



Purpose Precision Progress

HALF YEARLY REPORT
DECEMBER 2025



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Company Overview

We at ASML, ROLL raw steel, to a perfect shining sheet, incorporating both strength and resilience.

Unwavering support of our stakeholders, visionary leadership and hard work of our committed team is converting dreams into reality.

Vision

To be a global leader in the flat steel industry with the largest share of the local market while fostering the culture of responsible production and consumption to be eventually acknowledged by its customers for quality and service excellence.

Mission

To supply the highest quality products to our clients utilizing sustainable and environmentally responsible procedures. We believe in the power of human capital in accomplishing our goal of responsible production with sustained return to our shareholders and strive to be the supplier and employer of choice in the flat steel industry.

Company Information

BOARD OF DIRECTORS

Mr. Arif Habib, Chairman
Mr. Abdus Samad Habib
Mr. Kashif Habib
Mr. Nasim Beg
Dr. Munir Ahmed, Chief Executive
Mr. Arslan Muhammad Iqbal
Mr. Rashid Ali Khan
Mr. Abdul Majeed
Ms. Saadia Umar

AUDIT COMMITTEE

Mr. Arslan Muhammad Iqbal - Chairman
Mr. Nasim Beg
Mr. Abdus Samad Habib
Mr. Kashif Habib

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Rashid Ali Khan - Chairman
Mr. Arif Habib
Mr. Kashif Habib
Ms. Saadia Umar

Chief Financial Officer

Mr. Ali Hassan

COMPANY SECRETARY

Mr. Manzoor Raza

HEAD OF INTERNAL AUDIT

Mr. A. Mirza

REGISTERED OFFICE

1/F Arif Habib Centre, 23 – M.T. Khan Road,
Karachi – Pakistan – 74000
Tel: (+92 21) 32468317

PLANT ADDRESS

DSU - 45, Pakistan Steel
Down Stream Industrial Estate, Bin Qasim
Karachi – Pakistan
Tel: (+92 21) 34740160

AUDITORS

A. F. Ferguson & Co.,
Chartered Accountants,
State Life Building No. 1-C,
I.I. Chundrigar Road, Karachi

SHARE REGISTRAR DEPARTMENT

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, SMCHS,
Main Shahrah-e-Faisal, Karachi - 74400
Phone: 0800 – 23275
Fax: (+92 21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

LEGAL ADVISOR

Ahmed & Qazi
Khalid Anwer & Co.
Akhund Forbes
Mohsin Tayeb Aly & Co.
Lex Firma
Khalid Jawed & Co.
Muhammad Ali Khan Associates
S.U. Khan Associates
Fazle Ghani
Qazi Umair Ali / Hafeez Pirzada
Ahmed Hussain
V.N. Lakhani

BANKERS / LENDERS

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan (Aitemad)
National Bank of Pakistan
Pak China Investment Company Limited
Saudi Pak Industrial and Agricultural
Investment Company Limited
Silk Bank Limited
Sindh Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited (formerly known as
Summit Bank Limited)
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Website

www.aishasteel.com



Directors' Review Report

The Directors of Aisha Steel Mills Limited (ASML) present herewith the Directors' Review Report together with condensed interim financial statements of the Company for the half year ended December 31, 2025.

Steel Market Review

The international HRC prices, during the Jul-Dec 2025 period, remained stable, hovering around US\$ 465 FOB China. The prices in Pakistan, during the period, also remained stable. The economic indicators of the country continue to improve. The inflation, discount and exchange rate were stable. The steel demand is gradually rising. The local producers continue to face stiff competition from imports. The prices are being adjusted frequently to push sales. The sales quantities are gradually rising.

Operational Review

The total quantity sold during the Jul-Dec 2025 period was 96,695 tons compared to 56,408 sold during the corresponding period last year showing an increase of 71%. The export quantity was 21,075 tons compared to 4,087 tons exported during the corresponding period last year. The total quantity produced during the period was 113,057 tons compared to 63,141 tons in the corresponding period last year, an increase of about 79%. The average finished goods inventory was around 21,569 tons compared to 11,946 tons last year, showing an increase of about 81%.

A brief summary of the financial results as on December 31, 2025 is as follows:

	Half year ended	
	December 2025	December 2024
	Rs. In Millions	
Revenue	20,568	12,927
Gross Profit / (Loss)	1,951	(101)
Finance Costs	(934)	(1,783)
Exchange (Loss) - Net	(27.56)	(6.81)
Profit / (Loss) before levies and income tax	116	(2,258)
Profit / (Loss) after tax	31	(1,702)
	Loss per share (PKR)	
Basic	(0.0004)	(1.88)

The results show substantial improvement compared to last year. Although the selling price had to be corrected several times to compete with commercial imports from China, the volume increase contributed positively.

Future Outlook:

The outlook in the near term looks stable to positive. The international and local market is expected to pick up in the coming months.

Acknowledgement

We would like to record our appreciation and gratitude to the Banks for the continuous support in the ongoing operations. We also acknowledge the support of Regulators for their continued support.

For and on behalf of the Board



Dr. Munir Ahmed
Chief Executive



Kashif Habib
Director



**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
AISHA STEEL MILLS LIMITED**

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Aisha Steel Mills Limited as at December 31, 2025 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to and forming part of the condensed interim financial statements for the half year ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and other comprehensive income for the quarter ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: February 27, 2026

UDIN: RR202510073s6yekwoit

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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Financial Statements



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At December 31, 2025

		(Unaudited) December 31, 2025	(Audited) June 30, 2025
	Note	Rupees '000	
ASSETS			
Non-current assets			
Property, plant and equipment	5	19,300,286	19,594,487
Intangible assets		34,490	37,368
Long-term advances		274	279
Long-term deposits		80,484	65,613
Deferred tax asset	6	3,396,064	3,407,688
		22,811,598	23,105,435
Current assets			
Inventories	7	12,716,824	8,101,475
Trade and other receivables	8	1,269,923	1,477,417
Loans, advances and prepayments	9	1,155,997	543,452
Tax refunds due from government - sales tax		979,397	280,611
Taxation - payments less provisions		5,062,155	4,795,775
Cash and bank balances	10	437,888	452,292
		21,622,184	15,651,022
Total assets		44,433,782	38,756,457
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Ordinary shares		9,307,848	9,300,159
Cumulative preference shares		437,261	444,950
Difference on conversion of cumulative preference shares and dividends into ordinary shares		(1,762,459)	(1,762,459)
		7,982,650	7,982,650
Capital Reserve			
Surplus on revaluation of property, plant and equipment		2,206,462	2,214,080
Capital reduction reserve		667,686	667,686
Revenue Reserve			
Accumulated loss		(490,293)	(529,401)
Contribution from sponsor	11	17,200,000	10,281,098
		27,566,505	20,616,113
Liabilities			
Non-current liabilities			
Lease liabilities		146,277	152,174
Employee benefit obligations		311,469	260,206
		457,746	412,380
Current liabilities			
Trade and other payables	12	1,812,703	1,070,049
Provisions		497,195	497,195
Short-term borrowings	13	13,489,396	15,069,089
Unclaimed dividend		2,150	2,378
Current maturity of long-term finance	14	300,009	593,580
Current maturity of lease liabilities		32,086	21,091
Accrued mark-up		275,992	474,582
		16,409,531	17,727,964
Total liabilities		16,867,277	18,140,344
Contingencies and commitments	15		
Total equity and liabilities		44,433,782	38,756,457

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Period Ended September 30, 2025 - (Unaudited)

	Note	Quarter ended		Half year ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		Rupees '000		Rupees '000	
Revenue from contracts with customers	16	11,105,331	8,346,542	20,567,977	12,926,963
Cost of sales		(10,076,302)	(8,518,408)	(18,616,937)	(13,027,662)
Gross profit / (loss)		1,029,029	(171,866)	1,951,040	(100,699)
Selling and distribution costs	17	(347,521)	(72,817)	(591,660)	(102,014)
Administrative expenses		(159,502)	(150,562)	(305,035)	(279,476)
Operating profit / (loss)		522,006	(395,245)	1,054,345	(482,189)
Other expenses	18	(36,828)	(552)	(47,009)	(8,175)
Other income	19	19,009	13,008	42,264	14,954
Finance costs	20	(408,412)	(652,899)	(933,763)	(1,782,706)
Profit / (loss) before levies and income tax		95,775	(1,035,688)	115,837	(2,258,116)
Levies	21	(32,226)	(5,395)	(45,987)	(8,913)
Profit / (loss) before income tax		63,549	(1,041,083)	69,850	(2,267,029)
Income tax (charge) / credit	22	(114,099)	181,928	(38,360)	564,751
Profit / (loss) for the period		(50,550)	(859,155)	31,490	(1,702,278)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss)		(50,550)	(859,155)	31,490	(1,702,278)
		Rupees			
Loss per share - basic and diluted	23	(0.07)	(0.95)	(0.0004)	(1.88)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For The Half Year Ended December 31, 2025 - (Unaudited)

	Share capital			Reserves			Contribution from sponsor (Note 11)	Total
	Ordinary shares	Cumulative preference shares	Difference on conversion of cumulative preference shares and dividends into ordinary shares	Capital	Revenue			
			Surplus on revaluation of property, plant and equipment	Capital reduction reserve	Unappropriated profit / (accumulated loss)			
	Rupees '000							
Balance as at July 1, 2024	9,300,159	444,950	(1,762,459)	2,229,316	667,686	827,326	4,000,000	15,706,978
Incremental depreciation net of deferred tax transferred	-	-	-	(34,677)	-	34,677	-	-
Contribution received	-	-	-	-	-	-	8,281,098	8,281,098
Total comprehensive loss for the half year ended December 31, 2024								
- Loss for the period	-	-	-	-	-	(1,702,278)	-	(1,702,278)
- Other comprehensive income for the period	-	-	-	-	-	-	-	-
						(1,702,278)		(1,702,278)
Balance as at December 31, 2024	<u>9,300,159</u>	<u>444,950</u>	<u>(1,762,459)</u>	<u>2,194,639</u>	<u>667,686</u>	<u>(840,275)</u>	<u>12,281,098</u>	<u>22,285,798</u>
Balance as at July 1, 2025	9,300,159	444,950	(1,762,459)	2,214,080	667,686	(529,401)	10,281,098	20,616,113
Incremental depreciation net of deferred tax transferred	-	-	-	(7,618)	-	7,618	-	-
Contribution received	-	-	-	-	-	-	6,918,902	6,918,902
Cumulative preference shares of Rs.10 each converted into 1 ordinary share of Rs. 10 each during the period	7,689	(7,689)	-	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2025								
- Profit for the period	-	-	-	-	-	31,490	-	31,490
- Other comprehensive income for the period	-	-	-	-	-	-	-	-
	-	-	-	-	-	31,490	-	31,490
Balance as at December 31, 2025	<u>9,307,848</u>	<u>437,261</u>	<u>(1,762,459)</u>	<u>2,206,462</u>	<u>667,686</u>	<u>(490,293)</u>	<u>17,200,000</u>	<u>27,566,505</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For The Half Year Ended December 31, 2025 - (UNAUDITED)

		December 31, 2025	December 31, 2024
Rupees '000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	24	(3,419,357)	1,493,548
Income tax paid		(339,103)	(261,713)
Finance costs paid		(1,088,888)	(2,468,258)
Return on bank deposits received		5,463	5,628
Employee benefits paid		(15,784)	(10,119)
Decrease in long-term advances		5	10
Increase in long-term deposits		(14,871)	(4,165)
Net cash used in operating activities		(4,872,535)	(1,245,069)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(167,142)	(165,930)
Sale proceeds from disposal of property, plant and equipment		7,181	870
Net cash used in investing activities		(159,961)	(165,060)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		(306,450)	(2,265,329)
Contributions received from sponsor		6,918,902	8,281,098
Short-term borrowings obtained		20,618,809	22,801,473
Short-term borrowings paid		(24,569,701)	(25,802,520)
Dividend paid		(228)	(845)
Lease rentals paid		(14,439)	(1,434)
Net cash generated from financing activities		2,646,893	3,012,443
Net (decrease) / increase in cash and cash equivalents		(2,385,603)	1,602,314
Cash and cash equivalents at beginning of the period		(21)	(1,553,853)
Cash and cash equivalents at end of the period	25	(2,385,624)	48,461

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on May 30, 2005 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company's shares are listed on Pakistan Stock Exchange (PSX) since August 2012. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.

The Company has set up a cold rolling mill complex and a galvanization plant in the downstream Industrial Estate, Pakistan Steel, Bin Qasim, Karachi, to carry out its principal business of manufacturing and selling cold rolled coils and hot dipped galvanized coils.

During the period, the country's economic conditions showed signs of improvement, marked by reduced inflation and declining interest rates. These developments had a positive impact on the Company's business operations. However, a significant drop in international prices of Cold Rolled Coil (CRC) and Galvanized Iron (GI) compelled the Company to lower its selling prices in order to sustain sales volume.

Additionally, the Company received a capital contribution of Rs. 6.91 billion from its sponsor making the liquidity position of the company better.

The Government of Pakistan has announced a gradual removal of sales tax exemptions for industrial units in FATA and PATA through Finance Act 2025. Imports from these regions, which were previously sales-tax free, will now attract 10% sales tax in FY26, increasing progressively until it reaches 18%. This development reduces the attractiveness of diverted imports from these regions and creates a level playing field for local producers.

On June 28, 2025, the National Tariff Commission (NTC) imposed anti-dumping duties on galvalume steel coils and sheets imported from China, effective from July 2025 through February 8, 2027. This action was taken to address the circumvention of earlier anti-dumping measures on galvanized steel, as galvalume products were increasingly being used as substitutes to bypass existing tariffs.

Management views these developments as positive indicators for the steel industry, supporting increased local production and revenue growth. The Company remains focused on executing its strategic plans to enhance operational performance and maximize shareholder returns.

2. BASIS OF PREPARATION

2.1 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;
- Provisions of, directives and notification issued under the Companies Act, 2017.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

Where the provisions of, directives and notification issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

2.1.2 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 and other comprehensive income, condensed 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 December 31, 2024.

2.2 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

a) Amendments to approved accounting standards which are effective during the year ending June 30, 2026

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or have any significant effect on the Company's financial reporting and therefore, have not been disclosed in these condensed interim financial statements.

b) New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2026

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after July 1, 2026. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027 as per IASB.

There are certain amendments to published accounting and reporting standards that includes those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026.

The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupee which is the Company's functional currency and presentation currency. All financial information presented in Pakistani rupee has been rounded off to the nearest thousand, unless otherwise stated.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The 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 financial statements of the Company for the year ended June 30, 2025.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

4.2 Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2025.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2025.

(Unaudited) December 31, 2025	(Audited) June 30, 2025
-------------------------------------	-------------------------------

Rupees '000

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 5.1	17,014,343	17,245,566
Major spare parts and stand-by equipment - note 5.2	2,285,943	2,348,921
	<u>19,300,286</u>	<u>19,594,487</u>

5.1 Additions / disposals to operating assets during the period are as follows:

← (Unaudited) →			
Additions (at cost)		Disposals (at net book value)	
December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Rupees '000			

Owned assets:

Building and civil works on leasehold land
Plant and machinery
Electrical equipment
Office equipment
Furniture and fixtures
Motor vehicles

-	-	-	-
212,537	55,527	-	-
1,824	-	-	-
7,433	818	96	-
-	-	-	-
-	-	-	-
19,791	8,790	6,788	2,240
<u>241,585</u>	<u>65,135</u>	<u>6,884</u>	<u>2,240</u>

Right of use assets:

Motor vehicles

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
Rupees '000		
5.2 Major spare parts and stand-by equipment		
Balance at beginning of the period / year	2,348,921	2,260,968
Additions	191,779	226,764
Transfers	(254,757)	(138,811)
Balance at end of the period / year	<u>2,285,943</u>	<u>2,348,921</u>

6. DEFERRED TAX ASSET

- 6.1** The Company's tax losses amount to Rs. 9,242.76 million (June 30, 2025: Rs. 9,242.76 million) as at December 31, 2025. The management carries out periodic assessment to assess the benefit of these losses as the Company would be able to set off the profit earned in future years against these carried forward losses. Based on the assessment, management has recognised deferred tax debit balance amounting to Rs. 2,680.40 million (June 30, 2025: Rs. 2,680.40 million) including an amount of Rs. 956.09 million (June 30, 2025: Rs. 956.09 million) on unabsorbed tax depreciation, amortisation and initial allowance of Rs. 3,296.85 million (June 30, 2025: Rs. 3,296.85 million). The amount of these benefits have been determined based on the financial projections of the Company for future years. The determination of future taxable profit is most sensitive to certain key assumptions such as capacity utilisation, gross margin percentage, inflation and KIBOR rates. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
Rupees '000		
7. INVENTORIES		
Raw material [In transit: Rs. 1,628.47 million (June 30, 2025: Nil)]	4,444,646	3,063,673
Work-in-process	512,739	390,580
Finished goods [including coil end sheets Rs. 292.81 million (June 30, 2025: Rs. 182.45 million)] - note - 7.1	6,187,081	3,147,684
	<u>11,144,466</u>	<u>6,601,937</u>
Stores	1,081,636	987,904
Spares	490,722	511,634
	<u>1,572,358</u>	<u>1,499,538</u>
	<u>12,716,824</u>	<u>8,101,475</u>

- 7.1** As at December 31, 2025 stock of finished goods has been written down by Nil (June 30, 2025: Rs 71.76 million).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
Rupees '000		
8. TRADE AND OTHER RECEIVABLES		
Trade receivables - considered good:		
- Secured	362,533	454,215
- Unsecured		
Not yet due from related parties	2,949	9,872
Not yet due from other parties	763,070	867,667
	766,019	877,539
Other receivables:		
Receivable from Etimaad Engineering (Private) Limited	138,485	138,485
Others	2,886	7,178
	141,371	145,663
	<u>1,269,923</u>	<u>1,477,417</u>

9. LOANS, ADVANCES AND PREPAYMENTS

9.1 These include deposit held with a bank amounting to Rs. 652.67 million (June 30, 2025: Rs. 83.54 million) in respect of bank guarantees issued to financial institutions and Regulatory Authorities.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
Rupees '000		

10. CASH AND BANK BALANCES

Cash at bank

Conventional

- On savings accounts		
Local currency - note 10.1	96,978	41,475
- On current accounts		
Local currency	72,649	97,942
Foreign currency	147,495	163,158
	220,144	261,100
	317,122	302,575

Islamic

- On savings accounts		
Local currency - note 10.2	97,737	143,104
- On current accounts		
Local currency	22,738	6,388
	120,475	149,492
Cash in hand	291	225
	<u>437,888</u>	<u>452,292</u>

10.1 At December 31, 2025 the rates of mark up on PLS savings accounts ranges from 8.0 % to 9.50% (June 30, 2025: 5.5% to 9.5%) per annum.

10.2 These are shariah compliant bank balances and carry profit at rates ranging from 5.5% to 9.04% (June 30, 2025: 4.3% to 5.5%) per annum as at December 31, 2025.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

(Unaudited) December 31, 2025	(Audited) June 30, 2025
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Rupees '000

11. CONTRIBUTION FROM SPONSOR

Balance at beginning of the period / year	10,281,098	4,000,000
Contributions received during the period / year	6,918,902	8,281,098
Contribution paid during the period / year	-	(2,000,000)
Balance at the end of the period / year	17,200,000	10,281,098

11.1 The Company has entered into a financing agreement with Mr. Arif Habib (Sponsor) on the following terms and conditions:

- The repayment of the principal amount and mark-up shall be at the sole and absolute discretion of the Company (taking into consideration the profitability and availability of its cash flows). However, in the event of liquidation, the Sponsor will have preferred liquidation rights for recovery of the contribution and outstanding mark-up prior to ordinary shareholders of the Company.
- The financing shall carry mark-up at the rate of 3 month KIBOR + 1.8%. However, the payment of mark-up shall also be at the sole and absolute discretion of the Company. Further, dividends to the ordinary shareholders will only be declared after the payment of mark-up to the Sponsor.

Pursuant to the requirements of IAS 32 - 'financial instruments presentation' and the terms of the arrangement, the loan is classified as equity in these financial statements. The accumulated markup as at December 31, 2025 in respect of the above mentioned agreement amounts to Rs. 3,568.65 million (June 30, 2025: Rs. 2,666.01 million).

(Unaudited) December 31, 2025	(Audited) June 30, 2025
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Rupees '000

12. TRADE AND OTHER PAYABLES

Creditors	361,559	291,127
Bills payable	530,825	2,252
Accrued liabilities	634,746	375,491
Contract liability - note 12.1	225,509	364,650
Security deposit from dealers - note 12.2	10,500	10,500
Workers' Welfare Fund payable	12,689	-
Workers' Profit Participation Fund payable	3,876	-
Withholding tax payable	32,999	26,029
	1,812,703	1,070,049

12.1 92% (June 30, 2025: 90%) advances from customers included in the contract liability balance at the beginning of the year got converted into revenue during the year.

12.2 This represents amounts received from dealers of the Company, which are utilised for the purpose of business in accordance with the related agreements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
Rupees '000		
13. SHORT-TERM BORROWINGS		
Conventional		
- Running finance under mark-up arrangement	2,823,512	452,313
- Finance against Trust Receipts	9,527,946	9,653,399
Islamic		
- Istisna-cum-Wakala arrangement - Islamic	500,000	2,463,497
- Finance against Trust Receipts	637,938	2,499,880
	13,489,396	15,069,089
13.1	Facilities available from financial institutions amount to Rs. 23,130 million (June 30, 2025: Rs. 25,150 million). The rates of mark-up range between 1 month KIBOR plus 0.85% to 3 months KIBOR plus 3.00% (June 30, 2025: 1 month KIBOR plus 0.85% to 3 months KIBOR plus 3%) per annum. The balance is secured against ranking hypothecation charge over plant, machinery and equipment and pari passu charge over the current assets and fixed assets of the Company.	
13.2	The facilities for opening letters of credit and guarantees as at December 31, 2025 amounted to Rs. 14.96 billion (June 30, 2025: Rs. 13.25 billion) of which the amount remained unutilised at period end was Rs. 5.81 billion (June 30, 2025: Rs. 5.39 billion). Corporate and personal guarantees provided by related parties against LC facility amounted to Rs. 4.3 billion (June 30, 2025: Rs. 4.3 billion) out of which amount remained unutilised at period end was Rs. 4.3 billion (June 30, 2025: Rs. 4.3 billion).	
	(Unaudited) December 31, 2025	(Audited) June 30, 2025
Rupees '000		

14. CURRENT MATURITY OF LONG-TERM FINANCE

Conventional

Loan for expansion project - note 14.1

300,009

593,580

14.1 The facility carries mark-up ranging between 6 months KIBOR plus 1.9% per annum to be determined on semi-annual basis to mark up at 6 months KIBOR prevailing one day before the first Musharaka contribution date, plus a margin of 1.9% per annum to be determined on semi-annual basis. It is repayable in 10 consecutive semi-annual installments in arrears from December 2021 to June 2026.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There has been no significant change during the period in the contingencies reported in the annual financial statements for the year ended June 30, 2025 except for the following:

The Company received an order from the Competition Commission of Pakistan (CCP), dated October 07, 2025. The order imposed penalty of Rs. 648.30 million for alleged non-compliance of section 4 of the Competition Act, 2010.

The Company has filed an appeal before the Competition Appellate Tribunal to challenge the said order. The Company, based on the advice of its legal counsel, expects a favorable outcome in the matter. Accordingly, no provision has been made in these financial statements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

15.2 Commitments

Commitments for capital expenditure outstanding as at December 31, 2025 amounted to Rs. 135.70 million (June 30, 2025: Rs. 83.73 million).

Commitments under letter of credit for raw materials as at December 31, 2025 amounted to Rs.7,326.62 million (June 30, 2025: Rs. 7047.74 million).

The guarantee for Sindh Infrastructure Development Cess as at December 31, 2025 amounting to Rs. 550 million (June 30, 2025: Rs. 200 million).

	(Unaudited)	
	December 31, 2025	December 31, 2024
	Rupees '000	

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sale of goods - note 16.1	18,685,097	14,110,749
Sales tax	(2,715,800)	(2,064,025)
Rebates and discounts	-	(11,018)
	<u>15,969,297</u>	<u>12,035,706</u>
Exports	4,598,680	891,257
	<u>20,567,977</u>	<u>12,926,963</u>

16.1 This includes scrap sale of coil-end sheets net of sales tax amounting to Rs. 1,033.10 million (December 31, 2024: Rs. 724 million).

17. SELLING AND DISTRIBUTION COSTS

This includes freight charges on export sales amounting to Rs. 518.76 million (December 31, 2024: Rs. 58.99 million).

18. OTHER EXPENSES

This includes exchange loss amounting to Rs. 27.56 million (December 31, 2024: Rs. 6.81 million).

19. OTHER INCOME

This includes scrap sales amounting to Rs. 36.80 million (December 31, 2024: Rs. 9.32 million).

	(Unaudited)	
	December 31, 2025	December 31, 2024
	Rupees '000	

20. FINANCE COSTS

Mark-up expense:		
- long-term finance	23,521	247,283
- impact of unwinding on long-term finance	12,879	(10,591)
- short-term borrowings	858,681	1,516,645
Guarantee commission	1,299	907
Finance lease charges	6,797	15,002
Bank and other charges	30,586	13,460
	<u>933,763</u>	<u>1,782,706</u>

21. LEVIES

Minimum tax - note 21.1	45,987	8,913
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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

- 21.1 This represents minimum tax under section 154 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRC 21/ IAS 37.

	(Unaudited)	
	December 31, 2025	December 31, 2024
	Rupees '000	

22. INCOME TAX CHARGE / (CREDIT)

Current		
- for the period	273,426	154,478
- prior period	-	3,295
Deferred	(235,066)	(722,524)
	<u>38,360</u>	<u>(564,751)</u>

23. LOSS PER SHARE

23.1 BASIC

Profit / (loss) for the period attributable to ordinary shareholders	31,490	(1,702,278)
Adjustment for cumulative preference share dividend	(31,820)	(50,209)
Loss for the period for calculation of basic earnings per share	<u>(330)</u>	<u>(1,752,487)</u>
Weighted average number of ordinary shares outstanding at period end (in thousand)	<u>930,400</u>	<u>930,016</u>
	Rupees	
Loss per share - basic	<u>(0.0004)</u>	<u>(1.88)</u>

23.2 DILUTED

Diluted loss per share has not been presented for the half year ended December 31, 2025 as it has anti-dilutive effect on loss per share.

	(Unaudited)	
	December 31, 2025	December 31, 2024
	Rupees '000	

24. CASH GENERATED FROM OPERATIONS

Profit / (loss) before levies and income tax	115,837	(2,258,116)
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Adjustment for non-cash charges and other items

Depreciation and amortisation	476,874	482,739
Finance lease charges	6,797	15,002
Mark-up charges	883,501	1,764,835
Unwinding of long term finance	12,879	(10,591)
Provision for staff retirement benefit funds	67,047	26,469
Return on PLS savings accounts	(5,463)	(5,628)
Expense for WPPF and WWF	19,453	-
(Gain) / loss on disposal of property, plant and equipment	(297)	1,370
	<u>1,460,791</u>	<u>2,274,196</u>
Profit before working capital changes	<u>1,576,628</u>	<u>16,080</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

	(Unaudited)	
	December 31, 2025	December 31, 2024
Rupees '000		
Effects on cash flow due to change in working capital		
(Increase) / decrease in current assets		
Inventories	(4,615,349)	2,521,193
Trade and other receivables	204,606	1,316,281
Loans, advances, deposits and prepayments	(612,545)	58,045
Tax refunds due from Government - Sales tax	(698,786)	(26,272)
	<u>(5,722,074)</u>	<u>3,869,247</u>
Increase / (decrease) in current liabilities		
Trade and other payables	726,089	(2,213,663)
Sales tax payable	-	(178,116)
	<u>(4,995,985)</u>	<u>1,477,468</u>
Net cash (used) in / generated from operations	<u>(3,419,357)</u>	<u>1,493,548</u>
25. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 10	437,888	333,485
Running finance	(2,823,512)	(285,024)
	<u>(2,385,624)</u>	<u>48,461</u>
26. TRANSACTIONS WITH RELATED PARTIES		

Disclosure of transactions with related parties during the period are as follows:

			(Unaudited)	
			December 31, 2025	December 31, 2024
Rupees '000				
Associated companies	Arif Habib Corporation Limited	- Finance facility utilised	500,000	3,650,000
		- Repayment of finance facility utilised	500,000	1,250,000
		- Long-term loan repaid	-	78,104
		- Mark-up on finance facilities	1,316	65,654
		- Mark-up on finance facilities paid	2,038	61,891
		- Guarantee commission expense	600	651
	Power Cement Limited	- Purchase of construction material	-	377
		- Contribution paid against expenses	422	-
		- Payment against purchase of construction material	402	-
		- Contribution received against expenses	429	3,500
	Rotocast Engineering Co. (Private) Limited	- Rent and maintenance	8,364	10,301
	Arif Habib Development & Engineering Company	- Sales return	-	319,081
	Javedan Corporation Limited	- Sales made during the period	1,326	-
		- Receipts during the period	1,507	-
	Globe Residency REIT	- Sales made during the period	9,855	9,698
		- Receipts during the period	18,552	-
Other related parties	Mr. Arif Habib, Chairman	- Contribution from sponsors	6,918,902	8,281,098
Key management personnel	Chief Executive Officer, Chief Financial Officer & Company Secretary	- Salaries and other employee benefits	13,751	13,653
	Chief Financial Officer & Company Secretary	- Post retirement benefits	556	392
	Non-Executive Director	- Meeting and other expenses	750	625

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 – (Unaudited)

27. DISCLOSURES RELATING TO SHARIAH COMPLIANCE

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
Rupees '000		
Disclosures in relation to the statement of financial position - Liability		
i) Mark-up accrued on conventional loan or advance	245,634	326,318
ii) Short-term financing obtained as per islamic mode - note 13	1,137,938	4,963,377
iii) Long-term financing obtained as per islamic mode - note 14	121,331	250,296
iv) Mark-up accrued on islamic loan or advance	30,358	148,264
Disclosures in relation to the statement of financial position - Assets		
i) Shariah-compliant bank deposits - note 10	120,475	149,492
(Unaudited)		
	December 31, 2025	December 31, 2024
Rupees '000		

Disclosures required in relation to the statement of profit or loss and other comprehensive income

i) Revenue earned from a Shariah compliant business segment - note 16	20,567,977	12,926,963
ii) Profit earned from Shariah compliant bank deposits	1,813	2,449
iii) Profit paid on Islamic mode of financing	215,340	480,302

Break-up of other income excluding profits in bank deposits and TDRs

Shariah compliant income:

- Scrap sales	37,201	9,426
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27.1 Relationship with shariah compliant financial institutions

Islamic Banks

The Company has facilities with Bank Islami Pakistan Limited for Letter of Credit, Istisna and Bank Guarantee amounting to Rs. 250 million, Rs. 250 million and Rs. 88 million respectively.

The Company has facilities with Dubai Islamic Bank Limited for Wakala Istithmar, Istisna, Letter of Credit, Import Murabaha amounting to Rs. 2.5 billion and Shipping Guarantee amounting to Rs. 2 billion.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2025 - (Unaudited)

The Company has facilities with MCB Islamic Bank Limited for Letter of Credit, Import Murabaha, Istisna amounting to Rs. 500 million and Letter of Guarantee and Ijarah amounting to Rs. 300 million and Rs. 100 million respectively.

The Company has facilities with Meezan Bank Limited for Istisna and Letter of Credit amounting to Rs. 1.25 billion.

The Company has facilities with National Bank of Pakistan (Islamic) for Istisna amounting to Rs. 500 million.

Window Takaful Operators

The Company has facilities with EFU General Insurance Limited for vehicles insurance and EFU Life Assurance Limited for health insurance.

28. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on February 26, 2026.



Chief Financial Officer



Chief Executive



Director



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