared to Rs. 26,135.491 million as at June 30, 2024 with a breakup value of Rs. 81.79 per share as at March 31, 2025 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, with civil works completed CoD expected in last Quarter of FY 2025.

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. Further, the focus will be on increasing exposure in ferrous segment.

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)



Khuram Javaid
(CEO / Director)

Date: April 29, 2025

Place: Lahore



STANDALONE FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

Rupees	Note	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	6.	20,044,424,086	19,593,572,075
Long-term investments		3,200,892,583	3,200,119,465
Long-term loans to employees		53,632,658	57,056,557
Long-term deposits		2,838,069	2,838,069
		<u>23,301,787,396</u>	<u>22,853,586,166</u>
CURRENT ASSETS			
Inventories	7.	20,800,076,223	26,075,368,171
Trade debts		14,590,665,785	10,805,747,538
Loans and advances		1,077,154,298	930,042,671
Deposits, prepayments and other receivables		431,959,135	480,875,723
Due from the government		6,348,170,936	4,363,442,154
Short-term investment		26,033,698	-
Cash and bank balances		3,654,164,294	3,568,109,063
		<u>46,928,224,369</u>	<u>46,223,585,320</u>
		<u>70,230,011,765</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		3,983,569,885	3,740,482,178
Un-appropriated profits		16,255,258,122	15,733,717,082
Share deposit money		552,795,165	-
		<u>27,452,914,522</u>	<u>26,135,490,610</u>
LIABILITIES			
NON - CURRENT LIABILITIES			
Long-term financing - secured		2,954,321,667	2,453,774,048
Deferred taxation		2,293,160,711	2,013,705,826
Defined benefit obligation		904,252,529	768,993,162
Deferred liabilities		86,152,636	82,101,274
		<u>6,237,887,543</u>	<u>5,318,574,310</u>
CURRENT LIABILITIES			
Trade and other payables		6,029,852,812	4,269,040,823
Unclaimed dividends		2,954,068	2,954,068
Unpaid dividends		7,842,700	8,019,268
Accrued profit / mark-up		902,910,603	1,220,484,158
Short-term borrowings		28,314,203,479	27,992,424,673
Current portion of long-term financing		1,277,305,078	4,123,903,070
Current portion of deferred grant		4,140,960	6,280,506
		<u>36,539,209,700</u>	<u>37,623,106,566</u>
		<u>42,777,097,243</u>	<u>42,941,680,876</u>
		<u>70,230,011,765</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 NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

Rupees	Note	Three months ended		Nine months ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Gross sales		22,186,583,118	24,076,282,133	75,704,940,072	76,487,202,869
Sales tax		(2,829,853,404)	(2,981,147,046)	(9,487,794,377)	(9,327,418,793)
Net sales before commission	9.	19,356,729,714	21,095,135,087	66,217,145,695	67,159,784,076
Commission		(14,010,934)	(11,042,440)	(49,010,189)	(26,138,395)
Net sales		19,342,718,780	21,084,092,647	66,168,135,506	67,133,645,681
Cost of sales	10.	(17,673,265,023)	(19,673,908,115)	(60,299,560,775)	(60,699,279,747)
GROSS PROFIT		1,669,453,757	1,410,184,532	5,868,574,731	6,434,365,934
Sales and marketing expenses		(106,521,806)	(24,639,500)	(180,260,729)	(126,574,190)
Administrative expenses		(218,211,876)	(217,260,083)	(657,340,778)	(622,696,011)
Other charges		(11,849,521)	(41,969,593)	(42,306,168)	(179,607,324)
Allowance for expected credit losses - (ECL) reversal / (charge)		(2,747,295)	23,075,353	28,134,448	45,005,687
Other income		35,840,080	66,861,089	190,777,085	173,634,764
Finance cost		(1,216,060,932)	(1,741,580,501)	(4,668,717,518)	(4,692,719,682)
		(1,519,551,350)	(1,935,513,235)	(5,329,713,660)	(5,402,956,756)
PROFIT / (LOSS) BEFORE LEVIES AND TAXATION		149,902,407	(525,328,703)	538,861,071	1,031,409,178
Levies		349,454,463	54,467,719	528,690,434	(457,273,125)
PROFIT / (LOSS) BEFORE TAXATION		499,356,870	(470,860,984)	1,067,551,505	574,136,053
Taxation		(263,490,286)	573,807,198	(614,549,779)	817,349,633
PROFIT FOR THE PERIOD		235,866,584	102,946,214	453,001,726	1,391,485,686
EARNING PER SHARE - BASIC AND DILUTED	11.	0.70	0.31	1.35	4.15

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 NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

	Three months ended		Nine months ended	
Rupees	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
PROFIT FOR THE PERIOD	235,866,584	102,946,214	453,001,726	1,391,485,686
OTHER COMPREHENSIVE INCOME				
Other comprehensive income - net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>235,866,584</u>	<u>102,946,214</u>	<u>453,001,726</u>	<u>1,391,485,686</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 CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

Rupees	Issued, subscribed and paid-up capital	Capital Reserves			Revenue Reserve	Share deposit money	Total Equity
		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	-	-	-	-	1,391,485,686	-	1,391,485,686
Other comprehensive income - net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,391,485,686	-	1,391,485,686
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	(71,534,234)	71,534,234	-	-
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 MARCH 31, 2024- (unaudited)	<u>3,356,339,330</u>	<u>2,324,952,020</u>	<u>980,000,000</u>	<u>3,926,843,944</u>	<u>15,101,757,752</u>	<u>-</u>	<u>25,689,893,046</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>-</u>	<u>26,135,490,610</u>
Profit for the period	-	-	-	-	453,001,726	-	453,001,726
Other comprehensive income - net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	453,001,726	-	453,001,726
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	(58,999,242)	58,999,242	-	-
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment on disposal - net of tax	-	-	-	(9,540,072)	9,540,072	-	-
Effect of change in effective tax rate	-	-	-	311,627,021	-	-	311,627,021
Share deposit money received againsts issuance of ordinary Class-C right shares	-	-	-	-	-	552,795,165	552,795,165
BALANCE AS AT MARCH 31, 2025 - (unaudited)	<u>3,356,339,330</u>	<u>2,324,952,020</u>	<u>980,000,000</u>	<u>3,983,569,885</u>	<u>16,255,258,122</u>	<u>552,795,165</u>	<u>27,452,914,522</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 NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

Rupees	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12.	8,389,089,116	7,708,309,710
Net decrease in long-term loans to employees		10,123,899	5,613,966
Defined benefits paid		(42,069,694)	(32,965,324)
Workers' welfare fund paid		(14,173,933)	-
Levies and taxes paid - net		(1,125,830,363)	(564,919,116)
Net cash generated from operating activities		7,217,139,025	7,116,039,236
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(925,490,303)	(208,361,783)
Proceeds from disposal of tangible fixed assets		55,330,000	8,469,000
Proceeds from redemption of investment in long-term debt instrument		10,000	10,000
Payments for acquisition of subsidiary company		-	(3,150,000,000)
Payments for short-term loan to subsidiary company		(20,000,000)	-
Payments for investment in short-term debt instrument		(25,000,000)	-
Profit received on investment in long-term debt instrument		4,636,092	5,972,627
Profit received on loan to subsidiary		116,501,491	-
Profit received on short-term deposit receipts		4,850,296	56,157,227
Net cash used in investing activities		(789,162,424)	(3,287,752,929)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of long-term financing		(2,350,838,557)	(1,249,759,375)
Net proceed from short-term borrowings		491,552,267	2,924,546,665
Net repayment of short-term loans from Directors		-	(5,689,036)
Proceed of share deposit money		552,795,165	-
Finance cost paid		(4,866,688,618)	(4,437,149,956)
Dividends paid		(176,568)	(1,072,051,475)
Net cash used in financing activities		(6,173,356,311)	(3,840,103,177)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		254,620,290	(11,816,870)
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		1,208,402	1,226,441
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13.	3,653,384,222	2,874,536,441

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 NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (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 Sheikhupura Road, Lahore
- Warehouses	17-KM Sheikhupura 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 and presentation 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, 2025. 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. MATERIAL ACCOUNTING POLICIES

The material 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.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)

5. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

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.

Rupees	Note	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
6. PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	6.1	19,324,288,461	19,285,834,510
Capital work-in-progress		<u>720,135,625</u>	<u>307,737,565</u>
		<u>20,044,424,086</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		232,853,839	1,563,341,366
Power plant		196,970,755	-
Office equipment		4,469,650	1,562,002
Grid station & electric installations		6,976,695	8,670,983
Vehicles		69,549,686	46,600,691
Computers		2,271,618	715,080
		<u>513,092,243</u>	<u>1,620,890,122</u>
Disposals during the period / year:			
Plant and machinery		(40,582,868)	-
Vehicles		(7,323,262)	(15,608,482)
Depreciation charged during the period / year		<u>(426,732,162)</u>	<u>(570,281,384)</u>
Closing net book value		<u>19,324,288,461</u>	<u>19,285,834,510</u>
7. INVENTORIES			
Stores, spares and loose tools		3,403,735,869	2,657,539,836
Raw material		11,362,968,563	18,602,370,564
Finished goods / by-products		<u>6,033,371,791</u>	<u>4,815,457,771</u>
		<u>20,800,076,223</u>	<u>26,075,368,171</u>

8. CONTINGENCIES AND COMMITMENTS

Contingencies:

- The Honorable Lahore High Court, in proceedings initiated under Section 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 pending. The Company is rigorously contesting its recognition and enforcement. No provision has been made in these financial statements, as both the management and the Company's legal counsel are of the considered view that the final outcome of the proceedings is likely to be in favor of the Company. Except for the above or as disclosed elsewhere in the interim financial report, 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.
- Aggregate amount of corporate guarantees issued on behalf of Mughal Energy Limited (subsidiary company), for the purpose of availing financing, amounted to Rs. 2,039.607 million as at March 31, 2025 (June 30, 2024: Rs. 1,539.607 million), against total approved limit of Rs. 6,000.000 million.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)**

Rupees	Note	March 31, 2025	June 30, 2024
		(Unaudited)	(Audited)
Commitments:			
i) Major non-capital & capital commitments		<u>1,533,722,356</u>	<u>8,036,658,414</u>

Rupees	Note	Three months ended		Nine months ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
9. SALES - net					
Local sales		<u>15,721,325,044</u>	<u>16,561,928,033</u>	<u>52,685,479,111</u>	<u>51,654,015,348</u>
Export sales		<u>3,635,404,670</u>	<u>4,533,207,054</u>	<u>12,481,666,584</u>	<u>15,340,790,781</u>
Trading sales		<u>-</u>	<u>-</u>	<u>1,050,000,000</u>	<u>164,977,947</u>
		<u>19,356,729,714</u>	<u>21,095,135,087</u>	<u>66,217,145,695</u>	<u>67,159,784,076</u>

9.1 Reconciliation of net revenue from external customers with segment information:

Rupees	Ferrous	Non-Ferrous	Trading	Total
- Local sales	51,452,538,031	1,232,941,080	-	52,685,479,111
- Export sales	-	12,481,666,584	-	12,481,666,584
- Trading sales	<u>1,050,000,000</u>	-	-	<u>1,050,000,000</u>
March 31, 2025	<u>52,502,538,031</u>	<u>13,714,607,664</u>	<u>-</u>	<u>66,217,145,695</u>
- Local sales	49,165,056,617	2,488,958,731	164,977,947	51,818,993,295
- Export sales	-	15,340,790,781	-	15,340,790,781
March 31, 2024	<u>49,165,056,617</u>	<u>17,829,749,512</u>	<u>164,977,947</u>	<u>67,159,784,076</u>

10. COST OF SALES

Opening stock of finished goods and by-product	3,028,568,962	5,420,149,215	4,815,457,771	4,136,449,387
Cost of goods manufactured				
- Raw material consumed	<u>16,752,516,327</u>	<u>13,731,055,764</u>	<u>49,704,548,494</u>	<u>48,639,751,693</u>
- Salaries, wages and other benefits	<u>614,407,465</u>	<u>434,584,557</u>	<u>1,519,071,365</u>	<u>1,211,600,265</u>
- Stores, spares and loose tools consumed	<u>609,717,583</u>	<u>430,219,223</u>	<u>1,468,078,676</u>	<u>1,419,504,867</u>
- Fuel and power	<u>2,496,401,543</u>	<u>2,847,968,111</u>	<u>7,156,841,563</u>	<u>7,838,918,802</u>
- Repair and maintenance	<u>97,867</u>	<u>181,250</u>	<u>9,738,833</u>	<u>987,090</u>
- Other manufacturing expenses	<u>77,529,670</u>	<u>82,875,924</u>	<u>269,983,494</u>	<u>331,716,089</u>
- Depreciation	<u>127,397,397</u>	<u>129,366,980</u>	<u>383,739,233</u>	<u>387,566,121</u>
	<u>20,678,067,852</u>	<u>17,656,251,809</u>	<u>60,512,001,658</u>	<u>59,830,044,927</u>
Closing stock of finished goods and by-product	<u>(6,033,371,791)</u>	<u>(3,402,492,909)</u>	<u>(6,033,371,791)</u>	<u>(3,402,492,909)</u>
Cost of goods sold - manufactured	<u>17,673,265,023</u>	<u>19,673,908,115</u>	<u>59,294,087,638</u>	<u>60,564,001,405</u>
Cost of goods sold - trading	<u>-</u>	<u>-</u>	<u>1,005,473,137</u>	<u>135,278,342</u>
	<u>17,673,265,023</u>	<u>19,673,908,115</u>	<u>60,299,560,775</u>	<u>60,699,279,747</u>

		Three months ended		Nine months ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

11. EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period	Rupees	<u>235,866,584</u>	<u>102,946,214</u>	<u>453,001,726</u>	<u>1,391,485,686</u>
Weighted average number of ordinary shares	Number	<u>335,633,933</u>	<u>335,633,933</u>	<u>335,633,933</u>	<u>335,633,933</u>
Earnings per share - Basic	Rupees/share	<u>0.70</u>	<u>0.31</u>	<u>1.35</u>	<u>4.15</u>

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)

Rupees	Note	March 31, 2025	March 31, 2024
12. CASH GENERATED FROM OPERATIONS		(Unaudited)	(Unaudited)
Profit before levies and taxation		538,861,071	1,031,409,178
Adjustments:			
Depreciation of property, plant and equipment		426,732,162	428,305,486
Expense recognized for employee defined benefit charge		177,329,061	174,510,297
Allowance for expected credit loss (ECL)- reversal / charge		(28,134,448)	45,005,687
Gain on disposal of tangible fixed assets		(7,423,870)	(1,435,514)
Profit on investment in long-term debt instrument		(5,419,210)	(8,885,634)
Profit on investment in short-term debt instrument		(1,033,698)	-
Profit on short-term deposit receipts		(783,796)	(47,441,256)
Net unrealized foreign exchange gain / (loss)		(38,159,801)	36,837,762
Finance cost		4,549,115,063	4,535,251,389
Finance income on loan to subsidiary		(105,978,248)	-
Provision for workers' profit participation fund		28,939,907	55,392,545
Interest on workers' profit participation fund		5,062,528	45,634,708
Provision for workers' welfare fund		10,997,165	21,049,167
		<u>5,011,242,815</u>	<u>5,284,224,637</u>
Profit before working capital changes		5,550,103,886	6,315,633,815
Effect on cash flows due to working capital changes <i>(Increase) / decrease in current assets:</i>			
Inventories		5,275,291,948	(5,861,079,471)
Trade debts		(3,750,060,756)	1,447,430,446
Loans and advances		(127,111,627)	155,336,533
Deposits, prepayments and other receivables		34,326,845	(52,441,891)
Due from the government		(353,675,857)	29,464,402
		<u>1,078,770,553</u>	<u>(4,281,289,981)</u>
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		1,760,214,678	5,673,965,876
		<u>8,389,089,116</u>	<u>7,708,309,710</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	3,654,164,294	2,874,936,217
Temporary bank overdrawn	(780,072)	(399,776)
	<u>3,653,384,222</u>	<u>2,874,536,441</u>

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 nine month period ended March 31, 2025 and March 31, 2024 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:

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)

Rupees	Ferrous		Non-Ferrous		Total	
	Nine months period ended		Nine months period ended		Nine months period ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total sales	52,502,538,031	49,165,056,617	16,398,383,395	23,113,611,733	68,900,921,426	72,278,668,350
Inter-segment transactions	-	-	(2,683,775,731)	(5,283,862,221)	(2,683,775,731)	(5,283,862,221)
Net external sales	52,502,538,031	49,165,056,617	13,714,607,664	17,829,749,512	66,217,145,695	66,994,806,129
Commission	(49,010,189)	(26,138,395)	-	-	(49,010,189)	(26,138,395)
Net sales after commission	52,453,527,842	49,138,918,222	13,714,607,664	17,829,749,512	66,168,135,506	66,968,667,734
Total cost of sales	(49,708,310,345)	(46,699,189,162)	(13,275,026,161)	(19,148,674,464)	(62,983,336,506)	(65,847,863,626)
Inter-segment transactions	-	-	2,683,775,731	5,283,862,221	2,683,775,731	5,283,862,221
External cost of sales	(49,708,310,345)	(46,699,189,162)	(10,591,250,430)	(13,864,812,243)	(60,299,560,775)	(60,564,001,405)
Gross profit	2,745,217,497	2,439,729,060	3,123,357,234	3,964,937,269	5,868,574,731	6,404,666,329
Sales and marketing expenses	(139,366,122)	(83,910,411)	(40,894,607)	(42,663,779)	(180,260,729)	(126,574,190)
Allowance for ECL	24,577,957	72,893,199	3,556,491	(27,887,512)	28,134,448	45,005,687
Other income	-	-	13,061,822	1,226,441	13,061,822	1,226,441
Finance cost	(12,314,908)	(510,951,371)	(240,293,983)	(76,495,150)	(252,608,891)	(587,446,521)
	(127,103,073)	(521,968,583)	(264,570,277)	(145,820,000)	(391,673,350)	(667,788,583)
Segment profit before taxation and unallocated income and expenses	2,618,114,242	1,917,760,477	2,858,786,957	3,819,117,269	5,476,901,381	5,736,877,746
Unallocated income and expenses:						
Trading income						29,699,606
Administrative expenses					(657,340,778)	(622,696,011)
Other charges					(42,306,168)	(179,607,324)
Other income					177,715,263	172,408,323
Finance cost					(4,416,108,627)	(4,105,273,162)
Levies					528,690,434	(457,273,125)
Taxation					(614,549,779)	817,349,633
Profit for the period					453,001,726	1,391,485,686

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.

14.3 Revenue from external customers:

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

Ferrous:	Percentage	Percentage
- Steel re-bars	54.14%	55.00%
- Girders	38.67%	28.01%
- Billets	5.19%	16.99%
- Others	2.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>
Non-Ferrous:		
- Copper Products	90.70%	93.41%
- Iron	8.32%	4.79%
- Others	0.98%	1.80%
	<u>100.00%</u>	<u>100.00%</u>

14.4 Information about major customers:

Revenue from major local customers of ferrous segment represented 35% (March 2024: 25%) of the total revenue of ferrous segment. Revenue from major local customers of non-ferrous segment represents 8% (March 2024: 5%) of the total revenue of non-ferrous segment and 88% (March 2024: 94%) of the total local revenue of non-ferrous segment. Revenue from major foreign customers of non-ferrous segment represent 81% (March 2024: 74%) of the total revenue of non-ferrous segment and 89% (March 2024: 78%) 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. 91% (March 2024: 95%) 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 March 31, 2025 and June 30, 2024 were located and operating in Pakistan.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)

14.6 Measure of total assets and total liabilities:

Reportable segments' assets and liabilities as at March 31, 2025 and June 30, 2024 are reconciled to total assets and liabilities as follows:

Rupees	Ferrous	Non-Ferrous	Total
- Segment assets for reportable segments	40,422,852,423	10,309,468,582	50,732,321,005
- Unallocated assets	-	-	19,497,690,760
- Total assets as per statement of financial position as at March 31, 2025	<u>40,422,852,423</u>	<u>10,309,468,582</u>	<u>70,230,011,765</u>
- Segment liabilities for reportable segments	3,563,038,123	2,177,452,232	5,740,490,355
- Unallocated liabilities	-	-	37,036,606,888
- Total liabilities as per statement of financial position as at March 31, 2025	<u>3,563,038,123</u>	<u>2,177,452,232</u>	<u>42,777,097,243</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>
	Nine months / year ended		
Rupees	March 31, 2025	June 30, 2024	
	(Unaudited)	(Audited)	

14.7 Other information:

Depreciation		
- Ferrous	313,292,643	424,354,670
- Non-Ferrous	53,012,925	65,732,802
- Unallocated	60,426,594	80,193,912
	<u>426,732,162</u>	<u>570,281,384</u>
Additions to tangible fixed assets		
- Ferrous	2,265,000	1,563,341,366
- Non-Ferrous	230,588,839	-
- Unallocated	280,238,404	57,548,756
	<u>513,092,243</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	Nine months ended		As at	
	March 31, 2025	March 31, 2024	March 31, 2025	June 30, 2024
15. SHARIAH DISCLOSURE	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Transactions		Outstanding balance	
Statement of financial position:				
Financing / loans / advances obtained as per Islamic mode			17,786,003,967	18,077,813,805
Interest or mark-up accrued on any conventional loan or advance			528,245,175	806,905,066
Long-term and short-term shariah compliant investments			3,226,926,281	3,200,119,465
Shariah compliant bank deposits / bank balances / TDRs			3,646,609,909	2,933,647,018
Statement of profit or loss:				
Net revenue earned from a shariah compliant business segment	66,217,145,695	67,159,784,076		
Profit earned from shariah compliant bank deposits / balances / TDRs	45,954,599	36,952,055		
Exchange gain earned	12,098,053	47,475,851		
Profit earned from shariah compliant investments	6,452,908	8,885,634		
Profit / interest earned on any conventional loan or advances	105,978,248	-		
Mark up / profit paid on Islamic mode of financing	2,317,545,978	1,933,841,101		
Interest paid on any conventional loan or advance	2,231,569,086	2,601,410,288		

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)

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.

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 March 31, 2025	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	288,818,795	288,818,795	297,759,745
Plant and machinery	15,397,236,789	15,397,236,789	15,497,779,779
Power plant	1,792,221,010	1,792,221,010	1,641,223,751
Other machinery and equipment	33,484,572	33,484,572	34,125,000
	<u>18,147,361,166</u>	<u>18,147,361,166</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:

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)

Rupees	Nine months ended		As at	
	March 31, 2025	March 31, 2024	March 31, 2025	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Entities	Transactions		Outstanding balance	
Mughal Energy Limited (Subsidiary company)				
<i>Detail of outstanding balance</i>				
- Short-term loan			790,772,162	770,772,162
- Finance income accrued on short-term loan			15,735,282	26,258,526
<i>Detail of transactions</i>				
- Acquisition of shares	-	3,150,000,000		
- Commission income	-	45,000,000		
- Finance income on short-term loan	105,978,248	-		
- Short-term loan given	20,000,000	-		
- Sale	-	695,000,000		
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	-	1,584,000		
Major shareholders, key management personnel and their relatives				
Major shareholders, Directors and their relatives				
<i>Detail of transactions</i>				
- Remuneration / meeting fee	70,248,013	70,808,013		
- Short-term loan repaid	-	5,689,036		
- Dividend	-	683,483,756		
- Ordinary Class-C shares subscribed	552,491,280	-		
Key management personnel (other than Directors) and their relatives				
<i>Detail of outstanding balance</i>				
- Loans and advances			412,500	31,760
<i>Detail of transactions</i>				
- Salaries and benefits expense	38,940,000	34,615,230		
- Dividend	-	20,054		

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 condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 29, 2025.

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 FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

Rupees	Note	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	6.	25,568,260,251	23,969,741,890
Long-term investments		50,892,583	50,119,465
Long-term loans to employees		53,632,658	57,056,557
Long-term deposits		2,925,569	2,925,569
		<u>25,675,711,061</u>	<u>24,079,843,481</u>
CURRENT ASSETS			
Inventories	7.	20,800,076,223	26,075,368,171
Trade debts		14,590,665,785	10,805,747,538
Loans and advances		286,382,136	172,317,509
Deposits, prepayments and other receivables		416,223,852	454,617,197
Due from the government		6,935,879,430	4,822,537,243
Short-term investment		26,033,698	-
Cash and bank balances		3,693,800,083	3,773,765,740
		<u>46,749,061,207</u>	<u>46,104,353,398</u>
		<u>72,424,772,268</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		3,983,569,885	3,740,482,178
Un-appropriated profits		16,110,825,991	15,628,729,508
Share deposit money		552,795,165	-
Equity attributable to equity holders of the holding company		<u>27,308,482,391</u>	<u>26,030,503,036</u>
Non-controlling interest		321,933,661	323,093,380
		<u>27,630,416,052</u>	<u>26,353,596,416</u>
LIABILITIES			
NON - CURRENT LIABILITIES			
Long-term financing - secured		3,603,041,175	2,841,956,188
Deferred taxation		2,293,160,711	2,013,705,826
Defined benefit obligation		904,252,529	768,993,162
Deferred liabilities		86,152,636	82,101,274
		<u>6,886,607,051</u>	<u>5,706,756,450</u>
CURRENT LIABILITIES			
Trade and other payables		6,187,789,341	4,352,181,446
Unclaimed dividends		2,954,068	2,954,068
Unpaid dividends		7,842,700	8,019,268
Accrued profit / mark-up		914,685,793	1,227,279,659
Short-term borrowings		28,314,203,479	27,992,424,673
Short-term loans from Directors - unsecured		1,132,301,733	376,983,463
Current portion of long-term financing		1,343,831,091	4,157,720,930
Current portion of deferred grant		4,140,960	6,280,506
		<u>37,907,749,165</u>	<u>38,123,844,013</u>
		<u>44,794,356,216</u>	<u>43,830,600,463</u>
		<u>72,424,772,268</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 Javaid
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 NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

Rupees	Note	Three months ended		Nine months ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Gross sales		22,186,583,118	24,076,282,133	75,704,940,072	76,487,202,869
Sales tax		(2,829,853,404)	(2,981,147,046)	(9,487,794,377)	(9,327,418,793)
Net sales before commission	9.	19,356,729,714	21,095,135,087	66,217,145,695	67,159,784,076
Commission		(14,010,934)	(11,042,440)	(49,010,189)	(26,138,395)
Net sales		19,342,718,780	21,084,092,647	66,168,135,506	67,133,645,681
Cost of sales	10.	(17,673,265,023)	(19,673,908,115)	(60,299,560,775)	(60,699,279,747)
GROSS PROFIT		1,669,453,757	1,410,184,532	5,868,574,731	6,434,365,934
Sales and marketing expenses		(106,521,806)	(24,639,500)	(180,260,729)	(126,574,190)
Administrative expenses		(223,359,047)	(217,260,083)	(671,435,289)	(622,696,011)
Other charges		(11,907,291)	(41,969,593)	(42,521,438)	(179,607,324)
Allowance for expected credit losses - (ECL) reversal / (charge)		(2,747,295)	23,075,353	28,134,448	45,005,687
Other income		8,167,915	66,861,089	86,731,850	173,634,764
Finance cost		(1,192,691,559)	(1,741,580,501)	(4,590,966,778)	(4,692,719,682)
		(1,529,059,083)	(1,935,513,235)	(5,370,317,936)	(5,402,956,756)
PROFIT / (LOSS) BEFORE LEVIES AND TAXATION		140,394,674	(525,328,703)	498,256,795	1,031,409,178
Levies		349,454,463	54,467,719	528,690,434	(457,273,125)
PROFIT / (LOSS) BEFORE TAXATION		489,849,137	(470,860,984)	1,026,947,229	574,136,053
Taxation		(263,490,286)	573,807,198	(614,549,779)	817,349,633
PROFIT FOR THE PERIOD		226,358,851	102,946,214	412,397,450	1,391,485,686
SHARE OF PROFIT / (LOSS) ATTRIBUTABLE TO:					
- Equity holders of the holding company		226,847,610	102,946,214	413,557,169	1,391,485,686
- Non-controlling interest		(488,759)	-	(1,159,719)	-
		226,358,851	102,946,214	412,397,450	1,391,485,686
EARNING PER SHARE - BASIC AND DILUTED	11.	0.68	0.31	1.23	4.15

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 COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

	Three months ended		Nine months ended	
Rupees	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
PROFIT FOR THE PERIOD	226,358,851	102,946,214	412,397,450	1,391,485,686
OTHER COMPREHENSIVE INCOME				
Other comprehensive income - net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>226,358,851</u>	<u>102,946,214</u>	<u>412,397,450</u>	<u>1,391,485,686</u>
SHARE OF TOTAL INCOME / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
- Equity holders of the holding company	226,847,610	102,946,214	413,557,169	1,391,485,686
- Non-controlling interest	(488,759)	-	(1,159,719)	-
	<u>226,358,851</u>	<u>102,946,214</u>	<u>412,397,450</u>	<u>1,391,485,686</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 NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

Rupees	Attributable to equity holders of the holding company					Share deposit money	Shareholder's equity	Non-controlling interest	Total Equity
	Issued, subscribed and paid-up capital	Capital Reserve		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	-	-	-	-	1,391,485,686	-	1,391,485,686	-	1,391,485,686
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,391,485,686	-	1,391,485,686	-	1,391,485,686
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	(71,534,234)	71,534,234	-	-	-	-
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)
BALANCE AS AT MARCH 31, 2024 - (unaudited)									
	3,356,339,330	2,324,952,020	980,000,000	3,926,843,944	15,101,757,752	-	25,689,893,046	-	25,689,893,046
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
Profit for the period	-	-	-	-	413,557,169	-	413,557,169	(1,159,719)	412,397,450
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	413,557,169	-	413,557,169	(1,159,719)	412,397,450
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	-	-	-	(58,999,242)	58,999,242	-	-	-	-
Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment on disposal - net of tax	-	-	-	(9,540,072)	9,540,072	-	-	-	-
Effect of change in effective tax rate	-	-	-	311,627,021	-	-	311,627,021	-	311,627,021
Share deposit money received againsts issuance of ordinary Class-C right shares	-	-	-	-	-	552,795,165	552,795,165	-	552,795,165
BALANCE AS AT MARCH 31, 2025 - (unaudited)									
	3,356,339,330	2,324,952,020	980,000,000	3,983,569,885	16,110,825,991	552,795,165	27,308,482,391	321,933,661	27,630,416,052

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

Rupees	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12.	8,339,254,442	7,708,309,710
Net decrease in long-term loans to employees		10,123,899	5,613,966
Defined benefits paid		(42,069,694)	(32,965,324)
Workers' welfare fund paid		(14,173,933)	-
Levies and taxes paid - net		(1,129,172,974)	(564,919,116)
Net cash generated from operating activities		7,163,961,740	7,116,039,236
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(2,073,156,653)	(208,361,783)
Proceeds from disposal of tangible fixed assets		55,330,000	8,469,000
Proceeds from redemption of investment in long-term debt instrument		10,000	10,000
Payments for acquisition of subsidiary company		-	(3,150,000,000)
Payments for investment in short-term debt instrument		(25,000,000)	-
Profit received on investment in long-term debt instrument		4,636,092	5,972,627
Profit received on short-term deposit receipts		4,850,296	56,157,227
Net cash used in investing activities		(2,033,330,265)	(3,287,752,929)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of long-term financing		(2,057,593,036)	(1,249,759,375)
Net proceed from short-term borrowings		491,552,267	2,924,546,665
Net proceeds / repayment of short-term loans from Directors		755,318,270	(5,689,036)
Proceed of share deposit money		552,795,165	-
Finance cost paid		(4,783,928,171)	(4,437,149,956)
Dividends paid		(176,568)	(1,072,051,475)
Net cash used in financing activities		(5,042,032,073)	(3,840,103,177)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		88,599,402	(11,816,870)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		3,603,212,207	2,885,126,870
NET EXCHANGE DIFFERENCE ON FOREIGN CURRENCY ACCOUNTS		1,208,402	1,226,441
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13.	3,693,020,011	2,874,536,441

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 CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (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 and presentation currency of the Group.

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (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. MATERIAL ACCOUNTING POLICIES

The material 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	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
6. PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	6.1	20,775,873,063	20,737,419,112
Land subject to operating lease		121,690,398	121,690,398
Capital work-in-progress		4,670,696,790	3,110,632,380
		<u>25,568,260,251</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		232,853,839	1,563,341,366
Power plant		196,970,755	-
Office equipment		4,469,650	1,562,002
Grid station & electric installations		6,976,695	8,670,983
Vehicles		69,549,686	46,600,691
Computers		2,271,618	715,080
		<u>513,092,243</u>	<u>3,072,474,724</u>
Disposals during the period / year:			
Plant and machinery		(40,582,868)	-
Vehicles		(7,323,262)	(15,608,482)
Depreciation charged during the period / year		<u>(426,732,162)</u>	<u>(570,281,384)</u>
Closing net book value		<u>20,775,873,063</u>	<u>20,737,419,112</u>
7. INVENTORIES			
Stores, spares and loose tools		3,403,735,869	2,657,539,836
Raw material		11,362,968,563	18,602,370,564
Finished goods / by-products		6,033,371,791	4,815,457,771
		<u>20,800,076,223</u>	<u>26,075,368,171</u>

**SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)**

8. CONTINGENCIES AND COMMITMENTS

Contingencies:

- i) The Honorable Lahore High Court, in proceedings initiated under Section 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 pending. The holding company is rigorously contesting its recognition and enforcement. No provision has been made in these financial statements, as both the management and the holding company's legal counsel are of the considered view that the final outcome of the proceedings is likely to be in favor of the Company. Except for the above or as disclosed elsewhere in the interim financial report, there has been no significant change in the status of contingencies as reported in the consolidated annual audited financial statements for the year ended June 30, 2024.
- 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. 2,039,607 million as at March 31, 2025 (June 30, 2024: Rs. 1,539,607 million), against total approved limit of Rs. 6,000.000 million.

Rupees		Note	March 31, 2025	June 30, 2024	
Commitments:			(Unaudited)	(Audited)	
i)	Non-capital & capital commitments		<u>3,290,736,756</u>	<u>9,844,889,693</u>	
		Three months ended	Nine months ended		
Rupees	Note	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
9.	SALES - net				
	Local sales	15,721,325,044	16,561,928,033	52,685,479,111	51,654,015,348
	Export sales	3,635,404,670	4,533,207,054	12,481,666,584	15,340,790,781
	Trading sales	-	-	1,050,000,000	164,977,947
		19,356,729,714	21,095,135,087	66,217,145,695	67,159,784,076

9.1 Reconciliation of net revenue from external customers with segment information:

Rupees	Ferrous	Non-Ferrous	Trading	Total
- Local sales	51,452,538,031	1,232,941,080	-	52,685,479,111
- Export sales	-	12,481,666,584	-	12,481,666,584
- Trading sales	1,050,000,000	-	-	1,050,000,000
March 31, 2025	<u>52,502,538,031</u>	<u>13,714,607,664</u>	<u>-</u>	<u>66,217,145,695</u>
- Local sales	49,165,056,617	2,488,958,731	164,977,947	51,818,993,295
- Export sales	-	15,340,790,781	-	15,340,790,781
March 31, 2024	<u>49,165,056,617</u>	<u>17,829,749,512</u>	<u>164,977,947</u>	<u>67,159,784,076</u>

10. COST OF SALES

Opening stock of finished goods and by-product	3,028,568,962	5,420,149,215	4,815,457,771	4,136,449,387
Cost of goods manufactured				
- Raw material consumed	16,752,516,327	13,731,055,764	49,704,548,494	48,639,751,693
- Salaries, wages and other benefits	614,407,465	434,584,557	1,519,071,365	1,211,600,265
- Stores, spares and loose tools consumed	609,717,583	430,219,223	1,468,078,676	1,419,504,867
- Fuel and power	2,496,401,543	2,847,968,111	7,156,841,563	7,838,918,802
- Repair and maintenance	97,867	181,250	9,738,833	987,090
- Other manufacturing expenses	77,529,670	82,875,924	269,983,494	331,716,089
- Depreciation	127,397,397	129,366,980	383,739,233	387,566,121
	<u>20,678,067,852</u>	<u>17,656,251,809</u>	<u>60,512,001,658</u>	<u>59,830,044,927</u>
Closing stock of finished goods and by-product	(6,033,371,791)	(3,402,492,909)	(6,033,371,791)	(3,402,492,909)
Cost of goods sold - manufactured	<u>17,673,265,023</u>	<u>19,673,908,115</u>	<u>59,294,087,638</u>	<u>60,564,001,405</u>
Cost of goods sold - trading	-	-	1,005,473,137	135,278,342
	<u>17,673,265,023</u>	<u>19,673,908,115</u>	<u>60,299,560,775</u>	<u>60,699,279,747</u>

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
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		Three months ended		Nine months ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
11. EARNINGS PER SHARE - BASIC AND DILUTED					
Profit for the period	Rupees	<u>226,847,610</u>	<u>102,946,214</u>	<u>413,557,169</u>	<u>1,391,485,686</u>
Weighted average number of ordinary shares	Number	<u>335,633,933</u>	<u>335,633,933</u>	<u>335,633,933</u>	<u>335,633,933</u>
Earnings per share - Basic	Rupees/share	<u>0.68</u>	<u>0.31</u>	<u>1.23</u>	<u>4.15</u>
Rupees	Note	March 31, 2025	March 31, 2024		
12. CASH GENERATED FROM OPERATIONS					
Profit before levies and taxation		(Unaudited)	(Unaudited)		
Adjustments:		498,256,795	1,031,409,178		
Depreciation of property, plant and equipment		426,732,162	428,305,486		
Expense recognized for employee defined benefit charge		177,329,061	174,510,297		
Allowance for expected credit loss (ECL)- reversal / charge		(28,134,448)	45,005,687		
Gain on disposal of tangible fixed assets		(7,423,870)	(1,435,514)		
Profit on investment in long-term debt instrument		(5,419,210)	(8,885,634)		
Profit on investment in short-term debt instrument		(1,033,698)	-		
Profit on short-term deposit receipts		(783,796)	(47,441,256)		
Net unrealized foreign exchange gain / (loss)		(38,159,801)	36,837,762		
Finance cost		4,471,334,306	4,535,251,389		
Provision for workers' profit participation fund		28,939,907	55,392,545		
Interest on workers' profit participation fund		5,062,528	45,634,708		
Provision for workers' welfare fund		10,997,165	21,049,167		
		<u>5,039,440,306</u>	<u>5,284,224,637</u>		
Profit before working capital changes		<u>5,537,697,101</u>	<u>6,315,633,815</u>		
Effect on cash flows due to working capital changes (Increase) / decrease in current assets:					
Inventories		5,275,291,948	(5,861,079,471)		
Trade debts		(3,750,060,756)	1,447,430,446		
Loans and advances		(114,064,627)	155,336,533		
Deposits, prepayments and other receivables		34,326,845	(52,441,891)		
Due from the government		(478,946,652)	29,464,402		
		<u>966,546,758</u>	<u>(4,281,289,981)</u>		
Increase / (decrease) in current liabilities:					
Trade and other payables		<u>1,835,010,584</u>	<u>5,673,965,876</u>		
		<u>8,339,254,442</u>	<u>7,708,309,710</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		3,693,800,083	2,874,936,217		
Temporary bank overdrawn		(780,072)	(399,776)		
		<u>3,693,020,011</u>	<u>2,874,536,441</u>		
14. SEGMENT REPORTING					
14.1 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 products and iron, whereas, energy segment comprises of operations of Mughal Energy Limited. Information regarding the Group's reportable segments is presented below:					

**SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
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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 nine months period ended March 31, 2025 and March 31, 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 period:

Rupees	Ferrous Nine months period ended		Non-Ferrous Nine months period ended		Energy Nine months period ended		Total Nine months period ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total sales - net	52,502,538,031	49,165,056,617	16,398,383,395	23,113,611,733	-	-	68,900,921,426	72,278,668,350
Inter-segment transactions	-	-	(2,683,775,731)	(5,283,862,221)	-	-	(2,683,775,731)	(5,283,862,221)
Net external sales	52,502,538,031	49,165,056,617	13,714,607,664	17,829,749,512	-	-	66,217,145,695	66,994,806,129
Commission	(49,010,189)	(26,138,395)	-	-	-	-	(49,010,189)	(26,138,395)
Net sales after commission	52,453,527,842	49,138,918,222	13,714,607,664	17,829,749,512	-	-	66,168,135,506	66,968,667,734
Total cost of sales	(49,708,310,345)	(46,699,189,162)	(13,275,026,161)	(19,148,674,464)	-	-	(62,983,336,506)	(65,847,863,626)
Inter-segment transactions	-	-	2,683,775,731	5,283,862,221	-	-	2,683,775,731	5,283,862,221
Cost of sales	(49,708,310,345)	(46,699,189,162)	(10,591,250,430)	(13,864,812,243)	-	-	(60,299,560,775)	(60,564,001,405)
Gross profit	2,745,217,497	2,439,729,060	3,123,357,234	3,964,937,269	-	-	5,868,574,731	6,404,666,329
Sales and marketing expenses	(139,366,122)	(83,910,411)	(40,894,607)	(42,663,779)	-	-	(180,260,729)	(126,574,190)
Administrative expenses	-	-	-	-	(14,094,511)	-	(14,094,511)	-
Other Charges	-	-	-	-	(215,270)	-	(215,270)	-
Allowance for (ECL)	24,577,957	72,893,199	3,556,491	(27,887,512)	-	-	28,134,448	45,005,687
Other income	-	-	13,061,822	1,226,441	1,933,013	-	14,994,835	1,226,441
Finance cost	(12,314,908)	(510,951,371)	(240,293,983)	(76,495,150)	(30,019)	-	(252,638,910)	(587,446,521)
	(127,103,073)	(521,968,583)	(264,570,277)	(145,820,000)	(12,406,787)	-	(404,080,137)	(667,788,583)
Segment profit before taxation and unallocated income and expenses	2,618,114,424	1,917,760,477	2,858,786,957	3,819,117,269	(12,406,787)	-	5,464,494,594	5,736,877,746
Unallocated income and expenses:								
Trading income	-	-	-	-	-	-	-	29,699,606
Administrative expenses	-	-	-	-	-	-	(657,340,778)	(622,696,011)
Other charges	-	-	-	-	-	-	(42,306,168)	(179,607,324)
Other income	-	-	-	-	-	-	71,737,015	172,408,323
Finance cost	-	-	-	-	-	-	(4,338,327,868)	(4,105,273,162)
Levies	-	-	-	-	-	-	528,690,434	(457,273,125)
Taxation	-	-	-	-	-	-	(614,549,779)	817,349,633
Profit for the period	-	-	-	-	-	-	412,297,450	1,391,485,686

Rupees	March 31, 2025	March 31, 2024
	(Unaudited)	(Unaudited)

14.2.1 Reconciliations of reportable segment revenues, profit or loss:

Operating revenues

- Total external net revenue for reportable segment	66,217,145,695	66,994,806,129
- Elimination of inter-company revenue	-	-
- Consolidated revenue	66,217,145,695	66,994,806,129

Profit or loss

- Total external profit for the period for reportable segments	453,001,726	1,391,485,686
- Elimination of inter-company revenue	(40,604,276)	-
- Consolidated profit for the period	412,397,450	1,391,485,686

14.3 Revenue from external customers:

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

	Percentage	Percentage
Ferrous:		
- Steel re-bars	54.14%	55.00%
- Girders	38.67%	28.01%
- Billets	5.19%	16.99%
- Others	2.00%	0.00%
	100.00%	100.00%
Non-Ferrous:		
- Copper Products	90.70%	93.41%
- Iron	8.32%	4.79%
- Others	0.98%	1.80%
	100.00%	100.00%

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (UNAUDITED)

14.4 Information about major customers:

Revenue from major local customers of ferrous segment represented 35% (March 2024: 25%) of the total revenue of ferrous segment. Revenue from major local customers of non-ferrous segment represents 8% (March 2024: 5%) of the total revenue of non-ferrous segment and 88% (March 2024: 94%) of the total local revenue of non-ferrous segment. Revenue from major foreign customers of non-ferrous segment represent 81% (March 2024: 74%) of the total revenue of non-ferrous segment and 89% (March 2024: 78%) 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. 91% (March 2024: 95%) 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 March 31, 2025 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 March 31, 2025 and June 30, 2024 are reconciled to total assets and liabilities as follows:

Rupees	Ferrous	Non-Ferrous	Energy	Total
- Segment assets for reportable segments	40,422,852,423	10,309,468,582	6,151,180,447	56,883,501,452
- Unallocated assets	-	-	-	15,541,270,816
- Total assets as per consolidated statement of financial position as at March 31, 2025	40,422,852,423	10,309,468,582	6,151,180,447	72,424,772,268
- Segment liabilities for reportable segments	3,563,038,123	2,177,452,232	2,739,495,930	8,479,986,285
- Unallocated liabilities	-	-	-	36,314,369,931
- Total liabilities as per consolidated statement of financial position as at March 31, 2025	3,563,038,123	2,177,452,232	2,739,495,930	44,794,356,216
- 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	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 consolidated 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	Nine months / year ended	
	March 31,	June 30,
	2025	2024
	(Unaudited)	(Audited)
14.7 Other information:		
Depreciation		
- Ferrous	313,292,643	424,354,670
- Non-Ferrous	53,012,925	65,732,802
- Unallocated	60,426,594	80,193,912
	426,732,162	570,281,384
Additions to tangible fixed assets		
- Ferrous	2,265,000	1,563,341,366
- Non-Ferrous	230,588,839	-
- Energy (Addition due to acquisition of subsidiary)	-	1,573,275,000
- Unallocated	280,238,404	57,548,756
	513,092,243	3,194,165,122

**SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
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Rupees	Nine months ended		As at	
	March 31, 2025	March 31, 2024	March 31, 2025	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
15. SHARIAH DISCLOSURE	Transactions		Outstanding balance	
Statement of consolidated financial position:				
Financing / loans / advances obtained as per Islamic mode			19,424,164,717	18,077,813,804
Interest or mark-up accrued on any conventional loan or advance			533,496,883	813,700,567
Long-term and short-term shariah compliant investments			76,926,281	50,119,465
Shariah compliant bank deposits / bank balances / TDRs			3,686,245,697	3,131,634,530
Statement of consolidated profit or loss:				
Revenue earned from a shariah compliant business segment	66,217,145,695	67,159,784,076		
Profit earned from shariah compliant bank deposits / balances / TDRs	45,970,972	36,952,055		
Exchange gain earned	12,098,053	47,475,851		
Profit earned from shariah compliant investments	6,452,908	8,885,634		
Mark up / profit paid on Islamic mode of financing	2,324,069,460	1,933,841,101		
Interest paid on any conventional loan or advance	2,294,200,687	2,601,410,288		

15.1 Disclosures other than above are not applicable on 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 March 31, 2025	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	288,818,795	288,818,795	297,759,745
Plant and machinery	15,397,236,789	15,397,236,789	15,497,779,779
Power plant	1,792,221,010	1,792,221,010	1,641,223,751
Other machinery and equipment	33,484,572	33,484,572	34,125,000
	19,598,945,768	19,598,945,768	19,558,072,877
Land subject to operating lease	121,690,398	121,690,398	121,690,398
	19,720,636,166	19,720,636,166	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.

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 - (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	Nine months ended		As at	
	March 31, 2025	March 31, 2024	March 31, 2025	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Transactions		Outstanding Balances	
Entities				
Mughal Energy Limited				
<i>Detail of transactions</i>				
- Commission income	-	25,000,000		
<i>Al-Bashir (Private) Limited - (Common directorship / shareholding)</i>				
<i>Detail of outstanding balance</i>				
- Security deposit payable			-	500,000
<i>Detail of transactions</i>				
- Rent expense	-	1,584,000		
Major shareholders, key management personnel and their relatives				
Major shareholders, Directors and their relatives				
<i>Detail of transactions</i>				
- Remuneration / meeting fee	76,164,657	70,808,013		
- Short-term loan disbursement / repayment	755,318,270	5,689,036		
- Rent expense	272,250	-		
- Dividend	-	683,483,756		
- Ordinary Class-C shares subscribed	552,491,280	-		
Key management personnel (other than Directors) and their relatives				
<i>Detail of outstanding balance</i>				
- Loans and advances			412,500	31,760
<i>Detail of transactions</i>				
- Salaries and benefits expense	40,714,998	34,615,230		
- Dividend	-	20,054		

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 April 29, 2025.

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 Javaid
Chief Executive Officer / Director

Muhammad Zafar Iqbal
Chief Financial Officer

Muhammad Mubeen Tariq Mughal
Director

