

AMRELI STEELS LIMITED

**REPORT FOR THE FIRST
QUARTER ENDED**

30 SEPTEMBER 2025



**AMRELI
STEELS**

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Abbas Akberali	Chairman, Non-Executive Director
Mr. Shayan Akberali	Chief Executive Officer
Syed Asghar Jamil Rizvi	Independent Director
Mr. Sohail Feroz Shamsi	Independent Director
Mr. Zueb Salemwala	Non-Executive Director
Mr. Hadi Abbas Akberali	Executive Director
Ms. Mariam Akberali	Non-Executive Director

AUDIT COMMITTEE

Syed Asghar Jamil Rizvi	Chairman
Mr. Sohail Feroz Shamsi	Member
Mr. Zueb Salemwala	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Sohail Feroz Shamsi	Chairman
Syed Asghar Jamil Rizvi	Member
Mr. Shayan Akberali	Member

CHIEF OPERATING OFFICER (STRATEGY)

Mr. Hadi Abbas Akberali

CHIEF OPERATING OFFICER (OPERATIONS)

Mr. Fazal Ahmed

CHIEF FINANCIAL OFFICER

Mr. Taha Umer

COMPANY SECRETARY

Mr. Adnan Abdul Ghaffar

EXTERNAL AUDITORS

BDO Ebrahim & Co. Chartered Accountants
Lakson Square Building No. 1,
Sarwar Shaheed Road, Karachi, Pakistan.

SHARE REGISTRAR

THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial Street - 2, D.H.A.,
Phase -VII, Karachi-75500.
UAN: (021) 111-000-322
Email: sfc@thk.com.pk

CORPORATE ADVISOR

Moore Shekha Mufti
C-253, P.E.C.H.S, Block-6,
Off Shahrah-e-Faisal, Karachi, Pakistan
Tel: 021-34374811-5

LEGAL ADVISOR

Lex Firma
Advocates, Barristors & Legal Consultants
418, Continental Trade Centre, Clifton, Karachi.

BANKERS

Al Baraka Bank Pakistan Limited	MCB Bank Limited
Allied Bank Limited	MCB Islamic Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Al Habib Limited	National Bank Limited
Bank of Khyber	Samba Bank Limited
Bank Alfalah Limited	Silk Bank Limited
Bank Islami Pakistan Limited	Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited	Standard Chartered Bank (Pakistan) Limited
Faysal Bank Limited	Bank Makramah Limited (Formerly Summit Bank Limited)
Habib Bank Limited	The Bank of Punjab
Habib Metropolitan Bank Limited	United Bank Limited
JS Bank Limited	Sindh Bank Limited

REGISTERED OFFICE

A-18, S.I.T.E, Karachi, Pakistan
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SHERSHAH ROLLING MILL (SRM)

D-89, Shershah Road, Karachi, Pakistan

STEEL MELT SHOP (SMS) AND DHABEJI ROLLING MILL (DRM)

Industrial Land, Deh Ghara, Tapo Ghara,
Taluka Mirpur Sakro
(Distt: Thatta), Sindh, Pakistan

SYMBOL AT PAKISTAN STOCK EXCHANGE LIMITED

ASTL

WEBSITE INFORMATION

www.amrelisteels.com

**DIRECTORS' REVIEW REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2025**

Esteemed Shareholders,

Assalam Alaikum. As you are aware, the Board of Directors of your Company have approved the rescheduling and restructuring of the Company's overall financing facilities, thereby laying the foundation for a stronger and more sustainable financial structure. Subsequently, the Company achieved a major milestone with the successful execution of the Master Restructuring Agreement (MRA) and related ancillary documents with its financiers. Building on this progress, the sponsor family's commitment to inject the required equity further underscores the Company's focus on financial discipline, transparency, and long-term resilience. Collectively, these developments represent a significant step forward in the Company's pursuit of financial stability, operational excellence, and sustainable growth.

The Company's financial and operational performance for the quarter under review, along with comparative figures, is presented in the table below:

	Quarter Ended 30 September 2025 (Rs. in million)	Quarter Ended 30 September 2024 (Rs. in million)
Net Sales	2,793	4,228
Gross Profit	19	229
Operating loss	(216)	(109)
Loss before tax	(1,124)	(1,377)
Loss after tax	(790)	(992)
Loss per share-basic and diluted (in Rupees)	(2.66)	(3.34)

During the quarter under review, the Company reported net sales of Rs. 2.79 billion, reflecting a 34% decline from Rs. 4.23 billion in the corresponding period last year. The decrease primarily resulted from recent floods in Punjab resulting in slow down of deliveries coupled with non-availability of working capital due to the restructuring of our financial facilities as mentioned above. Gross profit decreased sharply to Rs. 18.6 million (GP margin: 0.67%) compared to Rs. 228.8 million (GP margin: 5.41%) in the same quarter last year, reflecting the adverse impact of underutilized capacity and related unabsorbed fixed cost.

Operating loss widened to Rs. 216.5 million against Rs. 108.7 million last year. Administrative and distribution expenses remained under strict control, declining by approximately 21% in absolute terms, demonstrating management's continued focus on cost rationalization. Finance cost reduced to Rs. 873 million from Rs. 1,213 million in corresponding quarter mainly due to reduction in average interest rate. Consequently, the Company recorded a loss before tax of Rs. 1.12 billion compared to Rs. 1.38 billion last year. After accounting for taxation of Rs. 334 million, the loss after tax stood at Rs. 790 million, showing a 20% improvement over the loss of Rs. 992 million recorded in the same period of last year. The improvement in the net loss position, despite lower revenue, reflects early signs of financial stabilization resulting from the management's cost optimization measures and a substantial decline in interest rates.

During the quarter under review, the overall economic environment remained challenging, though certain indicators began to show signs of stabilization following the implementation of the IMF-supported reform program. Inflation moderated from the previous year's highs, and the Pakistani rupee remained relatively stable during the period. However, high energy costs, double-digit interest rates, and subdued construction activity continued to constrain industrial recovery, particularly for the long steel sector. In addition, the continued influx of untaxed steel from undocumented manufacturers further distorted market dynamics, undermining the competitiveness of compliant and documented producers.

Looking ahead, the Company anticipates a gradual recovery in operations as working capital lines normalize and procurement cycles stabilize. The management's immediate focus remains on optimizing plant utilization through an uninterrupted supply of raw materials, exercising strict cost discipline and rationalization and strengthening stakeholder confidence through transparent financial governance. These efforts are expected to drive improved liquidity and cash flow, sustainable operations, higher capacity utilization, and reductions in both financial and operational costs.

The Board remains steadfast in its commitment to guiding the Company through this transitional phase toward financial stability and sustainable long-term growth. It conveys its sincere appreciation to the consortium of lending institutions and financial advisors whose confidence and continued support were instrumental in achieving this significant milestone. The Board also extends its profound gratitude to all stakeholders - including shareholders, employees, customers, and suppliers - for their unwavering support and trust during this critical period of restructuring and renewal. Their collective commitment and resilience continue to empower the Company to navigate prevailing economic challenges while maintaining its focus on operational excellence and the creation of enduring value for all stakeholders.

For & on behalf of the Board of Directors



Shayan Akberali
Chief Executive Officer



Syed Asghar Jamil Rizvi
Director

29 October 2025
Karachi

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

		September 30, 2025 (Un-audited)	June 30, 2025 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	26,956,693	27,253,432
Right of use assets		95,892	102,539
Intangible assets		1,119	1,363
Long-term deposits and loans		145,420	141,839
		<u>27,199,124</u>	<u>27,499,173</u>
CURRENT ASSETS			
Stores and spares		1,922,768	1,995,376
Stock-in-trade	6	3,650,851	4,011,727
Trade debts	7	1,362,270	1,564,494
Loans and advances		69,264	37,513
Trade deposits and short-term prepayments		29,717	17,426
Short term investment		43,439	14,389
Other receivables		612,861	648,340
Taxation – net		2,740,510	2,898,164
Cash and bank balances		4,167,482	3,905,295
		<u>14,599,162</u>	<u>15,092,724</u>
Non current assets held for sale	8	<u>765,011</u>	<u>765,011</u>
TOTAL ASSETS		<u><u>42,563,297</u></u>	<u><u>43,356,908</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
500,000,000 ordinary shares of Rs.10 each		<u>5,000,000</u>	<u>5,000,000</u>
Issued, subscribed and paid-up capital		2,970,114	2,970,114
Capital reserve		2,788,742	2,788,742
Revenue reserve - Accumulated losses		(4,952,570)	(4,222,256)
Surplus on revaluation of property, plant and equipment		<u>8,852,924</u>	<u>8,912,968</u>
		9,659,210	10,449,568
NON-CURRENT LIABILITIES			
Long term financing	9	-	-
Loan from related party	10	124,922	124,922
Deferred taxation	11	3,060,074	3,393,751
Deferred liability - defined benefit obligation		336,639	327,311
Lease liabilities		<u>91,757</u>	<u>88,217</u>
		3,613,392	3,934,201
CURRENT LIABILITIES			
Trade and other payables		1,173,517	1,578,000
Contract liabilities		307,196	335,726
Interest / markup accrued		5,449,797	4,648,357
Short-term borrowings - secured	13	17,784,932	17,793,259
Current portion of long-term financing	9	3,940,514	3,975,727
Current portion of long-term provision		282,238	282,238
Current portion of lease liabilities		19,429	18,249
Current portion of government grant		327,831	336,328
Unclaimed dividend		<u>5,241</u>	<u>5,255</u>
		<u>29,290,695</u>	<u>28,973,139</u>
TOTAL EQUITY AND LIABILITIES		<u><u>42,563,297</u></u>	<u><u>43,356,908</u></u>
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED 30 SEPTEMBER 2025
(UN-AUDITED)**

	30 September 2025	30 September 2024
Note	----- (Rupees in '000) -----	
Sales - net	2,792,610	4,227,705
Cost of sales	<u>(2,773,962)</u>	<u>(3,998,926)</u>
Gross profit	18,648	228,779
Distribution costs	(103,430)	(160,452)
Administrative expenses	(174,347)	(190,931)
(Charge) / reversal for expected credit loss	(278)	6,956
Other expenses	(27,554)	(18,410)
Other income	<u>70,467</u>	<u>25,390</u>
Operating loss	(216,494)	(108,668)
Finance costs	<u>(872,954)</u>	<u>(1,213,103)</u>
Loss before taxation and levy	(1,089,448)	(1,321,771)
Levy	<u>(34,586)</u>	<u>(55,498)</u>
Loss before taxation	(1,124,034)	(1,377,269)
Taxation	<u>333,676</u>	<u>385,558</u>
Loss for the period	<u>(790,358)</u>	<u>(991,711)</u>
	----- (Rupees) -----	
Loss per share – basic and diluted	<u>(2.66)</u>	<u>(3.34)</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2025
(UN-AUDITED)

	30 September 2025	30 September 2024
	----- (Rupees in '000) -----	
Loss for the period	(790,358)	(991,711)
Other comprehensive (loss) / income for the period	-	-
Total comprehensive loss for the period	<u>(790,358)</u>	<u>(991,711)</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (UN-AUDITED)

Share Capital	Capital reserve		Revenue reserve	Total
Issued, subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment	Accumulated (loss) / unappropriated profit	

(Rupees in '000)

Balance as at July 01, 2024	2,970,114	2,788,742	9,218,163	(751,018)	14,226,001
Total comprehensive loss for the period					
Loss for the period	-	-	-	(991,711)	(991,711)
Other comprehensive loss for the period	-	-	-	-	-
	-	-	-	(991,711)	(991,711)
Transferred to accumulated profit in respect of - incremental depreciation during the period – net of tax	-	-	(60,557)	60,557	-
Balance as at September 30, 2024	<u>2,970,114</u>	<u>2,788,742</u>	<u>9,157,606</u>	<u>(1,682,172)</u>	<u>13,234,290</u>
Balance as at July 01, 2025 (Audited)	2,970,114	2,788,742	8,912,968	(4,222,256)	10,449,568
Total comprehensive loss for the period					
Loss for the period	-	-	-	(790,358)	(790,358)
Other comprehensive loss for the year	-	-	-	-	-
	-	-	-	(790,358)	(790,358)
Transferred to accumulated profit in respect of - incremental depreciation during the period – net of tax	-	-	(60,044)	60,044	-
Balance as at September 30, 2025	<u>2,970,114</u>	<u>2,788,742</u>	<u>8,852,924</u>	<u>(4,952,570)</u>	<u>9,659,210</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (UN-AUDITED)

		30 September 2025	30 September 2024
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(1,124,034)	(1,377,269)
Adjustments for:			
Depreciation on:			
- Operating fixed assets	5.1	306,990	340,351
- Right-of-use assets		6,647	9,918
Amortization on:			
- Intangible assets		244	556
- Government grant		(8,497)	(7,305)
Charge / (reversal) for expected credit loss	7.1	278	(6,956)
Provision for gratuity		17,323	32,885
Loss / (Gain) on disposal of operating fixed assets		1,996	(108)
Finance costs		868,233	1,209,481
Finance costs on leases		4,721	3,622
Operating profit before working capital changes		1,197,935	1,582,444
Decrease/ (increase) in current assets:			
Stores and spares		72,608	168,137
Stock-in-trade		360,876	986,438
Trade debts		201,946	444,354
Loans and advances		(31,751)	(13,871)
Trade deposits and short-term prepayments		(12,291)	(1,632)
Other receivables		35,479	(151,133)
		626,867	1,432,293
Decrease in current liabilities:			
Trade and other payables		(181,612)	(634,034)
Contract liabilities		(28,530)	(26,289)
		(210,142)	(660,323)
Cash generated from operations		490,626	977,145
Income taxes paid		(65,217)	(131,205)
Gratuity paid		(7,995)	(145,554)
Finance costs paid		(66,793)	(449,275)
Long-term deposits – net		(3,581)	(50,947)
Net cash generated from operating activities		347,040	200,164
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(15,167)	(8,192)
Proceeds from disposal of operating fixed assets		2,920	1,745
Short-term investment		(29,050)	-
Net cash used in investing activities		(41,297)	(6,447)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(14)	(13)
Short-term borrowings – net		(6,155)	703,275
Long-term financing – net		(35,213)	103,894
Lease rentals paid		-	(4,455)
Net cash (used in) / generated from financing activities		(41,382)	802,701
Net increase in cash and cash equivalents		264,361	996,418
Cash and cash equivalents at beginning of the period		1,226,139	(3,052,524)
Cash and cash equivalents at end of the period	16	1,490,500	(2,056,106)

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

Amreli Steels Limited (the Company) was incorporated under repealed Companies Ordinance 1984, as a private limited company and converted into a public unquoted company in 2009. The Company enlisted on Pakistan Stock Exchange in 2015. The Company is engaged in manufacture and sale of steel bars and billets. The registered office of the Company is at Plot No. A-18, S.I.T.E., Karachi.

2 MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

During the quarter ended September 30, 2025, the Company continued to face challenges arising from unavailability of working capital limits due to an on-going restructuring resulting in low capacity utilization. Therefore, the Company incurred a net loss during the quarter of Rs. 790.358 million (2024: Rs. 991.711 million) and, as of that date the Company's accumulated losses aggregated to Rs. 4,952.570 million (June 30, 2025 Rs. 4,222.256 million).

The gap between current assets and current liabilities as of September 30, 2025 has also widened and stands at Rs. 14,691.533 million due to the reason mentioned above. Accordingly, the Company continued with the reclassification of long-term loans and related deferred grant from "non-current liabilities" to "current liabilities" under the requirements of IAS 1- Presentation of financial statements due to breach of financial covenants as also disclosed in financial statements for the year ended June 30, 2025.

These events or conditions, along with other matters as stated above, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The management has devised financially viable strategies to navigate challenges, including the ongoing exercise of restructuring debts of the Company, through a Master Restructuring Agreement, being entered into between the Company and its lenders, in process injection of equity by the Sponsors to the tune of Rs. 1 billion, reducing operational costs, and selling non-core assets to conserve cash. These efforts aim to improve liquidity ratios, reduce losses, enhance prospects of profitability in future, and ensure continued operations. Hence, these financial statements have been prepared on a going concern basis.

3 STATEMENT OF COMPLIANCE

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 of:

- Provisions of and directives issued under the Companies Act, 2017 (the Act);
- International Accounting Standard (IAS 34), Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Act; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Act;

Where the provisions of and directives issued under the Act or IFAS differ with the requirements of IAS 34, the provisions of and directives issued under the Act or IFAS have been followed.

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual financial statements as at and 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 financial statements.

The condensed interim financial statements are unaudited and being submitted to members as required under section 237 of the Companies Act 2017 and Listing Regulations of Pakistan Stock Exchange.

4 BASIS OF PREPARATION

4.1 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan rupee ('Rupees' or 'Rs.') which is the functional currency of the Company.

4.2 Material accounting policies

The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at and for the year ended June 30, 2025.

4.3 Accounting estimates assumption and judgements

The preparation of condensed interim financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan. It is the responsibility of the management to make estimates, assumptions and use judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual financial statements as at and for the year ended June 30, 2025.

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

5 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	25,254,592	25,544,016
Capital work-in-progress	5.2	1,702,102	1,709,416
		<u>26,956,693</u>	<u>27,253,432</u>

5.1 Operating fixed assets

Balance at beginning of the period / year		25,544,016	28,196,929
Additions during the period / year	5.1.2	1,250	30,442
Disposals during the period / year	5.1.2	(4,916)	(924,166)
Assets held for sale	8	-	(274,843)
Transfer from capital work-in-progress	5.2 & 5.1.2	21,232	132,107
Impairment		-	(286,085)
Depreciation charged during the period / year		(306,990)	(1,330,368)
Balance at end of the period / year		<u>25,254,592</u>	<u>25,544,016</u>

5.1.2 Details of additions and disposal for the quarter ended are as follows:

	Additions		Deletions (NBV)	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	Un-Audited			
Buildings	-	1,685	-	-
Plant and machinery	3,020	34,024	4,916	367
Furniture and fixtures	-	842	-	-
Office equipments	290	278	-	1,271
Vehicles	18,212	596	-	-
Computers	960	-	-	-
	<u>22,482</u>	<u>37,425</u>	<u>4,916</u>	<u>1,638</u>

5.2 Capital work-in-progress

	Opening balance as on July 1, 2025	Additions	Transfer to operating fixed assets	Closing balance as on September 30, 2025
-----Un-audited-----				
-----Rupees in '000-----				
Leasehold Land	120,000	-	-	120,000
Civil Works	252,135	-	-	252,135
P&M and Others	1,337,281	13,918	(21,232)	1,329,967
	1,709,416	13,918	(21,232)	1,702,102

6 STOCK-IN-TRADE

Raw materials - scrap

- In hand	1,387,145	1,821,956
- In transit	76,537	578,285
	<u>1,463,682</u>	<u>2,400,241</u>

Work-in-process

250,529	263,334
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Finished goods

- Manufactured	1,936,640	1,348,152
	<u>3,650,851</u>	<u>4,011,727</u>

7 TRADE DEBTS - UNSECURED

Considered good	1,362,270	1,564,494
Considered doubtful	586,466	586,188
	<u>1,948,736</u>	<u>2,150,682</u>
Allowance for expected credit loss	7.1 (586,466)	(586,188)
Trade debts - net	<u>1,362,270</u>	<u>1,564,494</u>

7.1 The movement in expected credit loss during the period / year is as follows:

Balance at beginning of the period / year	586,188	672,922
(Reversal) / charge during the period / year	278	(86,734)
Balance at end of the period / year	<u>586,466</u>	<u>586,188</u>

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

8 NON CURRENT ASSETS HELD FOR SALE

Lahore - warehouse	274,841	274,841
Islamabad - warehouse	423,170	423,170
Karachi - Plots	67,000	67,000
	<u>765,011</u>	<u>765,011</u>

8.1

- 8.1 The Company has classified these assets, in accordance with the requirement of IFRS-5 " Non-current assets held for sale and discontinued operations".

As per valuation carried out by M/S KG Traders, the market value of the Lahore warehouse (Rs. 278.773 million), Islamabad warehouse (Rs. 423.170 million), and leased land (Rs. 67 million).

9 LONG TERM FINANCING

- 9.1 There is no change in the term and conditions as disclosed in the annual financial statements as at and for the year ended June 30, 2025.

10 LOAN FROM RELATED PARTY

- 10.1 This represents loan obtained from a related party at a rate of 3 month KIBOR, repayable on December 31, 2027. The loan was obtained to meet the financial needs of the Company.

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

11 DEFERRED TAXATION

Deductible temporary differences arising in respect of:

Deferred liability- Gratuity	(131,289)	(127,651)
GIDC provisions	(110,073)	(110,073)
Unused tax credits	(3,317,749)	(3,047,938)
Trade debts	(228,722)	(228,613)
Right of use asset - lease	(43,363)	(41,514)
	<u>(3,831,196)</u>	<u>(3,555,789)</u>

Taxable temporary differences arising in respect of:

Accelerated tax depreciation / amortization	3,039,870	3,057,159
Right-of-use-assets	37,398	39,990
Surplus on revaluation of property, plant and equipment	3,814,002	3,852,391
	<u>6,891,270</u>	<u>6,949,540</u>
	<u>3,060,074</u>	<u>3,393,751</u>

12 TRADE AND OTHER PAYABLES

It includes foreign trade creditors amounting to Rs. Nil million (June 30, 2025 : Rs. 578,865 million)

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

13 SHORT-TERM BORROWINGS

Secured

Conventional mode

Cash finance

Running finance

Finance against trust receipts

Islamic

13.1

770,155	770,155
2,277,530	2,279,704
9,208,247	9,208,247
12,255,932	12,258,106
5,529,000	5,535,153
17,784,932	17,793,259

13.1 There is no change in the term and conditions as disclosed in the annual financial statements as at and for the ended year ended June 30, 2025.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual financial statements as at and for the year ended June 30, 2025.

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

14.2 Commitments

14.2.1 Outstanding letters of credit

184,530	157,140
---------	---------

14.2.2 Outstanding letters of guarantee

484,856	484,856
---------	---------

15 FINANCE COSTS

Includes mark up on long-term financing and short-term borrowings amounting to Rs.124.952 million and Rs. 738.413 million (September 30, 2024: Rs.199.140 million and Rs.992.067 million) respectively.

September 30, 2025 (Un-audited)	September 30, 2024 (Audited)
----- (Rupees in '000) -----	

16 CASH AND CASH EQUIVALENTS

Cash and bank balances

Running finance facilities

4,167,482	734,596
(2,676,982)	(2,790,702)
1,490,500	(2,056,106)

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. 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 financial statements as at and for the year ended June 30, 2025. There have been no change in any risk management policies since the year end.

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers amongst levels during the period.

19 TRANSACTION WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, directors, shareholders, key management personnel and retirement benefit fund. Details of transactions with related parties during the period, other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Name of related party	Nature of transactions	September 30, 2025	September 30, 2024
		----- (Un-audited)-----	
		----- (Rupees in '000) -----	
Key management personnel	Remuneration and other benefits	89,578	126,329
Various	Contribution to staff gratuity fund	17,323	32,885
Mr. Hadi Akberali	Charged interest on director's loan	3,508	6,367
Various directors	Meeting fee	-	175
Hobnob Bakeries	Entertainment expense	261	295

20 OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of a single reportable segment.

All non-current assets of the Company as at September 30, 2025 and 2024 are located in Pakistan.

Sales made by the Company to its 20 major customers during the period constituted 16% (September 30, 2024: 14%) of total sales.

21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 29 October 2025 by the Board of Directors of the Company.

22 GENERAL

- 22.1 Figures have been rounded off to the nearest thousands of Rupees, unless otherwise stated.
- 22.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison.


Chief Executive Officer


Chief Financial Officer


Director

Investors' Education

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors.

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