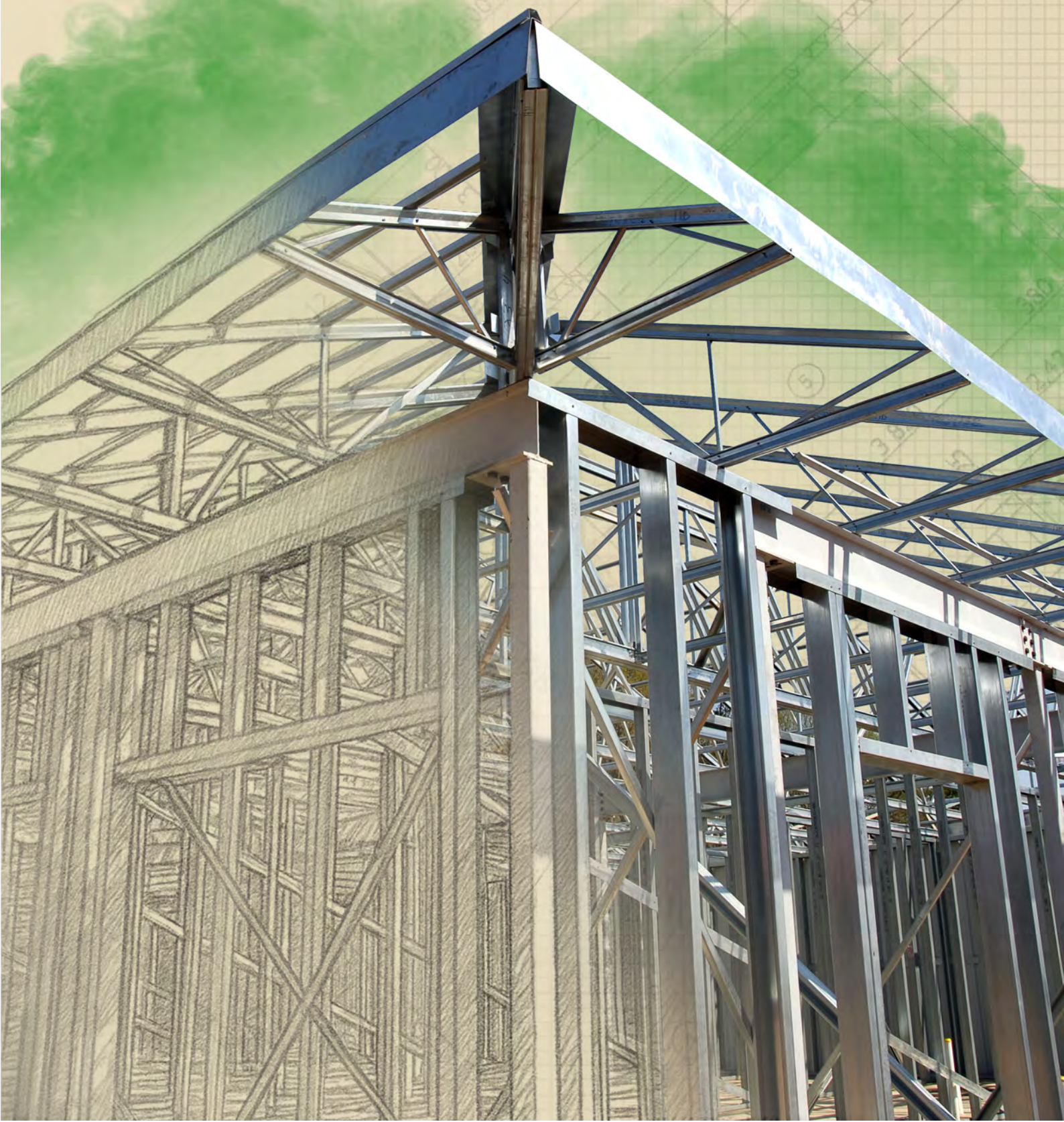




A Legacy of Innovation

Unaudited Financial Statements
For the Three Months Ended September 30, 2025





Unaudited Financial Statements
For The Three Months Ended September 30, 2025

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Company Information

CHAIRMAN (NON-EXECUTIVE)

Mr. Kamal A. Chinoy

INDEPENDENT DIRECTORS

Ms. Nazafreen Saigol Lakhani

Ms. Nausheen Ahmad

Mr. Nihal Cassim

NON-EXECUTIVE DIRECTORS

Mr. Haroun Rashid

Mr. Mustapha A. Chinoy

Mr. Kenichi Hotta

Mr. Yousuf H. Mirza

CHIEF EXECUTIVE OFFICER

Mr. Samir M. Chinoy

CHIEF FINANCIAL OFFICER

Mr. Usman Ahmed

COMPANY SECRETARY AND HEAD OF LEGAL AFFAIRS

Mr. Zohaib Raza Merchant

CHIEF INTERNAL AUDITOR

Syed Zaib Zaman Shah

EXTERNAL AUDITORS

A. F. Ferguson & Co., Chartered Accountants

LEGAL ADVISOR(S)

Mrs. Sana Shaikh Fikree

INVESTOR RELATIONS CONTACT

Shares Registrar

THK Associates (Pvt.) Ltd

Plot No. 32-C, Jami Commercial Street 2

D.H.A., Phase VII, Karachi - 75500.

Phone: +92 21-111-000-322, +92 21-37120628-29

Email: sfc@thk.com.pk

REGISTERED OFFICE

101, Beaumont Plaza, 10, Beaumont Road, Karachi - 75530.

Telephone Numbers : +9221-35680045-54

UAN : +92 21-111-019-019, Fax : 021-35680373

E-mail : investors@isl.com.pk

LAHORE OFFICE

Chinoy House, 6 Bank Square, Lahore - 54000.

Telephone Nos: +92 42-37229752-55,

UAN: +92 42-111-019-019

E-mail: lahore@isl.com.pk

ISLAMABAD OFFICE

Office No.303-A, 3rd Floor, Evacuee Trust Complex,
Sector F-5/1, Agha Khan Road, Islamabad.

Telephone Nos: +92 51-28230412-3

MULTAN OFFICE

Office No. 708-A, "The United Mall", Plot No. 74,
Abdali Road, Multan

Telephone Nos: +92 61-4570571.

FACTORY

399 - 405, Rehri Road, Landhi, Karachi.

Telephone Nos: +92 21-35013104 - 5 Fax : 021-35013108

E-mail: info@isl.com.pk

SERVICE CENTER

Plot# LE-73-79, 102-103, 112-118, 125-129

Survey # Nc.98, Near Arabian Country Club,

National Industrial Park, Bin Qasim, Karachi.

Telephone Nos: +92 21-34724184

WEBSITE

www.isl.com.pk

BANKERS

Allied Bank Limited

Askari Bank Limited

Bank Al Habib Limited

Bank Alfalah Limited

BankIslami Pakistan Limited

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial and Commercial Bank of China Limited

MCB Bank Limited

MCB Islamic Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Samba Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited



Directors' Report

For The Period Ended September 30, 2025

On behalf of the Board of Directors of International Steels Limited, we are pleased to present the unaudited condensed interim financial information of the Company for the period ended September 30, 2025.

The domestic economy continued to show encouraging signs of stabilization during the quarter. GDP growth for FY 2025-26 is projected in the range of 3.25% to 4.25%, supported by ongoing structural reforms under the IMF Extended Fund Facility and Resilience & Sustainability Facility programs. Inflation is expected to remain moderate, within the 5% to 7% band, aided by improved supply chain management and stable monetary policy. However, recent flood events across key agricultural regions have created near-term disruptions, impacting crop yields, agro-linked industries and logistics networks, with secondary effects on manufacturing and commercial activity.

The domestic industry experienced healthy demand momentum, however weak enforcement of anti-dumping duties and tax exemptions in certain regions remained structural concerns, dampening price stability and local competitiveness.

ISL achieved double-digit volume growth across key product lines and a notable improvement in export sales, reflecting the Company's ability to respond effectively to shifting market dynamics and customer requirements.

The Company posted a Profit After Tax (PAT) of Rs. 620 million, compared to Rs. 179 million in the corresponding period last year, translating into an Earnings Per Share (EPS) of Rs. 1.43 compared to Rs. 0.43 in the corresponding period last year. The improvement in profitability was underpinned by higher sales volumes, better gross margins and enhanced operating efficiencies, supported by effective raw-material sourcing and cost discipline. The stronger financial performance also reflects a resilient product mix, steady export margins and improved plant utilization during the quarter.

The outlook for the sector remains constructively positive, driven by a gradual recovery in industrial activity, construction demand and private sector investment. The Company anticipates stable operating conditions in the near term, supported by a relatively steady exchange rate, containing inflation and improving investor confidence. A supportive and enforcement-driven regulatory framework will remain essential to ensure fair competition and sustainable industry growth.

We express our sincere appreciation to our shareholders, partners and customers for their continued confidence and support. Above all, we remain grateful to the Almighty for His continued guidance and blessings as we strive to build a stronger and more sustainable future for International Steels Limited.



Samir M. Chinoy
Chief Executive Officer



Kamal A. Chinoy
Chairman

Karachi : October 24, 2025

ڈائریکٹرز رپورٹ

30 ستمبر 2025 کو ختم ہونے والی مدت کے لیے

انٹرنیشنل اسٹیلز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہمیں کمپنی کی غیر آڈٹ شدہ عبوری مالیاتی معلومات برائے مدت ختمہ 30 ستمبر 2025 پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

ملکی معیشت میں اس سہ ماہی کے دوران میں استحکام کے حوصلہ افزاء رجحان کا سلسلہ جاری رہا۔ مالی سال 2025-26 کیلئے جی ڈی پی کی شرح نمو 3.25% سے 4.25% کی حد میں رہنے کی پیش گوئی ہے جس کو IMF کے ایکسٹنڈڈ فنڈ کی سہولت اور ریزیلنس اینڈ سسٹین ایبلٹی سہولت پروگراموں کے تحت جاری ڈھانچہ جاتی اصلاحات سے مدد ملنے کی توقع ہے۔ بہتر سپلائی چین منیجمنٹ اور مستحکم مالیاتی پالیسی کے ذریعے افراط زر کی شرح 5% سے 7% کے درمیان تک رہنے کی توقع ہے۔ تاہم ملک کے اہم زرعی علاقوں میں حالیہ سیلابی صورتحال نے مستقبل قریب کیلئے رکاوٹیں پیدا کر دی ہیں جس کا اثر زرعی فصلوں، زراعت متعلق صنعتوں اور نقل و حمل کے نظام پر پڑا ہے جبکہ اس کے ثانوی اثرات مینوفیکچرنگ اور کمرشل سرگرمیوں پر بھی مرتب ہوئے ہیں۔

ملکی صنعت کی طلب میں بہتری نظر آئی، تاہم وہ اینٹی ڈمپنگ ڈیوٹیز اور مخصوص خطوں میں ٹیکس کے اتھارٹی کے کمزور نفاذ سے ڈھانچہ جاتی مسائل، قیمت اور مقامی مسابقت میں عدم استحکام برقرار ہے۔

انٹرنیشنل اسٹیلز لمیٹڈ کی بنیادی پروڈکٹ لائنز میں دو عددی حجم کا اضافہ ہوا اور برآمدات میں بھی نمایاں بہتری آئی جس کا سبب کمپنی کی جانب سے مارکیٹ کے رجحانات کے مقابل موثر حکمت عملی اور صارف کی ضروریات کیلئے رد عمل اختیار کرنا ہے۔

کمپنی نے 620 ملین روپے کا بعد از ٹیکس منافع (PAT) حاصل کیا جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت میں 179 ملین روپے حاصل ہوا تھا جس کے نتیجے میں فی شیئر آمدنی (EPS) 1.43 روپے ہوئی جب کہ گزشتہ سال کی اسی مدت میں فی شیئر آمدنی (EPS) 0.43 روپے تھی۔ آمدنی میں اضافے کا سبب فروخت کا زیادہ حجم، بہتر خام منافع اور پیداواری استعداد کا تھی۔ خام مال کے موثر ذرائع اور اخراجات پر موثر قابو بھی منافع میں اضافے کا باعث بنا۔ سہ ماہی کے دوران میں مضبوط مالیاتی کارکردگی کا سبب مصنوعات کا امتزاج، مستحکم برآمداتی منافع اور بہتر پیداوار تھا۔

شعبہ کیلئے مستقبل کا پیش منظر عمومی طور پر مثبت ہے جو صنعتی سرگرمی کی بتدریج بحالی، تعمیراتی طلب اور نجی شعبہ کی سرمایہ کاری کے پیش نظر ممکن ہے۔ زرمبادلہ کی مستحکم شرح، افراط زر اور صارفین کے اعتماد سے کمپنی کو مستقبل قریب میں سازگار حالات کی توقع ہے۔ شفاف مسابقت اور مستحکم صنعتی نمو کو یقینی بنانے کیلئے ایک معاون اور مضابطوں کے نفاذ پر مبنی لائحہ عمل ضروری ہے۔

ہم اپنے شیئر ہولڈرز، شراکت داروں اور صارفین کے مسلسل اعتماد اور تعاون کے لئے دل سے شکر گزار ہیں۔ ان سب سے بڑھ کر ہم رب کریم کی عنایتوں اور رحمتوں کا شکرا کرتے ہیں اور انٹرنیشنل اسٹیلز لمیٹڈ کو زیادہ مضبوط اور زیادہ مستحکم مستقبل کے لئے کوشاں ہیں۔

کمال اے چنائے
چیرمین

سمیر ایم چنائے
چیف ایگزیکٹو آفیسر

کراچی: اکتوبر ۲۳، ۲۰۲۵

INTERNATIONAL STEELS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2025

		(Un-audited) September 30	(Audited) June 30
	Note	2025	2025
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	20,913,679	21,170,633
Right-of-use assets		69,448	17,803
Intangible assets		320,023	329,540
Investment in an associate	6	87,945	87,945
Long term deposit with Central Depository Company of Pakistan Limited		100	100
		21,391,195	21,606,021
CURRENT ASSETS			
Stores and spares		888,441	887,739
Stock-in-trade	7	26,274,142	21,803,321
Trade debts		3,958,036	1,350,948
Receivable from K-Electric Limited (KE)		5,740	4,541
Advances, trade deposits and prepayments		181,987	68,877
Staff retirement benefits		94,028	101,605
Sales tax receivable		1,517,226	308,110
Taxation - net		640,148	499,620
Cash and bank balances	8	2,235,855	3,436,737
		35,795,603	28,461,498
TOTAL ASSETS		57,186,798	50,067,519
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		4,350,000	4,350,000
Revenue reserve			
Unappropriated profit		16,667,591	17,115,900
Capital reserve			
Revaluation surplus on property, plant and equipment		3,625,873	3,644,722
TOTAL SHAREHOLDERS' EQUITY		24,643,464	25,110,622
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finance - secured	9	643,336	673,942
Deferred income - Government grant		67,454	73,248
Deferred taxation - net		1,634,481	1,878,464
Lease liabilities		59,518	17,059
		2,404,789	2,642,713
CURRENT LIABILITIES			
Trade and other payables	10	13,922,765	15,580,507
Contract liabilities		1,939,572	1,884,713
Short term borrowings - secured	11	12,740,182	4,549,118
Unpaid dividend		1,087,872	477
Unclaimed dividend		1,311	2,460
Current portion of long term finance - secured	9	192,629	199,282
Current portion of lease liabilities		13,640	4,028
Accrued mark-up		240,574	93,599
		30,138,545	22,314,184
TOTAL LIABILITIES		32,543,334	24,956,897
CONTINGENCY AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		57,186,798	50,067,519

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Usman Ahmed
 Chief Financial
 Officer


Samir M. Chinoy
 Chief Executive
 Officer



INTERNATIONAL STEELS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

		Three months ended	
		September 30	September 30
		2025	2024
		(Rupees in '000)	
	Note		
Revenue from contracts with customers	13	20,919,340	13,489,892
Cost of sales		(18,566,006)	(12,584,919)
Gross profit		2,353,334	904,973
Selling and distribution expenses		(802,057)	(384,749)
Administrative expenses		(129,853)	(113,744)
		(931,910)	(498,493)
Operating Profit		1,421,424	406,480
Finance cost		(274,443)	(303,971)
Other expenses		(180,758)	(42,328)
		(455,201)	(346,299)
Other income	14	17,621	150,661
Profit before taxation		983,844	210,842
Income tax expense		(363,502)	(31,414)
Profit after taxation		620,342	179,428
		(Rupees)	
Earnings per share - basic and diluted		1.43	0.41

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Usman Ahmed
 Chief Financial
 Officer


Samir M. Chinoy
 Chief Executive
 Officer



INTERNATIONAL STEELS LIMITED**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

	Three months ended	
	September 30 2025	September 30 2024
	(Rupees in '000)	
Profit after taxation	620,342	179,428
Other comprehensive income	-	-
Total comprehensive income	620,342	179,428

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Nihal Cassim
Director & Chairman
Board Audit Committee


Usman Ahmed
Chief Financial
Officer


Samir M. Chinoy
Chief Executive
Officer



INTERNATIONAL STEELS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

	Issued, subscribed & paid-up capital	Revenue reserve- unappropriated profit	Capital reserve- Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)			
Balance as at July 01, 2024 (Audited)	4,350,000	16,735,347	2,112,076	23,197,423
Profit for the period	-	179,428	-	179,428
Other comprehensive income	-	-	-	-
Total comprehensive income	-	179,428	-	179,428
Transactions with owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 30% (Rs. 3.00 per share) for the year ended June 30, 2024	-	(1,305,000)	-	(1,305,000)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	18,849	(18,849)	-
Balance as at September 30, 2024	4,350,000	15,628,624	2,093,227	22,071,851
Total comprehensive income for the nine months ended June 2025	-	1,487,276	1,551,495	3,038,771
Balance as at July 01, 2025 (Audited)	4,350,000	17,115,900	3,644,722	25,110,622
Profit for the period	-	620,342	-	620,342
Other comprehensive income	-	-	-	-
Total comprehensive income	-	620,342	-	620,342
Transactions with owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 25% (Rs. 2.50 per share) for the year ended June 30, 2025	-	(1,087,500)	-	(1,087,500)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	18,849	(18,849)	-
Balances as at September 30, 2025	4,350,000	16,667,591	3,625,873	24,643,464

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Usman Ahmed
 Chief Financial
 Officer


Samir M. Chinoy
 Chief Executive
 Officer



INTERNATIONAL STEELS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

		Three months ended		
		September 30	September 30	
Note		2025	2024	
		(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash used in from operations	15	(8,243,692)	(4,870,189)
	Finance cost paid		(119,465)	(315,430)
	Income on bank deposits received		22,751	30,249
	Staff retirement benefits paid		(1,280)	(1,001)
	Payment on account of compensated absences		(7,451)	(8,649)
	Income tax paid		(748,013)	(444,308)
	Net cash used in from operating activities		(9,097,150)	(5,609,328)
CASH FLOWS FROM INVESTING ACTIVITIES				
	Payment for acquisition of property, plant and equipment	5	(248,037)	(327,519)
	Payment for acquisition of intangible asset		-	(43,524)
	Proceeds from disposal of property, plant and equipment		4,771	15,236
	Investment in Associates		-	(48,450)
	Investments in Term Deposit Receipt		450,000	250,000
	Net cash generated / (used in) from investing activities		206,734	(154,257)
CASH FLOWS FROM FINANCING ACTIVITIES				
	Repayment of long term financing		(43,053)	(124,138)
	Proceeds from Short term borrowings - net		8,191,064	5,001,422
	Lease rentals paid		(7,223)	(6,677)
	Dividend paid		(1,254)	(560)
	Net cash generated from financing activities		8,139,534	4,870,047
	Net decrease in cash and cash equivalents		(750,882)	(893,538)
	Cash and cash equivalents at beginning of the period		2,402,737	1,974,102
	Cash and cash equivalents at end of the period	16	1,651,855	1,080,564

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Usman Ahmed
 Chief Financial
 Officer


Samir M. Chinoy
 Chief Executive
 Officer



INTERNATIONAL STEELS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

1. STATUS AND NATURE OF BUSINESS

International Steels Limited ('the Company') was incorporated on September 03, 2007 as a public unlisted Company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is domiciled in the province of Sindh. The Company was listed on the Pakistan Stock Exchange Limited on June 01, 2011. The Company is subsidiary of International Industries Limited (Holding Company) which holds 245,055,543 (June 30, 2025: 245,055,543 shares) shares of the Company as at September 30, 2025 representing 56.3% (June 30, 2025: 56.3%) of the shareholding of the Company.

The net assets of the Steel Project Undertaking of International Industries Limited (the Holding Company), amounting to Rs. 4,177.17 million determined as at August 23, 2010 (day immediately preceding the completion date) in accordance with the Scheme of Arrangement, were transferred to the Company on August 24, 2010. In consideration of transferring to and vesting the Steel Project Undertaking in the Company, 417,716,700 fully paid-up ordinary shares were issued at par value to the Holding Company.

The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. The Company commenced commercial operations on January 01, 2011.

The geographical location and addresses of business units are as under:

Location	Address
Head Office	101, Beaumont Plaza, 10 Beaumont Road, Civil Lines, Karachi - 75530.
Manufacturing facilities	399-405, Rehri Road, Landhi Industrial Area; and Plot No. LE-73-79, 102-103, 112-118, 125-129, Survey No. NC.98, near Arabian Country Club, National Industrial Parks (NIP), Bin Qasim Industrial Park, Karachi.
Sales Offices	Chinoy House, 6-Bank Square, Lahore - 54000; Office No. 303-A, 3rd Floor, Evacuee Trust Complex Sector F-5/1 Agha Khan Road, Islamabad; and Office No. 708-A, United Mall, Plot No.74, Abdali Road, Multan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim financial statements of the Company 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:

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



Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended June 30, 2025.

2.1.3 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2025, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2024.

2.2 **Basis of measurement**

These condensed financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets, freehold land and buildings thereon that are stated at fair values determined by an independent valuer.

2.3 **Functional and presentation currency**

These condensed financial statements are presented in Pakistan Rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

3. **MATERIAL ACCOUNTING POLICY INFORMATION**

3.1 The summary of material accounting policies and methods of computations adopted in the preparation of these financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2025.

3.2 **Investment in an associate**

The Company has investment in associated company as disclosed in note 6. The investment in associated Company is accounted for using equity method of accounting in which It is initially recognised at cost and adjusted thereafter to recognise the Company's share in its associate's post-acquisition profits or losses and other comprehensive income are respectively recognised in the statement of profit or loss and statement of comprehensive income. Dividends received or receivable from associated company are recognised as a reduction in the carrying amount of the investment.

The carrying amount of investment in associated company is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the investment in associated company's recoverable amount is estimated, which is higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if there has been a change in estimate used to determine the recoverable amount but limited to the extent of the initial cost of investment in associated company. A reversal of impairment loss is recognised in the statement of profit or loss.

3.3 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2025. However, these do not have any significant impact on the Company's financial reporting.

Amendment to IAS 1 - Non - current liabilities with covenants:

An amendment to IAS 1 'Presentation of Financial Statements' (IAS-1) was introduced addressing the classification of non-current liabilities subject to covenants. This amendment clarifies that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendment also mandates specific disclosures if a liability is classified as non-current but is subject to covenants that must be complied with within twelve months of the reporting date.

b) Standards and amendments to approved accounting standards that are not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2025. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these condensed interim financial statements.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):

These amendments are:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of Environment, Social and Governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The management is in process of assessing the impact of above changes.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
- 4.2 The significant judgements made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended June 30, 2025.
- 4.3 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2025.

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work in progress	Total
	(Rupees in '000)		
Cost / revalued amount			
Opening balance as at July 01, 2025	33,565,883	37,880	33,603,763
Additions	36,861	153,501	190,362
Adjustments / transfers - net	94,536	(36,861)	57,675
Disposals	(6,297)	-	(6,297)
	33,690,983	154,520	33,845,503
Accumulated depreciation			
Opening balance as at July 01, 2025	(12,433,130)	-	(12,433,130)
Charge for the period	(502,021)	-	(502,021)
Disposals	3,327	-	3,327
	(12,931,824)	-	(12,931,824)
Written down value as at September 30, 2025 (Un-audited)	20,759,159	154,520	20,913,679
Written down value as at June 30, 2025 (Audited)	21,132,753	37,880	21,170,633

- 5.1 Additions and disposal to the operating assets during the period are as follows:

	(Un-audited)			
	September 30, 2025		September 30, 2024	
	Additions	Disposal (Written down value)	Additions	Disposal (Written down value)
	(Rupees in '000)			
Freehold land	-	-	-	-
Building on freehold land	-	-	-	-
Plant and machinery	2,143	-	164,423	-
Furniture and fixtures	-	-	5,401	-
Office equipment	2,567	-	-	-
Vehicles	32,151	(2,970)	25,075	(9,177)
	36,861	(2,970)	194,899	(9,177)

6. INVESTMENT IN AN ASSOCIATE

Chinoy Engineering & Construction (Private)
(CECL) - 4,845,000 (June 30, 2025: 4,845,000)
fully paid ordinary shares of Rs. 10 each

(Un-audited)	(Audited)
September 30	June 30
2025	2025
(Rupees in '000)	
87,945	87,945
87,945	87,945

6.1 Based on the latest audited accounts for the associated company. No material changes have accrued during the quarter

7. STOCK-IN-TRADE

Raw material
- in hand
- in transit

Work-in-process
Finished goods
By-products
Scrap material

(Un-audited)	(Audited)
September 30	June 30
2025	2025
(Rupees in '000)	
9,147,515	3,769,382
5,419,643	9,456,220
14,567,158	13,225,602
4,534,412	2,535,840
7,078,026	5,967,071
12,478	63,641
82,068	11,167
26,274,142	21,803,321

8. CASH AND BANK BALANCES

8.1 These include investment in Term Deposit Receipt (TDR) amounting to Rs. 384 million having mark-up of 7.50% (June 30, 2025: Rs. 384 million 7.50%). The TDR was placed against a bank guarantee submitted to the Nazir of Sindh High Court in relation to petition filed by the Company in the Court against chargeability of Super Tax.

8.2 Investment in Term Deposit Receipt (TDR) amounting to Rs. 200 million having mark-up of 7.50% (June 30, 2025: 150 million 7.50%). The TDR was placed against a bank guarantee submitted to the ETO.

9. LONG TERM FINANCE - secured

		(Un-audited) September 30	(Audited) June 30
	Note	2025	2025
(Rupees in '000)			
Conventional			
Long Term Finance Facility (LTFF)	9.1	167,164	186,398
Temporary Economic Refinance Facility (TERF)	9.2	369,752	369,752
Renewable Energy Financing Facility (REFF)	9.3	140,625	150,000
		677,541	706,150
Islamic			
Islamic Long Term Finance Facility (ILTFF)	9.4	250,270	265,434
		927,811	971,584
Less: Deferred Income - Government grant	9.6	(91,846)	(98,360)
Less: Current portion of long term loans:			
Conventional			
Long Term Finance Facility (LTFF)		(32,847)	(39,500)
Temporary Economic Refinance Facility (TERF)		(61,625)	(61,625)
Renewable Energy Financing Facility (REFF)		(37,500)	(37,500)
		(131,972)	(138,625)
Islamic			
Islamic Long Term Finance Facility (ILTFF)		(60,657)	(60,657)
		(192,629)	(199,282)
		643,336	673,942
9.1	This represents finance facility loan obtained from different banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects at SBP Refinance rate + 0.50% to 1.00% (June 30, 2025: SBP Refinance rate at 0.50% to 1.00%).		
9.2	This represents finance facility loan obtained from a commercial bank under the SBP's Temporary Economic Refinance Facility available to the Company at SBP Refinance rate + 1.25% (June 30, 2025: SBP Refinance rate + 1.25%) for setting up of new industrial units.		
9.3	This represents finance facility loan obtained from different banks under the SBP's Renewable Energy Financing Facility available to the Company at SBP Refinance rate + 3.00% (June 30, 2025: SBP Refinance rate + 3.00%) for setting up of Solar power project.		
9.4	This represents finance facility loan obtained from different banks under the SBP's Islamic Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects at SBP Refinance rate + 3.00% (June 30, 2025: SBP refinance rate at 3.00%).		
9.5	The above loans are secured against joint pari passu charge over fixed assets of the Company (such as land, building, plant and machinery etc.).		
9.6	Government grant amounting to Rs. 91.84 million (June 30, 2025: Rs. 98.36 million) has been recorded up to the period ended September 30, 2025 and Rs. 6.52 million (September 30, 2024: Rs. 7.15 million) has been amortised during the period.		

10. TRADE AND OTHER PAYABLES

		(Un-audited) September 30 2025	(Audited) June 30 2025
	Note	(Rupees in '000)	
Trade creditors		5,643,269	8,197,329
Accrued expenses	10.1	2,784,164	2,406,913
Provision for infrastructure cess	10.2	5,127,320	4,682,645
Workers' Welfare Fund		220,396	199,238
Workers' Profit Participation Fund		52,894	18,060
Deferred income - Government grant		24,392	25,112
Provision for government levies		6,767	6,423
Others		63,562	44,787
		13,922,765	15,580,507

10.1 This include provision for Gas Infrastructure Development Cess amounting to Rs. 1,255.02 million (June 30, 2025: Rs. 1,255.02 million) and provision against revision of gas tariff by Oil and Gas Regulation Authority amounting to Rs. 544.96 million (June 30, 2025: Rs. 544.96 million).

10.1.1 In the prior year, the Honorable Supreme Court of Pakistan (SCP) has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 through its judgement dated August 13, 2020. The Supreme court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under its Section 8(2) to the industrial sector is also available. Further, payment of due GIDC was allowed in 48 installments instead of 24 installments.

The Company has also filed a civil suit before the Honourable High Court of Sindh (SHC) on the ground that the Company has not passed on the burden of Cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing.

The Company has recognised GIDC payable with respect to its captive power plant used for self consumption.

The Company has not recognized GIDC amounting to Rs. 769 million (June 30, 2025: Rs. 769 million) pertaining to period from 01 July 2011 to 31 Jul 2020 with respect to its captive power plant from which power generation is supplied to K-Electric Limited. Management considers that, in the event such levy is imposed, it shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).

Despite the speaking order dated August 13, 2020 by the Supreme court, the Federal Government did not initiate the gas project within six months, therefore, the Company filed a petition in the SHC challenging the decision of the Supreme court.

10.2 The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006 is required to clear the goods on paying 50% of the Cess amount involved and furnishing a bank guarantee / security for the remaining amount of 50%. Subsequently, through Sindh Finance Act 2015 and 2016, the legislation has increased the rate to 1.25%. From 01 July 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

The case was decided on June 04, 2021 by the SHC. The SHC declared first four versions of the law unconstitutional and the release of bank guarantees were ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 03, 2021. The Company was not satisfied with the above orders and filed an appeal with the Supreme Court of Pakistan.

On September 1, 2021, the Supreme Court granted a stay order and suspended the recovery of levy and operation of judgement of SHC dated June 4, 2021, that the bank guarantees already submitted by the Company in pursuant to the order of High Court is valid and enforceable. The court further ordered that imports should be released on submission of fresh bank guarantees equivalent to 100% of the fee amount under the Act.

Bank guarantees issued as per the above mentioned orders amounting to Rs. 5,232.5 million (June 30, 2025: Rs.4,732.5 million) have been provided to the Excise and Taxation Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on prudent basis.

11. SHORT TERM BORROWINGS - secured

SHORT TERM BORROWINGS - Secured

		(Un-audited) September 30 2025	(Audited) June 30 2025
Note			
		(Rupees in '000)	
Conventional			
Short term under mark-up arrangement	11.1	2,470,219	-
Running finance under Export Refinance Scheme (Rupee Based Discounting)	11.2	298,955	298,968
Running finance under Export Refinance Scheme	11.3	4,280,000	3,950,000
Islamic			
Short term finance under Runnin Musharakah	11.4	5,391,008	150
Running finance under Export Refinance Scheme	11.5	300,000	300,000
		12,740,182	4,549,118

- 11.1 This represents short term finance obtained from various commercial banks for the purpose of meeting working capital requirements. The rate of mark-up on these finances ranges from 11.20% to 12.37% (June 30, 2025:11.48% to 12.53%) per annum.
- 11.2 The Company has availed this year short term running finance facility under Export Finance Schedme (Rupee Based Discounting) of the State Bank of Pakistan from a Islamic Bank.The rate of mark-up on this facility is 2% (June 30,2025: 2% to 2.50%) per annum.
- 11.3 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The rate of mark-up on this facility is 7.50% to 8.00% (June 30, 2025: 7.75% to 8.00%) per annum. This facility matures within six months and is renewable.
- 11.4 This represents short term finance facility obtained under Running Musharakah. The rate of mark-up ranges from 11.15% to 11.45% (June 30, 2025: 11.48% to 12.59%) per annum. This facility matures within twelve months and is renewable.
- 11.5 The Company has availed this year short term running finance facility under Islamic Export Refinance Scheme of the State Bank of Pakistan from a Islamic bank. The rate of mark-up on this facility is 8.00% (June 30, 2025: 8.00%) per annum. This facility matures within six months and is renewable.
- 11.6 As at September 30, 2025, the unavailed facilities from the above borrowings amounted to Rs.16,119 million (June 30, 2025: Rs. 22,051 million).
- 11.7 The above facilities are secured by way of joint pari passu charge over current and future moveable assets of the Company.

12. CONTINGENCY AND COMMITMENTS

12.1 Contingency

The Competition Commission of Pakistan (CCP) initiated an inquiry against the alleged price fixation by local steel producers. Subsequently, the CCP concluded the inquiry with an adverse judgement against the Company and levied penalty of Rs. 914 Mn.

The Company is currently evaluating legal response against the aforesaid order. Management believes that it has strong grounds to secure relief at the relevant appellate forums and accordingly, no provision has been made in this respect.

12.2 Commitments

12.2.1 Commitments under Letters of Credit for raw materials and spares as at September 30, 2025 amounted to Rs. 10,485 million (June 30, 2025: Rs. 19,616 million).

12.2.2 The facilities for opening letters of credit and guarantees from banks as at September 30, 2025 amounted to Rs. 38,500 million (June 30, 2025: Rs. 40,749 million) and Rs. 10,224 million (June 30, 2025: Rs. 10,184 million) respectively of which unutilised balance at period end amounted to Rs. 28,015 million (June 30, 2025: Rs. 21,133 million) and Rs. 575 million (June 30, 2025: Rs. 776.50 million) respectively.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Un-audited	
	September 30	September 30
	2025	2024
	(Rupees in '000)	
Sale of goods less returns:		
Local	16,960,010	13,564,709
Export	6,956,862	2,171,896
	23,916,872	15,736,605
Sales tax	(2,372,990)	(2,016,412)
Trade discounts	(479,384)	(66,691)
Sales commission	(145,158)	(163,610)
	(2,997,532)	(2,246,713)
	20,919,340	13,489,892

14. OTHER INCOME

(Loss) / Income from non-financial assets

Loss from power generation
Gain on sale of property, plant and equipment
Rental income
Others

(19,399)	(85,882)
1,801	6,059
868	795
5,087	192,287
(11,643)	113,259

Income from financial assets

Income on bank deposits - conventional
Income on bank deposits - Islamic
Government grant

18,493	26,505
4,258	3,744
6,513	7,153
29,264	37,402
17,621	150,661

15. CASH USED IN OPERATIONS

		Un-audited	
		September 30	September 30
		2025	2024
		(Rupees in '000)	
Profit before taxation		983,844	210,842
Adjustments for			
Depreciation and amortisation		517,697	465,815
Gain on disposal of property, plant and equipment		(1,801)	(6,059)
Provision for staff gratuity		8,857	8,429
Unwinding of gas infrastructure Development Cess		-	4,835
Provision for compensated absences		2,356	2,250
Income on bank deposits		(22,751)	(30,249)
Finance cost		274,443	299,136
Deferred income - Government grant		(6,513)	(7,153)
		772,288	737,004
Changes in working capital	15.1	(9,999,823)	(5,818,036)
		(8,243,692)	(4,870,190)

15.1 CHANGES IN WORKING CAPITAL

Decrease / (increase) in current assets:			
Stores and spares		(702)	(104,860)
Stock-in-trade		(4,470,821)	(399,845)
Receivable from K-Electric Limited		(1,199)	(53,474)
Trade debts		(2,607,088)	565,969
Advances, trade deposits and short-term prepayments		(113,110)	31,337
Sales tax receivable		(1,209,116)	(567,410)
		(8,402,036)	(528,283)
Increase / (decrease) in current liabilities:			
Trade and other payables		(1,652,646)	(4,973,588)
Contract liabilities		54,859	(316,165)
		(9,999,823)	(5,818,036)

16. CASH AND CASH EQUIVALENTS

Cash and bank balances	2,235,855	1,564,564
Less: Term Deposit Receipts (TDRs)	(584,000)	(484,000)
	1,651,855	1,080,564

17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Holding Company, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. The contribution to defined contribution plan (provident fund) are made as per the terms of employment and contribution to the defined benefit plan (gratuity fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of contractual engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements, are as follows:

	Un-audited	
	Three months ended	
	September 30	September 30
	2025	2024
	(Rupees in '000)	
Holding company:		
Sales	423,071	295,486
Purchases	162	505
Rent / Lease payments	4,789	3,430
Shared resources cost	515	19,715
Reimbursement of expenses	713	995
Dividend paid	612,639	735,167
Associated undertakings		
Sales	1,352,475	414,681
Purchases	13,218,126	13,877,383
Dividend	98,694	118,433
Rental Income	890	795
Reimbursement of Expenses	1,786	-
Services	3,316	5,327
Key management personnel		
Remuneration	111,373	122,688
Staff retirement funds		
Contribution paid	18,987	19,601
Non-executive directors		
Directors' fee	1,600	2,800

18. OPERATING SEGMENTS

- 18.1 These condensed interim financial statements have been prepared on the basis of a single reportable segment.
- 18.2 Revenue from sales of steel products represents 99.99% (June 30, 2025: 99.90%) of total revenue whereas remaining represent revenue from sale of surplus electricity to K-Electric Limited (KE). The Company does not consider sale of electricity to KE as separate reportable segment as the power plant of the Company is installed primarily to supply power to its Cold Rolling, Galvanizing and Colour Coating Plants and currently any excess electricity is sold to KE.
- 18.2 70.91% (September 30, 2024: 86.20%) of gross sales are domestic sales whereas 29.09% (September 30, 2024: 13.80%) of sales are export sales.

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors on 24 October 2025.


Nihal Cassim
Director & Chairman
Board Audit Committee


Usman Ahmed
Chief Financial
Officer


Samir M. Chinoy
Chief Executive
Officer