



***METROPOLITAN STEEL
CORPORATION LIMITED***

ANNUAL REPORT 2026



VISION

BE A MARKET LEADER IN STEEL INDUSTRY THROUGH
DIVERSIFICATION, PROFESSIONALISM OPTIMUM USE OF
RESOURCES & ENSURING STAKE HOLDERS INTEREST

MISSION

METROPOLITAN STEEL CORPORATION LIMITED IS COMMITTED TO:
BE ETHICAL IN ITS PRACTICES

PRODUCE TO THE HIGHEST QUALITY STANDARDS

FULFILL AND EXCEED THE QUALITY EXPECTATIONS OF OUR CUSTOMERS

OPERATE THROUGH TEAM WORK

EXCEL THROUGH CONTINUOUS IMPROVEMENT

RETAIN OUR POSITION AS MARKET LEADER

CONFORM WITH ENVOIRONMENTAL PROTECTION STANDARS

ENSURE A FAIR RETURN TO SHAREHOLDERS

FULFILL SOCIAL RESPONSIBILITES

COMPANY PROFILE

Board of Directors

Mr. Mehmood Ali Mehkri	Non-Executive	Chairman
Mr. Muhammad Umar Mehkari	Executive	Chief Executive
Mr. Irshad Ali Pitafi*	Independent Director/Non Executive	Director
Mr. Abdul Rahim Suriya	Independent Director/Non Executive	Director
Mr. Tahir Mahmood**	Independent Director/Non Executive	Director
Mrs Uzma Mehmood Mehkri	Non-Executive	Director
Mrs. Sara Mehkri	Non-Executive	Director
Mrs. Saba Mehkri	Executive	Director
*Resignation accepted on september 19, 2025		
**appointed on September 19, 2025.		

Audit Committee

Mr. Irshad Ali Pitafi*	Independent Director/Non Executive	Chairman
Mr. Tahir Mahmood**	Independent Director/Non Executive	Chairman
Mrs. Sara Mehkri	Non-Executive	Member
Mrs. Uzma Mehmood Mehkri	Non-Executive	Member
*Resignation accepted on september 19, 2025		
**appointed on September 19, 2025.		

HR & Remuneration Committee

Irshad Ali Pitafi*	Independent Director/Non Executive	Chairman
Mr. Abdul Rahim Suriya	Independent Director/Non Executive	Chairman
Mr. mehmood Ali Mehkri	Non-Executive	Member
Mrs. Saba Mehkri	Executive	Member
*Resignation accepted on september 19, 2025		

Nomination Committee

Mrs. Sara Mehmood Mehkri	Non-Executive	Chairman
Mr. mehmood Ali Mehkri	Non-Executive	Member
Mrs. Uzma Mehmood Mehkri	Non-Executive	Member

Risk Management Committee

Mrs. Saba Mehkri	Executive	Chairman
Mr. mehmood Ali Mehkri	Non-Executive	Member
Mrs. Uzma Mehmood Mehkri	Non-Executive	Member

Company Secretary

Mr. Abul Mojahid

Auditors

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants.

Registere/ Head Office

Plot No: H.E 1/2, Landhi Industrial area
Karachi.

METROPOLITAN STEEL CORPORATION LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 71st Annual General Meetings of the Company will be held on Saturday October 24, 2026 at 10:00 a.m. at the Registered Head office factory premises on plot No. HE-1/2, adjacent Nagaria Textile Mill, Landhi Industrial Area, Karachi to transact the following business:

1. ORDINARY BUSINESS:

- i. To confirm the minutes of the 70th Annual General Meeting held on October 25, 2025.
- ii. To receive and adopt the audited accounts of the Company for the year ended June 30, 2026 with the Audit report, Directors' Report and review report by the chairman thereon;
- iii. To appoint auditor for the year ending June 30, 2027 and fix their remuneration.
- iv. Any other business with the permission of the chair.

Karachi: 03-10-2026

By Order of the Board
Abul Mojahid
Company Secretary

NOTES

1. The share transfer books of the Company will remain closed from 18-10-2026 to 24-10-2026 (both days inclusive)
2. A member entitled to attend and vote may appoint any other member as his /her proxy.
3. The instrument appointing proxy must be received at the Registered Office of the company duly stamped and signed not later than 48 hours before the meeting.
4. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 of January 26, 2000 issued by the Securities Exchange Commission of Pakistan.

A. For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his /her identity by showing his /her original National Identity Card NIC or original passport at the time of attending the meeting.
- ii. In case of corporate entity the Board of Directors resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

iii. Participation through video conferencing facility:

The shareholders, can participate in the AGM proceedings via video link also, those members who are willing to attend and participate in the AGM via video link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of CNIC at email address corporate@msclwire.com.pk with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	CNIC No.	Folio/CDC Acc. #	Cell No.	Email Address

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the company via email. The said link will remain open 10:00 a.m. on the date of AGM till the end of the meeting.

B. For Appointing Proxy:

- i. In case of individuals the account holder or sub account holder and or the person whose securities are in group account and their registration details are upload as per the Regulations, shall submit the proxy form as per the above requirement
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form
 - iii. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his original NIC passport at the time of the meeting
 - v. In case of corporate entity, the Board of Directors' resolution/power of attorney with the specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
5. Transmission of Annual Audited Financial Statements and Notice of AGM for the year ended June 30, 2026, have been placed on the Company's website, which can be accessed / downloaded from the link <https://msclwire.com.pk/investor-information/>
 6. Distribution of Gifts As required by SRO 452 dated March 17, 2025, no gifts shall be distributed at the General Meetings.

DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2026

To the Members,

The Board of Directors of Metropolitan Steel Corporation Limited has the honor to present this Annual Report, together with the audited financial statements of the Company for the year ended June 30, 2026.

1. OPERATIONAL AND FINANCIAL REVIEW

The principal activity of the Company remains the manufacturing and sale of steel wire products. Pakistan's economy recorded real GDP growth of 3.7% in FY2025–26, supported by improvements in industry, manufacturing and services. For the high-carbon steel wire market, the recovery in industrial and construction activity is relevant because stronger construction, infrastructure and manufacturing demand can increase consumption of steel wire. However, the market is also facing significant import-related pressures. Higher freight, exchange-rate exposure, customs costs and delays in imported raw materials such as wire rod can raise the landed cost of steel wire rods and create volatility in local prices.

The situation was further complicated by regional tensions involving Iran, which disrupted transport routes, energy costs and cross-border trade. Pakistan had important commercial shipping links through routes connected to the Gulf and Strait of Hormuz. These disruptions reduced maritime traffic and increased concerns over transportation and energy costs.

For steel wire, these factors elevated imported raw-material and finished-product costs. Overall, Pakistan's economic recovery is supportive of steel consumption, but import constraints, regional disruptions and input costs limited the benefit to the steel-wire industry and contributed to price uncertainty.

Alhamdulillah, despite these macroeconomic hardships, the market remained receptive to your Company. However, the Company faced stern economic pressures due to sluggish demand for steel products.

Key Performance Indicators:

Particulars	2026	2025
Net Revenue	Rs. 106.908 million	Rs. 100.747 million
Loss Before Taxation	Rs. 19.764 million	Rs. 13.010 million
Loss After Taxation	Rs. 18.731 million	Rs. 12.423 million
Earning per share	Rs. (0.60)	Rs. (0.40)

The increase in capacity utilization by approximately 33% is a direct result of the subdued market demand. While the Company reported a net loss of Rs. 18.731 million, it is noteworthy that this represents a reduction in losses compared to the previous year, reflecting management's continued efforts in cost control and operational efficiency.

2. MATERIAL EVENTS AND COMMITMENTS

During the year, no material event occurred that has a significant impact on the Company's operations or financial position, other than the industry-wide challenges of price erosion, smuggling, and increased energy costs as detailed above.

3. CORPORATE SOCIAL RESPONSIBILITY POLICY

Your company focuses on wheat distribution in low income deprived areas of our city, reflecting our corporate values in action. In recognition of our role as a responsible corporate citizen, Metropolitan Steel Corporation Ltd. provided funds totaling Rupees One Hundred and Eight Thousand (Rs. 108,000) for CSR initiatives as tangible relief to vulnerable families.

4. BOARD OF DIRECTORS OF THE COMPANY

The board of directors of the company as of 30 June 2026 consist of:

<u>Total Number of Directors</u>	7
Men	4
Women	3

The names and composition of the board of directors as of 30 June 2026 are as follows:

Category	Names
<u>Non-Executive Directors</u>	Mr. Mehmood Ali Mehkri Mrs. Uzma Mehmood Ali Mehkri Mrs. Sara Mehmood Mehkri
<u>Independent Directors</u>	Mr. Tahir Mahmood** Mr. Abdul Rahim Suriya Mr. Irshad Ali Pitafi *
<u>Executive Directors</u>	Mr. Muhammad Umar Mehkari Mrs. Saba Mehkri
<u>Female Directors</u>	Mrs. Uzma Mehmood Ali Mehkri Mrs. Sara Mehmood Mehkri Mrs. Saba Mehkri

* Resignation accepted on September 19, 2025

** Appointed on September 19, 2025

5. CODE OF CORPORATE GOVERNANCE

The Board and Management of the Company are committed to ensuring that requirements of the Code of Corporate Governance are fully met. The Company has adopted strong Corporate Governance practices with an aim to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Directors are pleased to report that:

1. The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in the equity
2. Proper books of account of the company have been maintained
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
5. The directors confirm that the company is in full compliance with highest standards of internal controls which are sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations
8. The company has on account of statutory payment of taxes, duties, levies and changes has no outstanding liability as at the balance sheet date
9. There are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of any laws.
10. The Company's Directors' Remuneration has been formulated. According to it, every director is entitled to a meeting fee as remuneration for attending meetings of the Board of Directors. Aggregate amount of remuneration paid to executive and non -executive directors have been disclosed in the annexed financial statements.(Note-36)
11. Out of seven (7) directors, one (1) director is exempt from the Directors Training Program based on his experience as Director on the Board of Listed Companies. Two (2) have completed the DTP program and one (1) of the Director is due to complete this year.

CHANGES IN THE BOARD

During the year under review, there was one change in the structure of the board where Mr. Irshad Ali Pitafi resigned as a board member on 19-September-2025, and he has been replaced by Mr. Tahir Mehmood.

BOARD MEETINGS

The total number of Board Meetings were four (4) during the year ended 2026. As per the requirements of the Code of Corporate Governance, written notices were circulated to the board seven days (7) in advance.

Mr. Mehmood Ali Mehkri	4
Mr. Irshad Ali Pitafi	0
Mr. Abdul Raheem Suriya	4
Mr. Tahir Mehmood	4
Mr. Muhammad Umar Mehkari	4
Mrs. Uzma Mehmood Ali Mehkri	4
Mrs. Sara Mehmood Mehkri	4
Mrs. Saba Mehkari Farooqui	4

AUDIT COMMITTEE

As per the Code of Corporate Governance, the Audit Committee consists of entirely of non-executive directors with the Chairman of the committee being an Independent Director. The attendance of the Audit Committee is as follows:

Mr. Tahir Mehmood	Chairman	4
Mr. Mehmood Ali Mehkri	Member	4
Mrs. Saba Mehkari Farooqui	Member	4

HR & REMUNERATION COMMITTEE

As per the Code of Corporate Governance, the H.R. & Remuneration Committee consists of entirely of nonexecutive directors with the Chairman of the committee being an Independent Director. The attendance of the Committee is as follows:

Mr. Abdul Raheem Suriya	Chairman	1
Mr. Mehmood Ali Mehkri	Member	1
Mrs. Uzma Mehmood Ali Mehkri	Member	1

6. ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

The Company is committed to strengthening its corporate governance framework and ensuring compliance with the applicable requirements of the Code of Corporate Governance. In this regard, the Company intends to constitute an Environment, Social & Governance (ESG) Committee in the upcoming financial year to oversee and monitor matters relating to environmental sustainability, social responsibility, ethical business practices, and governance standards.

The ESG Committee will assist the Board in developing appropriate policies, monitoring ESG-related initiatives, assessing compliance requirements, and promoting responsible and sustainable business practices. The Company will take the necessary steps to formally establish and operationalize the Committee in accordance with the applicable regulatory requirements.

7. DIVERSITY, EQUITY & INCLUSION (DEGI) and GENDER PAY GAP

The Company is committed to being an equal opportunity employer and does not discriminate on the basis of gender, race, religion, or any other protected characteristic. Employment opportunities are offered based on qualifications, skills, experience, and suitability for the respective role. However, due to the nature of our business operations and the specific requirements of the work involved, the Company currently does not have female employees.

8. MODIFICATION IN THE AUDITOR'S REPORT

The External Auditors of the Company have provided modified opinion on the state and affairs of the Company and the same is disclosed in the annual report. With respect to the modifications in the Auditor's report our responses are follows:

- The auditors has issued qualified opinion on trade debts, unclaimed dividends, lease liability and markup accrued thereon.
- Trade Debts are disputed in court (Suit No. 1058/2014). The legal advisor of the Company is of the view that these shall be recovered. However, the auditor recommends to write off.
- Lease Liability and markup accrued thereon already paid by the Company. The creditor has filed a claim (Suit No. 172/2017). Supporting documents evidencing payment have been provided to the Court.

9. ADEQUACY ON INTERNAL CONTROLS

The Company has a sound system of internal controls. The controls have been effectively implemented and are consistently monitored. The Company has maintained proper books of accounts. Furthermore, the Company has appointed a Qualified Head of Internal Audit, who reports Quarterly to the Audit Committee.

10. REMUNERATION OF DIRECTORS

The board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Code of Corporate Governance Regulations 2018. The remuneration of the directors is approved by the Board itself. However in accordance with the Regulations and the Act it is ensured that no Director takes part in the proceedings of the meeting deciding its own remuneration. The Company only pays remuneration to CEO only and the Directors are paid meeting fee for the meetings attended during the year. The details of which are disclosed in the notes to the Financial Statements. (Note 36)

11. FUTURE OUTLOOK

Heavy Reliance on imported raw material, rise in freight costs, delays in shipments due to Gulf war, rising cost of doing business and inflation within the country are the major concerns for the coming year. However, we hope to achieve higher Revenue due to improvement in Quality and diversification of our product range now catering to the agriculture sector

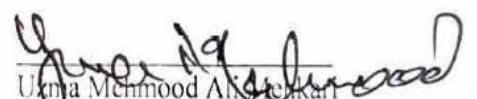
12. AUDITORS

The auditors, Reanda Haroon Zakaria Amir Salman Rizwan & Company Chartered Accountants, have expressed their willingness to continue in office. A resolution for their re-appointment and the determination of their remuneration will be proposed at the forthcoming Annual General Meeting.

For and on behalf of the Board of Directors



Muhammad Umar Mehkari
Chief Executive Officer



Umera Mehmood Amir Zakaria
Director

October 01, 2026

CHAIRMAN'S REVIEW

Dear Shareholders,

It is my pleasure to present the annual audited financial statements and my review on the performance of your Company for the outgoing financial year June 30, 2026.

The Company after facing economic challenges is progressing towards stability, with better pricing and steady increase in sales, we express our gratitude to shareholders, employees, customers for their continued support and belief in the Company.

We also congratulate the management for integrating into the latest digital invoicing platform creating more transparency and efficiency within the company. The start of new fiscal year has been positive with an increase in capacity utilization and better pricing, and the company looks forwards to achieve profitability in the coming. year by further improving the range and quality of our products, IN SHAA ALLAH.

The overall performance of the Board, its members and sub-committees has been assessed as 'Satisfactory'. As the Chairman of the Board, I would like to extend my gratitude to all Board members for their valuable participation, support and guidance. I would also like to thank all the shareholders for their unwavering support and confidence in our vision.



Mahmood Ali Mehkri
Chairman

October 01, 2026

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS)

Name of Company: Metropolitan Steel Corporation Limited

Year ended: June 30, 2026

Metropolitan Steel Corporation Limited (the Company) has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven as per the following:

- a. Male: 4
- b. Female: 3

2. The composition of the Board of Directors (the Board) is as follows:

<i>Category</i>	<i>Names</i>
Non-Executive Directors	Mr. Mehmood Ali Mehkri
	Mrs. Uzma Mehmood Ali Mehkri
	Mrs. Sara Mehmood Mehkri
Independent Director	Mr. Irshad Ali Pitafi*
	Mr. Abdur Raheem Sooryia
	Mr. Tahir Mehmood**
Executive Directors	Mr. Muhammad Umar Mehkari
	Mrs. Saba Mehkari Farooqui
Female Directors	Mrs. Sara Mehmood Mehkri
	Mrs. Saba Mehkari Farooqui
	Mrs. Uzma Mehmood Ali Mehkri

*Resignation accepted on September 19, 2025

**Appointed on September 19, 2025

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. The Board has not arranged any Directors' Training program for its Directors. The Directors will be trained in the upcoming period. All the Directors on the Board are fully conversant with their duties and responsibilities.
10. The CFO was appointed on June 29, 2026. The quarterly financial statements for the period ended September 2025 , December 2025 & March 2026 were not authenticated by Chief Financial Officer as the position was vacant at the time of authorization of those financial statements.
11. The annual financial statements were duly endorsed by the Chief Executive Officer (CEO), Director and Chief Financial Officer (CFO) before approval of the Board;
12. The Board had formed committees comprising of members given below:

a. Audit Committee

<i>Sr. #</i>	<i>Name</i>	<i>Designation</i>
I	Mr. Irshad Ali Pitafi*	Chairman
ii	Mr. Tahir Mahmood**	Chairman
iii	Mrs. Saba Mehkari Farooqui	Member
Iv	Mr. Mehmood Ali Mehkri	Member
*Resignation accepted on September 19, 2025		
**Appointed on September 19, 2025		

b. HR and Remuneration Committee

<i>Sr. #</i>	<i>Name</i>	<i>Designation</i>
I	Mr. Irshad Ali Pitafi*	Chairman
Ii	Mr. Abdul Rahim Suriya	Chairman
iii	Mr. Mehmood Ali Mehkri	Member
Iv	Mrs. Uzma Mehmood	Member
* Resignation accepted on September 19, 2025		

c. Nomination Committee

<i>Sr. #</i>	<i>Name</i>	<i>Designation</i>
I	Mrs. Sara Mehmood Mehkri	Chairman
Ii	Mr. Mehmood Ali Mehkri	Member
Iii	Mrs. Uzma Mehmood	Member

d. Risk Management Committee

<i>Sr. #</i>	<i>Name</i>	<i>Designation</i>
I	Mrs. Saba Mehkari Farooqui	Chairman
Ii	Mr. Mehmood Ali Mehkri	Member
Iii	Mrs. Uzma Mehmood	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;

14. The frequency of meetings of the committees were as per following:

<i>Committee</i>	<i>Frequency of Meetings</i>
a) HR and Remuneration Committee	Annually
b) Audit Committee	Quarterly

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, company secretary or director of the company;

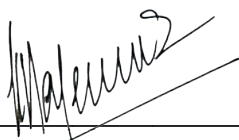
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27,32, 33 and 36 are below:

Sr. No.	Regulation No.	Regulation	Explanation
01	10A	Role of the Board and its members to address Sustainability Risks and Opportunities	This requirement was introduced by SECP through notification dated June 12, 2024 and the newly appointed Board will comply will this requirement in the upcoming year.
02	19	Directors' Training Program	The Board has planned to complete the director's training program of remaining directors by the end of June 30, 2027.
03	25	Financial statement endorsed by chief financial officer and chief executive officer	Since the Company appointed chief financial officer on June 29, 2026 therefore issued quarterly financial statements were authorized by the chief executive officer only and director.
04	35	Environmental, Social and Governance related Policies	Environmental, Social and Governance related Policies are not disclosed on the Company's website, whereas all other significant policies are disclosed.

On Behalf of the Board,



MEHMOOD ALI MEHKARI
CHAIRMAN

Dated: October 01, 2026

P. Key Financial & Operating Data

This has been summarised for the following seven years for the assessment of operating and financial results.

	Jun-26	Jun-25	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20
Sales Revenue	106,908	100,747	122,475	99,203	100,734	92,671	27,399
Cost of Sales	111,351	112,430	139,688	106,776	118,384	81,167	46,253
Gross Profit/(Loss)	(4,443)	(11,683)	(17,213)	(7,573)	(17,650)	11,504	(18,854)
Other Income	3,542	18,018	4,607	14,083	26,140	2,859	3,187
Total	(901)	6,335	(12,606)	6,510	8,490	14,363	(15,667)
Operating Expenses	(17,800)	(17,725)	(10,956)	(9,409)	(7,085)	(5,646)	(5,094)
Operating Profit/(Loss)	(18,701)	(11,390)	(23,562)	(2,899)	1,405	8,717	(20,761)
Financial Expenses	(344)	(205)	(192)	(261)	(69)	(56)	(96)
Total	(19,045)	(11,595)	(23,754)	(3,160)	1,336	8,661	(20,857)
Other charges	(719)	(1,415)	-	(10,695)	(81,184)	(7,589)	-
Profit/loss before taxation	(19,764)	(13,010)	(23,754)	(13,855)	(79,848)	1,072	(20,857)
Dividend	-	-	-	-	-	-	-
Taxation	1,033	587	412	855	(32)	774	4,140
Net profit/Loss for the year after taxation	(18,731)	(12,423)	(23,342)	(13,000)	(79,879)	1,846	(16,717)
Accumulated profit/losses brought forward	(113,416)	(105,512)	(86,926)	(78,933)	(4,323)	(11,080)	856
Adjustments	5,801	4,519	4,756	5,007	5,269	4,912	4,781
Accumulated profit/losses carried forward	(126,346)	(113,416)	(105,512)	(86,926)	(78,933)	(4,323)	(11,080)

	Jun-26	Jun-25	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20
Share Capital	309,776	309,776	309,776	309,776	309,776	309,776	309,776
Reserves	80,500	80,500	80,500	80,500	80,500	80,500	80,500
Unappropriated profit/Loss	(126,346)	(113,416)	(105,512)	(86,926)	(78,933)	(4,323)	(11,080)
Unrealized gain	-	-	-	-	-	-	-
Surplus on Revaluation of Fixed Assets	562,221	568,022	529,982	534,738	539,745	545,015	327,560
Shareholders Equity	826,151	844,882	814,746	838,088	851,088	930,968	706,756
Long Term Loans	-	-	-	-	-	-	-
Long term liability	-	-	-	-	-	-	-
Deferred Liability	35,928	38,297	27,821	29,764	31,809	33,962	31,044
Long term & deferred liability	35,928	38,297	27,821	29,764	31,809	33,962	31,044
Total Equity & Liability	862,079	883,179	842,567	867,852	882,897	964,930	737,800

REPRESENTED BY

Fixed assets	790,624	806,668	766,044	767,621	782,010	795,889	592,711
Current Assets	101,709	102,380	120,683	159,059	138,969	222,450	191,004
Current liabilities	(33,463)	(29,778)	(47,494)	(62,193)	(41,555)	(56,948)	(49,124)
Other non-current assets	3,209	3,909	3,334	3,365	3,473	3,539	3,209
Total Assets	862,079	883,179	842,567	867,852	882,897	964,930	737,800

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
METROPOLITAN STEEL CORPORATION LIMITED
REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

Qualified Opinion

We have audited the annexed financial statements of **Metropolitan Steel Corporation Limited (the Company)**, which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit except for the matters stated in the *Basis for Qualified Opinion* section of our report.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2026 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves about recoverability of doubtful trade debts (note 9) amounting to Rs. 24.07 million, due to non-availability of any assessment by management. The balances could not be verified from other alternative procedures. Further, we were unable to substantiate unclaimed dividends (note 21), lease liabilities (note 22) and markup accrued (note 19) there upon amounting to Rs. 1.27 million, Rs. 21.22 million and Rs. 3.74 million respectively, due to non-availability of records and being old in nature. Consequently, we were unable to determine whether any adjustments were necessary in respect of above balances and related disclosures in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company

Chartered Accountants

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Material Uncertainty relating to Going Concern

We draw attention to Note 1.3 to the accompanying financial statements, which indicates that the Company has incurred a gross loss of Rs. 4.44 million (2025: Rs. 11.68 million) and a loss after-tax of Rs. 18.73 million (2025: Rs. 12.42 million) and its accumulated losses stood at Rs. 126.35 million (2025: Rs. 113.42 million) along with the management's reasons for preparing these financial statements on going concern basis. These conditions, along with other matters mentioned in note 1.3, indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 47.1 to the accompanying financial statements, that these financial statements were authenticated by Chief Financial Officer as required by Companies Act, 2017. However, the quarterly financial statements for the period ended September 2025, December 2025 and March 2026 were not authenticated by Chief Financial Officer as the position was vacant at the time of authorization of those financial statements.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the *Basis for Qualified Opinion* section and *Material Uncertainty relating to Going Concern* section we have determined the matter described below to be the key audit matter to be communicated in our report

Following is the Key audit matter:***Key audit matter******How the matter was addressed in our audit******Valuation of stock in trade***

As disclosed in note 8 to the financial statements, stock-in-trade amounts to Rs. 15.40 million. The stock is measured at lower of weighted average cost and net realizable value. There is an element of judgement involved in determining an appropriate costing basis and assessing its valuation.

Our audit procedures to assess the valuation of stock-in-trade amongst others include the following:

- Obtained an understanding of controls over purchases and valuation of stock-in-trade and tested, on a sample basis, their design, implementation and operating effectiveness;
- Performed observation of inventory counts and physical inspection of the stock held at the premises of the Company;



Key audit matter

Given the significance of stock-in-trade to the financial performance of the Company and the level of judgements and estimate involved, we have identified valuation of stock-in-trade as a key audit matter.

How the matter was addressed in our audit

- Assessed net realizable value (NRV) by comparing management's estimation with the selling prices achieved subsequent to the reporting period; and
- Assessed the adequacy and appropriateness of the disclosures for compliances with the requirements of applicable financial reporting framework.

Valuation of Stores, spare parts and loose tools.

As disclosed in Note 7 to the financial statements stores, spare parts and loose tools amounted to Rs. 11.31 million, the Company carried out a valuation of its stores, spare parts and loose tools during the year.

The valuation involved significant judgement, use of key assumptions, and reliance on independent professional valuer. Accordingly, we have identified the revaluation of stores, spare parts and loose tools as a key audit matter.

Our audit procedures included the following:

- Observed the physical inspection of the stock held by the company.
- Evaluated the qualification, independence, experience, and competency of external valuation expert engaged by the company as valuation expert.
- Obtained and assessed the valuation reports prepared by independent external management valuer.
- Obtained an understanding of controls over valuation of stores, spare parts and loose tools, and tested on sample basis, their design, implementation and operating effectiveness.
- Assessed the adequacy of related disclosures in the annexed financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



REANDA

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) except for the possible effects of matters described in the *Basis for Qualified Opinion* section of our report, proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except for the possible effects of matters described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Reanda Haroon Zakaria Aamir Salman Rizwan & Co

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi

Dated: October 01, 2026

UDIN: AR202610127sGZqIgIT9

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
METROPOLITAN STEEL CORPORATION LIMITED**

Review Report on Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Metropolitan Steel Corporation Limited**, ("the Company") for the year ended June 30, 2026 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required to ensure compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Instance of non-compliance with respect to regulations was observed which have not been stated in the Statement of Compliance:

- Qualification of Head of internal audit is not in compliance with the criteria specified under section 23 of the Regulations, resulting in a deficient internal audit function.
- Qualification of Company secretary is not in compliance with the criteria specified under section 24 of the Regulations.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company

Chartered Accountants

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Based on our review, except for the above instances of non-compliances, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the Statement of Compliance:

Sr. No.	Regulation No.	Description
01	10A	Role of the Board and its members to address Sustainability Risks and Opportunities
02	19	Directors' Training Program & head of department Training Program
03	25	Annual financial statements were authenticated by the CFO and CEO; However quarterly and half-yearly financial statements were not authenticated by the CFO as the position was vacant at the time of authorization of those financial statement.
04	35	Environmental, Social and Governance related policies are not disclosed on the Company's website, whereas all other significant policies are disclosed.



Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi

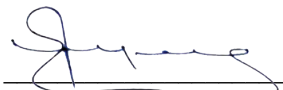
Dated: October 01, 2026

UDIN: CR2026101275X9KECOS0

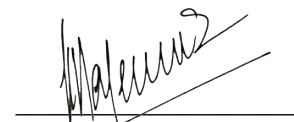
METROPOLITAN STEEL CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

<u>ASSETS</u>	Note	2026 ---- Rupees in '000' ----	2025
Non-Current Assets			
Property, plant and equipment	4	790,624	806,668
Long term deposits	5	3,209	3,209
Long term investment	6	-	700
		<u>793,833</u>	<u>810,577</u>
Current Assets			
Stores, spare parts and loose tools	7	11,305	11,948
Stock in trade	8	15,397	14,450
Trade debts	9	30,135	26,557
Claims recoverable	10	-	-
Advances, prepayments and other receivables	11	365	284
Short term investments	12	24,500	23,014
Markup receivable		220	333
Tax refunds due from government	13	17,579	17,785
Cash and bank balances	14	2,208	8,009
		<u>101,709</u>	<u>102,380</u>
Total Assets		<u><u>895,542</u></u>	<u><u>912,957</u></u>
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
50,000,000 (2025: 50,000,000) Ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	15	309,776	309,776
Revenue Reserves			
General reserve		80,500	80,500
Accumulated losses		(126,346)	(113,416)
		(45,846)	(32,916)
Capital Reserves			
Revaluation surplus on property, plant and equipment	16	562,221	568,022
		<u>826,151</u>	<u>844,882</u>
Non-Current Liabilities			
Deferred liabilities	17	35,928	38,297
Current Liabilities			
Trade and other payables	18	7,055	3,370
Markup accrued	19	3,745	3,745
Short term borrowings	20	168	168
Unclaimed dividends	21	1,273	1,273
Overdue lease liabilities	22	21,222	21,222
		33,463	29,778
Contingencies and Commitment	23		
Total Equity and Liabilities		<u><u>895,542</u></u>	<u><u>912,957</u></u>

The annexed notes from 1 to 47 form an integral part of these financial statements.


Chief Executive Officer

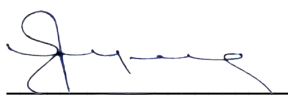

Chief Financial Officer


Director

METROPOLITAN STEEL CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPERHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	Note	----- Rupees in '000' -----	
Revenue	24	106,908	100,747
Cost of sales	25	<u>(111,351)</u>	<u>(112,430)</u>
Gross loss		(4,443)	(11,683)
Administrative expenses	26	<u>(17,776)</u>	<u>(17,649)</u>
Selling and distribution costs	27	<u>(24)</u>	<u>(76)</u>
		<u>(17,800)</u>	<u>(17,725)</u>
Operating loss		(22,243)	(29,408)
Finance cost	28	(344)	(205)
Other Charges	29	(719)	(1,415)
Other income	30	<u>3,542</u>	<u>18,018</u>
Loss before income tax and minimum tax		(19,764)	(13,010)
Levy	31	<u>(1,336)</u>	<u>(1,259)</u>
Loss before income tax		(21,100)	(14,269)
Income Tax	32	2,369	1,846
Loss after income tax		(18,731)	(12,423)
Other comprehensive income for the year			
(a) Items to be classified subsequently to the statement of profit or loss		-	-
(b) Items that will not be reclassified subsequently to statement of profit or loss			
- Revaluation surplus on property, plant and equipment - net		-	42,559
Total comprehensive (loss) / income for the year		(18,731)	30,136
Loss per share - basic and diluted (Re.)	33	(0.60)	(0.40)

The annexed notes from 1 to 47 form an integral part of these financial statements.


Chief Executive Officer

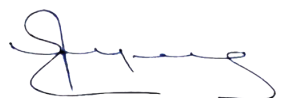

Chief Financial Officer


Director

METROPOLITAN STEEL CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	<u>Capital Reserves</u>		<u>Revenue Reserves</u>		
	<i>Share capital</i>	<i>Revaluation surplus on property, plant and equipment</i>	<i>General reserve</i>	<i>Unappropriated loss</i>	<i>Total</i>
	----- <i>Rupees in '000'</i> -----				
Balance as at June 30, 2024	309,776	529,982	80,500	(105,512)	814,746
Total Comprehensive income for the year					
Loss for the year	-	-	-	(12,423)	(12,423)
Other comprehensive income					
Revaluation Surplus - net of tax	-	42,559	-	-	42,559
	-	42,559	-	(12,423)	30,136
Transfer on account of incremental depreciation - net of tax	-	(4,519)	-	4,519	-
Balance as at June 30, 2025	309,776	568,022	80,500	(113,416)	844,882
Total Comprehensive income for the year					
Loss for the year	-	-	-	(18,731)	(18,731)
Other comprehensive income	-	-	-	-	-
	-	-	-	(18,731)	(18,731)
Transfer on account of incremental depreciation - net of tax	-	(5,801)	-	5,801	-
Balance as at June 30, 2026	309,776	562,221	80,500	(126,346)	826,151

The annexed notes from 1 to 47 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

METROPOLITAN STEEL CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	<i>Note</i>	2026 ---- Rupees in '000' ----	2025
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations after working capital changes	34	(3,323)	20,087
Finance cost paid		(344)	(205)
Taxes paid - net		(2,822)	(3,300)
Net cash (used in) / generated from operating activities		(6,489)	16,582
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(18)	(336)
Short term investments made during the year		(55,425)	(73,800)
Short term investments matured during the year		55,425	78,800
Defence saving certificate disposed during the year		700	-
Defence saving certificate purchased during the year		-	(700)
Interest received on savings account and TDRs		1,506	2,452
Net cash generated from investing activities		2,188	6,416
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings received during the year		-	335
Short term borrowings repaid during the year		-	(3,754)
Net cash (used in) financing activities		-	(3,419)
Net (decrease) / increase in cash and cash equivalents		(4,301)	19,579
Cash and cash equivalent at the beginning of the year		23,009	3,430
Cash and cash equivalent at the end of the year	35	18,708	23,009

The annexed notes from 1 to 47 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

METROPOLITAN STEEL CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND OPERATIONS

1.1 Metropolitan Steel Corporation Limited (the Company) was incorporated on August 24, 1955 as a Public Limited Company. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is a manufacturer of steel products such as mild and high carbon steel wires.

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

Location

Address

Registered office and Manufacturing facility Landhi Industrial Area, Plot # HE:1/2

1.3 During the year, the Company has incurred gross loss of **Rs. 4.44 million** (2025: Rs. 11.68 million) and has incurred loss after tax amounting to Rs. **18.73 million** (2025: Rs. 12.42 million) and its accumulated losses stood at Rs. **126.35 million** (2025: Rs. 113.42 million). However, sales of the company has been increased by Rs **6.16 million**.

These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the management of the Company has prepared these financial statements on going concern basis due to the following reasons:

- a)** The company is still incurring gross loss, however its margin, production, efficient cost reduction measures, and current ratios have been improved or maintained. This indicates company's continuous efforts to reduce gross loss by controlling and minimizing the cost and to generate positive cashflow. The company expects to enhance its production, increase customer based, improve distribution channel and diversify its product line. The management is of the view these steps will generate sufficient revenues and profits in the future to offset its accumulated losses and provide reasonable return to its shareholders.
- b)** The Company has no bank and other non-current liability and sponsors directors are committed to support the company, in shape of interest free loan, in case working capital requirement arises.

2 BASIS OF PREPARATION

2.1 *Statement of compliance*

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

- International Financial Reporting Standards (IFRS Standards) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017.
- Provision of and directives issued under the Companies Act, 2017.

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

2.2 *Basis of measurement*

These financial statements have been prepared under the historical cost convention except for:

- short term investments are stated at the fair values; and
- leasehold land, buildings on leasehold land, and plant & machinery which have been classified under property, plant & equipment and are stated at revalued amounts.

2.3 *Functional and presentation currency*

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest Rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- a)** Determining the residual values and useful lives of property, plant and equipment (Note 3.1),
- b)** Impairment / adjustments of inventories and stores to their net realizable value (Note 3.6 & 3.5),
- c)** Recognition of taxation and deferred tax (Note 3.12), and;
- d)** Impairment of assets (Note 3.3 & 3.4.5).

2.5 Standards, interpretations and amendments to approved accounting standards

2.5.1 Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2026:

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.5.2 Standards, interpretations and amendments to the existing standards that are not yet effective and have not been early adopted by the company

	<i>Effective date (annual reporting periods beginning on or after)</i>
IFRS 18 Presentation and Disclosures in Financial Statements	January 1, 2027
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2026
IAS 21 The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2027
IAS 28 Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9 Financial Instruments (Amendments regarding the classification and measurement of financial instruments)	January 1, 2026
IFRS 10 Consolidated Financial Statements (Amendments)	January 1, 2026
IFRS 17 Insurance Contracts	January 1, 2026

2.5.3 The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the unconsolidated financial statements other than in presentation / disclosures.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 *Property, plant and equipment and depreciation*

3.1.1 *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for leasehold land which is stated at revalued amount less impairment losses and buildings on leasehold land, and plant & machinery which are stated at revalued amount less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises the acquisition cost and directly attributable cost of bringing the assets to its working condition.

Depreciation is charged to income applying the reducing balance method, using the rates stated in note 4.1.

Depreciation is charged when the asset is put to use till the asset is disposed.

The assets' residual values, and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is charged to statement of profit or loss.

3.2 *Revaluation surplus on property, plant and equipment*

Revaluation surplus is recorded in other comprehensive income and accumulated to the Revaluation surplus on property, plant and equipment in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in statement of profit or loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation surplus on property, plant and equipment.

An annual transfer from the revaluation surplus on property, plant and equipment to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation on the asset's original cost. Upon disposal, any surplus relating to the particular asset being sold is transferred to unappropriated profit.

3.3 *Impairment of non - financial assets*

The carrying amounts of the Company's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value of use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

3.4 *Financial instruments*

3.4.1 *Initial Recognition*

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost as the case may be.

3.4.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income (“FVTOCI”), or
- at fair value through profit and loss (“FVTPL”),

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial assets at fair value through P&L

A financial asset is measured at fair value through P&L unless it is measured at amortized or at fair value through OCI.

3.4.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss (“FVTPL”), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3.4.4 Subsequent measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Investments in un-quoted equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value. However, in limited circumstances, where there is insufficient recent information is available or where there is wide range of possible fair value measurements, the cost may be an appropriate estimate of fair value.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

3.4.5 *Impairment of financial assets at amortized cost*

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.4.6 *Derecognition****Financial assets***

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.4.7 *Offsetting of financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.5 Stores, spare parts and loose tools

Stores and spares in hand are valued at lower of average cost and net realizable value. Items in transit are valued at invoice value plus other expenses incurred thereon.

3.6 Stock-in-trade

These are valued at lower of Cost and Net Realizable value (NRV). Cost is determined as follows: -

Raw material	:	Average basis
Packing material	:	Average basis
Finished goods	:	At average manufacturing cost

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

3.7 Trade debts

Trade Debts are recognized at invoice value less provision for uncollectible amounts. Provision for doubtful debts is based on management's assessment of customer balance outstanding and credit worthiness. Bad debts are written off when there is no realistic prospect of the recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss (ECL).

3.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.9 Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received up to the year end, whether or not billed to the Company.

3.10 Leases

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company leases vehicles for its staff. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the reducing balance method. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks on current, savings and deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Taxation

3.12.1 Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

3.12.2 Current

Provision for taxation is based on provisions of the Income Tax Ordinance, 2001.

3.12.3 Deferred

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their tax base. The deferred tax asset is recognised to the extent of probability that taxable profits will be available against which these deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

3.13 Revenue recognition

- Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers. Revenue is measured at fair value of the consideration received or receivable, excluding amount of sales tax. Revenue from Sale of goods are recorded on dispatch of goods to customers.
- Profit on bank deposits are accounted for on an accrual basis.
- Gain on disposal of fixed assets is recognized on transfer of title to the buyer.
- Other income is recognized on the occurrence of transaction.
- Dividend income is recorded when the right to receive the dividend is established. Return on securities other than shares is recognized on accrual basis.

3.14 Borrowings

Borrowings / debt is recognized initially at fair value, net of transaction costs incurred. These are subsequently measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of borrowings / debt under the effective interest method. Markup / profit on borrowings/ debt is calculated using the effective interest method and is recognized in the statement of profit or loss.

3.15 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated in Pak Rupees at the rates of exchange prevailing at the reporting date. Non monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the date of transactions. All exchange gains and losses are taken to the profit or loss account.

3.16 *Proposed dividend and transfer between reserves*

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the statement of financial position date are considered as non-adjusting events and are recognized in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

3.17 *Segment reporting*

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has only one reportable segment.

3.18 *Earnings per share*

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if

3.19 *Related party transactions*

All transactions with related parties are carried out by the Company at arm's length basis, except loan from directors which is interest free.

		2026	2025
	<i>Note</i>	- - Rupees in '000' - -	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	<u>790,624</u>	<u>806,668</u>

4.1 Operating fixed assets

Particulars	Owned							Right - of - use assets	Total
	Leasehold land	Buildings on leasehold land	Plant and machinery	Equipment	Furniture, fixtures and fittings	Vehicles	Computers	Vehicles	
----- Rupees in '000' -----									
Net book value as at June 30 , 2024	495,600	118,939	138,986	12,317	111	64	27	125	766,169
Transfer from CWIP	-	-	-	-	-	-	-	-	-
Revaluation surplus / (Loss)	12,390	(19,476)	61,967	-	-	-	-	-	54,881
Additions	-	-	-	229	85	-	21	-	335
Depreciation charged	-	(5,947)	(6,949)	(1,744)	(29)	(13)	(10)	(25)	(14,717)
Net book value as at June 30 , 2025	507,990	93,516	194,004	10,802	167	51	38	100	806,668
Revaluation surplus / (Loss)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	18	-	-	-	-	18
Depreciation charged	-	(4,676)	(9,700)	(1,623)	(25)	(10)	(8)	(20)	(16,062)
Net book value as at June 30 , 2026	507,990	88,840	184,304	9,197	142	41	30	80	790,624
At June 30, 2025									
Cost / revalued amount	507,990	119,248	224,073	16,462	3,624	4,119	1,206	3,069	879,791
Accumulated depreciation	-	(25,732)	(30,069)	(5,660)	(3,457)	(4,068)	(1,168)	(2,969)	(73,123)
Net book value	507,990	93,516	194,004	10,802	167	51	38	100	806,668
At June 30, 2026									
Cost / revalued amount	507,990	119,248	224,073	16,480	3,624	4,119	1,206	3,069	879,809
Accumulated depreciation	-	(30,408)	(39,769)	(7,283)	(3,482)	(4,078)	(1,176)	(2,989)	(89,185)
Net book value	507,990	88,840	184,304	9,197	142	41	30	80	790,624
Rate of depreciation %	-	5%	5%	15%	15%	20%	20%	20%	

2026 2025
 ---- Rupees in '000' ----

4.1.1 The depreciation charge has been allocated as follows:

Cost of sales	15,868	14,540
Administrative expenses	175	160
Selling and distribution costs	19	17
	<u>16,062</u>	<u>14,717</u>

4.2 Particulars of immovable property (i.e. leasehold land and buildings thereon) in the name of the Company are as follows:

<i>Location</i>	<i>Total Area (Acres)</i>	<i>* Covered Area (Acres)</i>
Landhi Industrial Area, Plot # HE:1/2	4.13	1.35

* This covered area includes multi story building.

4.3 On June 30, 2025 the Company carried out valuation of its leasehold land, buildings on leasehold land and plant and machinery by an independent valuer, who has determined forced sale value of leasehold land, buildings on leasehold land and plant and machinery amounting to **Rs. 431.79 million, Rs. 79.49 million** and **Rs. 145.50 million** respectively. The fair values were determined with reference to market based evidence, based on active market prices and relevant inquiries and information as considered necessary.

4.4 The carrying amount of the assets as at the year end, if the assets had been carried at historical cost, would have been as follows:

	2026	2025
<i>Note</i>	----	----
	Rupees in '000'	Rupees in '000'
Leasehold land	11,565	11,565
Buildings on leasehold land	40,830	42,979
Plant and machinery	77,087	81,144
	<u>129,482</u>	<u>135,688</u>

5 LONG TERM DEPOSITS

With CDC	50	50
With K-Electric	3,159	3,159
	<u>3,209</u>	<u>3,209</u>

6 LONG TERM INVESTMENT

At amortized cost

Defence saving certificate (DSC)	6.1	<u>-</u>	<u>700</u>
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6.1 This carries markup at the rate **10.24%** (2025: 11.42%) per annum.

		2026	2025
7	STORES, SPARE PARTS AND LOOSE TOOLS	----- Rupees in '000' -----	
	Stores	18,481	18,481
	Spare parts	25,384	25,384
	Loose tools	286	286
		<u>44,151</u>	<u>44,151</u>
	Less: provision for slow moving and obsolete store, spares and loose tools	7.1 <u>(32,846)</u>	<u>(32,203)</u>
		<u>11,305</u>	<u>11,948</u>

7.1 Provision for slow moving and obsolete store, spares and loose tools

Balance as at July 1	32,203	31,144
Provision for the year	643	1,059
Balance as at June 30	<u>32,846</u>	<u>32,203</u>

8 STOCK IN TRADE

Raw materials

- in hand	348	5,203
- in transit	15,049	9,247
	<u>15,397</u>	<u>14,450</u>

9 TRADE DEBTS - UNSECURED

Considered good	6,059	2,452
Considered doubtful	9.1 <u>24,159</u>	<u>24,461</u>
	30,218	26,913
Less: Allowance for expected credit losses (ECL)	9.2 <u>(83)</u>	<u>(356)</u>
	<u>30,135</u>	<u>26,557</u>

9.1 This represents amount receivable in respect of tower plant amounting to **Rs. 4.52 million** (2025: Rs. 4.52 million) supplied to Multan Electric Power Company Limited bearing execution no 20/20 and **Rs. 19.55 million** (2025: Rs. 19.55 million) receivable from WAPDA bearing suit no 1058/2014. As per the legal advisor in both of these matters there is no apparent threat of further litigation and the favourable outcome is expected. Accordingly, the Company has not made any provision in respect of the amounts in these financial statements.

9.1.1 The aging analysis of trade receivables is as follows:

	2026	2025
	----- Rupees in '000' -----	
Upto 1 months	6,059	2,452
12 to 24 months	-	29
More than 24 months	24,159	24,432
	<u>30,218</u>	<u>26,913</u>

9.2 Allowance for expected credit losses (ECL)

Balance as on July 01	356	-
Provision made for the year	-	356
Reversal during the year due to recovery	(273)	-
Balance as on June 30	<u>83</u>	<u>356</u>

	2026	2025
	---- Rupees in '000' ----	
10 CLAIMS RECOVERABLE		
Considered good	-	-
Considered doubtful	<u>199,994</u>	<u>199,994</u>
	<u>199,994</u>	<u>199,994</u>
Less: provision for doubtful debts	<u>(199,994)</u>	<u>(199,994)</u>
	<u>-</u>	<u>-</u>

10.1 This represents amount recoverable in respect of excise duty paid by the Company on billets supplied by Pakistan Steel Mills Corporation (Private) Limited during the period commencing 1989-90 to 1991-92 pursuant to SRO 732(1)/89, which was challenged (Suit no. 745/1992) by the Company in the Honourable High Court of Sindh during 1992. The said suit was dismissed by the single Judge bench of Honourable High Court of Sindh on June 01, 2016. The Company has made appeal (HCA/308/2016) against the decision before the Honourable High Court of Sindh, which is pending till the issuance of these financial statements. Legal advisor is of the view that the matter will be decided strictly on merits. However, based on prudence, the Company has made a provision for the total amount.

	2026	2025
	---- Rupees in '000' ----	
10.2 Provision for doubtful debts		
Opening	199,994	199,994
Add: provision made during the year	-	-
Closing	<u>199,994</u>	<u>199,994</u>

11 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advances - Unsecured - Considered goods

- to suppliers	46	20
- against LC	34	34
	<u>80</u>	<u>54</u>

Prepayments

- against expenses	117	-
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Other receivables

-other receivables	11.1	230	230
		<u>427</u>	<u>284</u>
Less: Provision for ECL		<u>(62)</u>	<u>-</u>
		<u>365</u>	<u>284</u>

11.1 This represents amount placed with brokerage house in respect of trading of shares.

12 SHORT TERM INVESTMENTS

		2026	2025
		---- Rupees in '000' ----	
At fair value - through profit or loss			
Units of mutual funds	12.1	-	14
At amortized cost			
Term deposit receipts (TDR)	12.2	<u>24,500</u>	<u>23,000</u>
		<u>24,500</u>	<u>23,014</u>

12.1 Mutual Funds

Carrying amount	14	14
Accumulated impairment	<u>(14)</u>	<u>-</u>
	<u>-</u>	<u>14</u>

12.2 This includes a TDR of **Rs. 16.5 million** (2025: Rs. 15 million) having maturity of **1 month** carries markup at the rate of **9%** (2025: 18.25%) per annum and a TDR of **Rs. 8 million** (2025: Rs. 8 million) having maturity of 1 month carries markup at the rate of **7%** (2025: 17.50%) per annum and is placed with the bank as margin against bank guarantee issued in favour of Sui Southern Gas Company Limited.

		2026	2025
	Note	---- Rupees in '000' ----	
13 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax	13.1	17,285	15,799
Sales tax		294	1,986
		<u>17,579</u>	<u>17,785</u>
13.1 Opening tax refundable		15,799	13,758
Tax paid during the year		<u>2,822</u>	<u>3,300</u>
		18,621	17,058
Provision for the year	32	<u>(1,336)</u>	<u>(1,259)</u>
Closing tax refundable		<u>17,285</u>	<u>15,799</u>

14 CASH AND BANK BALANCES

With banks on:

- current account		78	2,904
- savings account	14.1	<u>2,130</u>	<u>5,105</u>
		<u>2,208</u>	<u>8,009</u>

14.1 These carries markup at the rates ranging between **2.50%** (2025: 2.78%) per annum. The deposits are placed with bank under Islamic banking arrangements.

14.2 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows at the end of the financial year. Refer **Note 35** for reconciliation of cash and cash equivalent.

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2026	2025		Note	2026	2025
Number of shares				---- Rupees in '000' ----	
6,134,773	6,134,773	Ordinary shares of Rs. 10 each			
		Fully paid in cash		61,348	61,348
23,040,700	23,040,700	For consideration other than cash	15.1	230,407	230,407
1,802,081	1,802,081	Issued as bonus shares		18,021	18,021
<u>30,977,554</u>	<u>30,977,554</u>			<u>309,776</u>	<u>309,776</u>

15.1 These shares were originally issued to National Bank of Pakistan (formerly National Development Financial Corporation), United Bank Limited and Habib Bank Limited against amount payable by the Company. Subsequently, Chairman of the Company purchased shares from these banks having face value amounting to Rs. 228 million.

15.2 Shareholders' rights and privileges are governed through Company's Memorandum and Articles of Association.

		2026	2025
	Note	---- Rupees in '000' ----	
16 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT			
Balance as at 01 July,		606,319	557,803
Surplus / (deficit) arising on revaluation :			
Leasehold land		-	12,390
Buildings on leasehold land		-	(19,476)
Plant and machinery		-	61,967
		606,319	612,684
Buildings on leasehold land and plant and machinery			
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax		(5,801)	(4,519)
Related deferred tax liability		(2,369)	(1,846)
		(8,170)	(6,365)
Balance as at June 30,		598,149	606,319
Related deferred tax liability	16.1	(35,928)	(38,297)
Balance as at 30 June - net of deferred tax	16.2 & 16.3	562,221	568,022

16.1 Movement in deferred tax liability

Balance as at 01 July	38,297	27,821
Effect of revaluation surplus on property, plant and equipment - net	-	12,322
Transferred to unappropriated profit in respect of incremental depreciation	(2,369)	(1,846)
Balance as at June 30	35,928	38,297

16.2 The revaluation surplus on property, plant and equipment is a capital reserve as it is not available for distribution to the shareholders of the Company in accordance with provisions of the Companies Act, 2017.

16.3 The history of three latest revaluation carried out on property, plant and equipment is as follows:

Name of independent valuers	Valuation basis	Date of revaluation	Rupees in '000'
Ego Associate (pvt.) Ltd.	Market value of assets	June 30, 2025	54,881
M/s. Zafar Iqbal & Company	Market value of assets	June 21, 2021	227,291
M/s. Zafar Iqbal & Company	Market value of assets	June 30, 2018	11,910

		2026	2025
	Note	---- Rupees in '000' ----	
17 DEFERRED LIABILITIES			
Deferred tax liability	17.1	35,928	38,297

		2026	2025
	Note	---- Rupees in '000' ----	
17.1 Deferred tax liability			
Deductible temporary differences			
Provisions for stores, spare parts and loose tools		(9,525)	(9,339)
Provisions for trade debts		(24)	(103)
Provisions for claims recoverable		(57,998)	(57,998)
Liabilities against assets subject to finance lease		(6,154)	(6,154)
Business losses		(22,535)	(28,987)
Unabsorbed tax depreciation		<u>(205,509)</u>	<u>(203,587)</u>
		(301,745)	(306,168)
Taxable temporary differences			
Accelerated tax depreciation		<u>30,426</u>	<u>31,812</u>
Deferred tax asset		<u>(271,319)</u>	<u>(274,356)</u>
Deferred tax asset not recognized	17.1.1	<u>271,319</u>	<u>274,356</u>
		<u>-</u>	<u>-</u>
Taxable temporary differences			
Revaluation surplus on property, plant and equipment	16.1	<u>35,928</u>	<u>38,297</u>

17.1.1 Deferred tax asset as at June 30, 2026 to the extent of **Rs. 271.32 million** (June 30, 2025: Rs. 274.35 million) has not been recognized based on prudence as the Company is uncertain to generate sufficient taxable profits, within time frame stipulated in Income Tax Ordinance, 2001, against which such benefits can be utilized.

		2026	2025
		---- Rupees in '000' ----	
18 TRADE AND OTHER PAYABLES			
Trade creditors		3,822	15
Withholding tax payable		49	52
Accrued liabilities	18.1	3,127	2,890
Advances from customers	18.2	<u>57</u>	<u>413</u>
		<u>7,055</u>	<u>3,370</u>

18.1 Includes remuneration of Chief Executive Officer amounting to **Rs. Nil** (2025: Rs. 0.03 million).

18.2 Revenue recognised during the year from amounts included in advance from customers at beginning of the year amounting to **Rs. 0.41 million** (2025 : Nil).

		2026	2025
	Note	---- Rupees in '000' ----	
19 MARKUP ACCRUED			
On lease liabilities		<u>3,745</u>	<u>3,745</u>

20 SHORT TERM BORROWINGS

From director - unsecured	20.1 , 20.2 & 20.3	<u>168</u>	<u>168</u>
20.1	This represents unsecured and interest free loan obtained from director of the Company to meet the working capital requirements and is payable on demand.		
20.2	The maximum amount due to director at the end of any month is Rs. 0.17 million (2025: Rs. 1.59 million).		

20.3 Detail of short term borrowings

2026 2025
----- Rupees in '000' -----

Opening	168	3,587
Add: receipt during the year	-	334
Less: Repayments during the year	-	(3,753)
Closing	<u>168</u>	<u>168</u>

21 UNCLAIMED DIVIDENDS

In pursuant of the provisions of the Companies (Amendment) Ordinance, 2020 the Company has to transfer all unclaimed or unpaid dividends to a separate profit bearing account and any profit earned will be used for Corporate Social Responsibility (CSR) activities. The deposits in the unpaid dividend account will only be used for payment to a claimant. The Company is in a process of opening a separate bank account in order to comply with the said provision.

22 OVERDUE LEASE LIABILITIES

2026 2025
----- Rupees in '000' -----

Over due portion of lease liabilities	22.1	<u>21,222</u>	<u>21,222</u>
---------------------------------------	------	---------------	---------------

22.1 Lease liabilities represent liabilities for vehicles acquired under finance lease agreements. Financing rates ranging from **14% to 22%** (2025: 14% to 22%) per annum have been used as discounting factors.

The amounts of the future lease payments and the periods in which these payments will become due are as follows:

	2026			2025		
	<i>Minimum lease payments</i>	<i>Financial charges allocated to future periods</i>	<i>Principal</i>	<i>Minimum lease payments</i>	<i>Financial charges allocated to future periods</i>	<i>Principal</i>
	----- Rupees in '000' -----					
Up to one year	<u>21,222</u>	-	<u>21,222</u>	<u>21,222</u>	-	<u>21,222</u>

23 CONTINGENCIES AND COMMITMENT

23.1 Contingencies

23.1.1 The contingencies to which the Company is exposed are discussed in note 9 and note 10 to these financial statements.

23.1.2 Guarantee in favour of Sui Sothern Gas Company Limited issued by the Bank on behalf of the Company amounted to **Rs. 8 million** (2025: Rs. 8 million).

23.2 Commitment

Commitment under Letter of Credit for import of raw material amounted to **Rs. 18.08 million** (2025: Nil).

		2026	2025
	Note	----- Rupees in '000' -----	
24 REVENUE			
Sale of goods		126,724	118,882
Less: sales tax		(19,243)	(18,135)
Less: Sales return		(573)	-
		<u>106,908</u>	<u>100,747</u>

25 COST OF SALES

Raw materials consumed	25.1	81,004	66,607
Salaries, wages and other benefits		2,351	2,517
Roll, plastic, pullies and chemical		1,022	1,408
Utilities		8,870	7,944
Repairs and maintenance		1,345	704
Depreciation	4.1.1	15,868	14,540
Oil, diesel and powder		711	1,619
Printing and stationery		180	117
Insurance		-	52
Cost of goods manufactured		<u>111,351</u>	<u>95,508</u>
Finished goods			
Opening stock		-	16,922
		<u>111,351</u>	<u>112,430</u>

25.1 Raw materials consumed

Opening stock	14,450	31,870
Purchases	<u>81,951</u>	<u>49,187</u>
	96,401	81,057
Closing stock	<u>(15,397)</u>	<u>(14,450)</u>
	<u>81,004</u>	<u>66,607</u>

26 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits		4,591	3,594
Chief executive officer and directors' remuneration	36	8,588	6,768
Repairs and maintenance		118	42
Depreciation	4.1.1	175	160
Utilities		141	181
Traveling and conveyance		173	139
Entertainment		30	2
Donations	26.1	108	761
Advertisement		43	171
Auditors' remuneration	26.2	960	855
Legal and professional charges		2,090	4,106
Medical		37	-
Fees and subscription	26.3	632	543
Miscellaneous		90	327
		<u>17,776</u>	<u>17,649</u>

26.1 None of the directors or their spouses have any interest in the donees' fund.

		2026	2025
	Note	---- Rupees in '000' ----	
26.2 Auditors' remuneration			
Annual audit		660	600
Review of code of corporate governance		100	90
Half yearly review		150	120
Other certification charges		50	45
		<u>960</u>	<u>855</u>
26.3	This includes listing fee of the Pakistan Stock Exchange Limited amounting to Rs. 0.36 million (2025: Rs. 0.39 million).		
27 SELLING AND DISTRIBUTION COSTS			
	Note	2026	2025
		---- Rupees in '000' ----	
Depreciation	4.1.1	19	17
Forwarding and transportation		5	59
		<u>24</u>	<u>76</u>
28 FINANCE COST			
LC Charges		308	181
Bank charges and commission		36	24
		<u>344</u>	<u>205</u>
29 OTHER CHARGES			
Provision for obsolete items of stores and spares		643	1,059
Provision for doubtful debts / bad debts		-	356
Provision for doubtful advances		62	-
Impairment loss		14	-
		<u>719</u>	<u>1,415</u>
30 OTHER INCOME			
Income from financial assets			
Markup on savings account		136	280
Markup on TDR		1,257	2,276
Markup on DSC		25	84
Net metering benefit		1,851	-
Reversal of provision of ECL	9.2	273	-
		<u>3,542</u>	<u>2,640</u>
Income from non - financial assets			
Liabilities written back	30.1	-	15,378
		<u>3,542</u>	<u>18,018</u>
30.1	This amount includes the reversal of accrued expenses and other liabilities amounting to Rs. Nil (2025: Rs. 15.38) million, which the board has authorized as they foresee no claims arising from these obligations.		

		2026	2025
	Note	---- Rupees in '000' ----	
31 LEVY			
Levy	31.1	<u>1,336</u>	<u>1,259</u>

31.1 This represents minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. Accordingly tax expense reconciliation with the accounting profit is not reported.

31.2 Reconciliation of current tax charge as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2026	2025
	---- Rupees in '000' ----	
Current tax liability for the year as per applicable tax laws	<u>1,336</u>	<u>1,259</u>
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	<u>(1,336)</u>	<u>(1,259)</u>
Difference	<u>-</u>	<u>-</u>

31.3 The minimum tax amounting to **Rs. 1.33 million** represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

31.4 Management has provided sufficient tax provision in financial statements in accordance with income tax ordinance, 2001. Following is the comparison of tax provision as per accounts vis a vis tax assessment for last three years:

	Deemed Assessment	Provision
	---- Rupees in '000' ----	
Tax year 2025	1,259	1,259
Tax year 2024	1,531	1,531
Tax year 2023	1,240	1,240

31.5 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2025. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") if selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

	2026	2025
	---- Rupees in '000' ----	
32 INCOME TAX		
Deferred	<u>(2,369)</u>	<u>(1,846)</u>

	2026	2025
	---- Rupees in '000' ----	
33 LOSS PER SHARE - BASIC AND DILUTED (RE.)		
Loss for the year	<u>(18,731)</u>	<u>(12,423)</u>

		2026	2025
		--- Number of shares ---	
Weighted average number of shares		30,977,554	30,977,554
Loss per share	Re.	(0.60)	(0.40)
There is no dilutive effect on the basic loss per share of the Company.			
		2026	2025
		---- Rupees in '000' ----	
34 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note		
Loss before income tax and minimum tax		(19,764)	(13,010)
Adjustments for:			
Depreciation	4.1.1	16,062	14,718
Finance cost		344	205
Interest on savings accounts		(136)	(280)
Interest on TDR		(1,257)	(2,276)
Impairment loss		14	-
Liabilities written back		-	(15,378)
Cash used in operations before working capital changes		(4,737)	(16,021)
Working capital changes	34.1	1,414	36,108
Cash (used in) / generated from operations after working capital changes		(3,323)	20,087
34.1 Working capital changes			
(Increase) / decrease in current assets			
Stock in trade		(947)	34,343
Stores, spare parts and loose tools		643	1,059
Trade debts		(3,578)	1,665
Advances, prepayments and other receivables		(81)	(54)
Sales tax		1,692	(1,986)
		(2,271)	35,027
Increase / (Decrease) in current liabilities			
Trade and other payables		3,685	1,081
		1,414	36,108
35 CASH AND CASH EQUIVALENTS			
With banks	14	2,208	8,009
Term deposit receipts (TDR) having 1 month maturity	12.1	16,500	15,000
		18,708	23,009

36 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration provided to the Chief Executive Officer, Directors and Executives of the Company were as follows:

	Chief Executive Officer		Director		Executives	
	2026	2025	2026	2025	2026	2025
----- Rupees in '000' -----						
Managerial remuneration	6,437	5,758	-	-	1,498	-
Board and other meeting fee	150	-	2,001	1,010	-	-
Total	6,587	5,758	2,001	1,010	1,498	-
Number of persons	1	1	6	6	1	-

36.1 Chief executive officer and directors are also provided with the Company maintained vehicles.

37 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise directors and key management personnel. Amounts due to / from related parties are shown under respective note to the financial statements. Details of remuneration of chief executive officer, directors and executives of the Company are disclosed in note 36. Transactions with the related parties during the year are as follows:-

	Note	2026 ---- Rupees in '000' ----	2025
Mehmood Ali Mehkari - Director			
Loan obtained from director during the year		-	334
Loan repaid to director during the year		-	3,753
Umer Mehkari - Chief Executive Officer			
Amount payable in respect of salary		-	28

38 FINANCIAL INSTRUMENTS

Financial instrument by category

Financial assets

- At amortized cost

Long term deposits	5	3,209	3,209
Long term investment	6	-	700
Trade debts	9	30,135	26,557
Advances and other receivables	11	197	284
Short term investment in TDR	12	24,500	23,000
Markup receivable		220	333
Cash and bank balances	14	2,208	8,009

- At fair value - through profit or loss

Short term investment in units of mutual funds	12	-	14
		<u>60,469</u>	<u>62,106</u>

Financial liabilities

- At amortized cost

Trade and other payables	18	3,928	480
Markup accrued	19	3,745	3,745
Short term borrowings	20	168	168
Unclaimed dividends	21	1,273	1,273
Overdue lease liabilities	22	21,222	21,222
		<u>30,336</u>	<u>26,888</u>

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency risk, interest rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

Risk managed and measured by the Company are explained below: -

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

38.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions.

Exposure to credit risk

Credit risk of the Company arises principally from long term and short term investments, trade debts, loan and advances, accrued income, deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby credit risk is controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The carrying amounts of financial assets represent the maximum credit exposure, as specified below: -

	2026	2025
	---- Rupees in '000' ----	
Long term deposits	3,209	3,209
Long term investment in defence saving certificates	-	700
Short term investment in units of mutual funds	-	14
Short term investment in TDR	24,500	23,000
Advances and other receivables	248	284
Trade debts	30,135	26,557
Markup receivable	220	333
Cash at bank	2,208	8,009
	60,520	62,106

Aging of past due but not impaired and past due impaired trade debts are as follows:

	2026		2025	
	Gross debts	Impaired	Gross debts	Impaired
	----- Rupees-----			
Past due 0 - 30 days	6,059	-	2,452	-
Past due 360 - 720 days	-	-	29	29
Past due more than 720 days	24,159	83	-	327
	30,218	83	2,481	356

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due 360 to 720 days and above, requires impairment.

The Company kept its surplus funds with banks having good credit rating. Currently surplus funds are kept with banks having rating from AAA to AA.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating agency	2026	2025
	Short term	Long term		----- Rupees in '000' -----	
United Bank Limited	A-1+	AAA	JCR-VIS	52	2
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	26	2,904
Meezan Bank Limited	A-1+	AAA	JCR-VIS	2,130	5,103
				2,208	8,009

The credit quality of Company's Investment at fair value through profit or loss can be assessed with reference to external credit ratings as follows:

	Rating		Rating agency	2026	2025
	Short term	Long term		----- Rupees in '000' -----	
Al-Ameen Islamic Sovereign Funds	-	AA(f)	JCR-VIS	14	14

38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements: -

The Company does not have any long term contractual liability.

	<i>Carrying Amount</i>	<i>Contractual cash flows</i>	<i>Up to one year</i>
	<i>----- Rupees in '000' -----</i>		
<i>Financial liabilities at amortized cost</i>			
Trade and other payables	3,822	3,822	3,822
Markup accrued	3,745	3,745	3,745
Short term borrowings	168	168	168
Unclaimed dividend	1,273	1,273	1,273
Lease liabilities	21,222	21,222	21,222
<i>June 30, 2026</i>	<u>30,230</u>	<u>30,230</u>	<u>30,230</u>
<i>Financial liabilities at amortized cost</i>			
Trade and other payables	15	15	15
Markup accrued	3,745	3,745	3,745
Short term borrowings	168	168	168
Unclaimed dividend	1,273	1,273	1,273
Lease liabilities	21,222	21,222	21,222
<i>June 30, 2025</i>	<u>26,423</u>	<u>26,423</u>	<u>26,423</u>

38.3 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) Currency risk

Currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. As at reporting date, the company is not holding any asset or liability in foreign currency therefore, it is not exposed to any currency risk.

b) Interest rate risk

Financial assets **Rs. 26.62 million** (2025: Rs. 28.82 million) which are subject to interest rate risk. Applicable interest / mark-up rates for financial liabilities have been indicated in respective notes.

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company is not exposed to any short term borrowing arrangements having variable rate pricing.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows: -

	2026	2025
	<i>Carrying amount</i>	
	<i>--- Rupees in '000' ---</i>	
Variable rate instruments		
Financial assets - balances with banks, TDRs and defence saving certificates	26,616	28,819

Sensitivity analysis

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument and company does not have any variable rate instrument which effect statement of profit or loss and statement of changes in equity.

The following information summarizes the estimated effects of hypothetical increases and decreases in interest rates on cash flows from financial assets and liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	<i>Profit or loss</i>		<i>Equity</i>	
	<i>100 bp increase</i>	<i>100 bp decrease</i>	<i>100 bp increase</i>	<i>100 bp decrease</i>
	<i>----- Rupees in '000' -----</i>			
As at June 30, 2026				
Cash flow sensitivity - variable rate instruments	266	(266)	266	(266)
As at June 30, 2025				
Cash flow sensitivity - variable rate instruments	288	(288)	288	(288)

c) Price Risk

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. At reporting date, the company is not exposed to price risk as the company has no investment and interest bearing financial instruments.

39 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are remeasured at the market prices prevailing on the reporting date. The carrying values of all other financial assets and liabilities reported in the financial statements approximate their fair value.

In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its long term investments and short term investments in terms of following fair value hierarchy:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2:** Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3:** Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

	Level 1	Level 2	Level 3
	----- Rupees in '000' -----		
June 30, 2026	-	-	-
June 30, 2025	14	-	-

40 CAPACITIES AND PRODUCTION

	Capacity in tons on single shift basis	2026 Actual Production in tons	Capacity in tons on single shift basis	2025 Actual Production in tons
Mild steel wires	1,200	-	1,200	-
High carbon steel wires	5,000	395	5,000	299

40.1 The short fall in capacity utilization is due to resumption of production activities after long span.

41 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company has no gearing risk in current year that is to be managed as it has no have any long term borrowings. The company is not subject to any externally imposed capital requirement.

42 CREDIT FACILITIES

Detail of credit facilities available to Company as at the date of statement of financial position is as follows:

Name of bank	Nature of facility	Sanctioned limit		Un - availed facility		Pricing		Security / Margin	
		2026	2025	2026	2025	2026	2025	2026	2025
		----- Rupees in '000' -----							
Dubai Islamic Bank	Letter of Credit - Sight	50,000	50,000	30,000	50,000	0.1% per quarter on opening and retirement	0.1% per quarter on opening and retirement	100% Cash Margin, Lien over Import Documents	100% Cash Margin, Lien over Import Documents
Dubai Islamic Bank	Bank Guarantee	8,000	8,000	-	-	0.1% per quarter to be paid in advance	0.1% per quarter to be paid in advance	100% Cash Margin in Account	100% Cash Margin in Account

43 NUMBER OF EMPLOYEES

	2026	2025
	----- Number -----	
Total number of employees at the end of the year	9	9
Average number of employees during the year	9	9
Employees working in the factory at the year end	4	5
Average employees working in the factory during the year	5	5

44 SHARIAH COMPLIANCE DISCLOSURE

As per the requirements of the fourth schedule to the Companies Act, 2017, companies listed on the Islamic Index shall disclose the following:

Description	-----2026-----			-----2025-----		
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
----- Rupees in '000' -----						
Statement of financial position						
Assets						
Long term investment	-	-	-	700	-	700
Short term investments	-	24,500	24,500	-	23,014	23,014
Markup receivable	-	220	220	84	333	417
Bank balances	-	2,208	2,208	-	8,009	8,009
Liabilities						
Accrued mark-up	3,745	-	3,745	3,745	-	3,745
Lease liabilities	21,222	-	21,222	21,222	-	21,222
Statement of profit or loss						
Revenue	-	106,908	106,908	-	100,747	100,747
Sources and breakup of other income						
Income from financial asset						
Markup on savings account	-	136	136	-	280	280
Markup on TDR	-	1,257	1,257	-	2,276	2,276
Markup on defence saving certificates	25	-	25	84	-	84
Net metering benefit	-	1,851	1,851	-	-	-
Reversal of provision of ECL	-	273	273	-	-	-
	25	3,517	3,542	84	2,556	2,640
Finance Cost						
LC Charges	-	308	308	-	181	181
Bank charges and commission	-	36	36	-	24	24
	-	344	344	-	205	205
Relationship With Shariah Compliant financial institutions						

The company has banking relationship with Shariah compliant banks namely, Dubai Islamic Bank Limited, Meezan Bank Limited and UBL Ameen - Islamic Banking.

45 SUBSEQUENT EVENT

There is no subsequent events after the reporting date that require provision of disclosure in financial statements other than those disclosed in respective notes of these financial statements.

46 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. There were no change in the reportable segments during the year.

The Company is domiciled in Pakistan. All non-current assets of the Company at June 30, 2026 are located in Pakistan.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on **October 01, 2026.**

47.1 These financial statements were authenticated by Chief Financial Officer as required by Companies Act, 2017. However, the quarterly financial statements for the period ended September 2025 , December 2025 & March 2026 were not authenticated by Chief Financial Officer as the position was vacant at the time of authorization of those financial statements.



Chief Executive Officer



Chief Financial Officer



Director

METROPOLITAN STEEL CORPORATION LIMITED
Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2026

Number Of Share Holders	Share Holding			Total Shares Held
	From		To	
3303	1	-	100	48,689
455	101	-	500	123,364
184	501	-	1000	148,952
327	1001	-	5000	833,733
87	5001	-	10000	673,756
32	10001	-	15000	405,075
19	15001	-	20000	340,236
13	20001	-	25000	312,849
3	25001	-	30000	81,837
4	30001	-	35000	130,664
5	35001	-	40000	193,532
3	40001	-	45000	134,253
5	45001	-	50000	236,335
3	50001	-	55000	160,500
2	55001	-	60000	119,569
1	60001	-	65000	64,295
3	70001	-	75000	221,112
1	80001	-	85000	80,143
3	95001	-	100000	299,501
1	105001	-	110000	108,030
1	140001	-	145000	142,312
2	150001	-	155000	308,564
2	155001	-	160000	316,796
1	215001		220000	217,753
1	240001		245000	243,000
1	285001		290000	290,000
1	315001		320000	320,000
1	495001		500000	500,000
1	710001		715000	712,704
1	23205001		23210000	23,210,000
4466				30,977,554

METROPOLITAN STEEL CORPORATION LIMITED
Share Holders Analysis as on 30-06-2026

S. No.	Categories of Shareholders	Number of ShareHolders	Number of Shares held	Category wise No. of Shares Held	%
1	Associated Companies		Nil		
2	NIT / ICP	1		30,664	0.10
	N.B.P Trustee Department		30,664		
3	Names of Directors, CEO their Spouses and Minor Children	7		23,301,707	75.22
	Mr. Mehmood Ali Mehkri		23,286,494		
	Mr. Muhammad Umar Mehkri		2,713		
	Mr. Tahir Mehmood		2,300		
	Ms. Saba Mehkri Farooqui		2,300		
	Mr. Abdul Rahim Surya		2,300		
	Mrs. Uzma Mehmood Ali Mehkari		2,300		
	Mrs. Sara Mehmood Mehkri		2,300		
4	Executive		Nil	-	-
5	Public Sector Companies and Corporations	1		1,662	0.01
	State Life Ins. Corporation		1,662		
6	Bank Financial Institutions, Non Banking Financial Institutions., Insurance Companies, Moderaba, Mutal Funds and others	33		458,355	1.48
	MSMANIAR FINANCIALS (PVT) LTD.		243,000.00		
	AKD SECURITIES LIMITED.		60,000.00		
	BAWA SECURITIES (PVT) LTD. - MF		50,000.00		
	MIRA SECURITIES LIMITED - MF		39,747.00		
	ALPHA ALLIANCE (PRIVATE) LIMITED		10,000.00		
	TRUST SECURITIES & BROKERAGE LIMITED - MF		10,000.00		
	UNITED BANK LTD.		9,577.00		
	NATIONAL BANK OF PAKISTAN		9,379.00		
	COMMERCE BANK LIMITED		7,093.00		
	NCC - PRE SETTLEMENT DELIVERY ACCOUNT		6,079.00		
	CENTRAL DEPOSITORY COMPANY OF PAKISTAN LTD		2,550.00		
	TAURUS SECURITIES LIMITED		2,500.00		
	HIGHLINK CAPITAL (PVT) LTD		2,000.00		
	NEW JUBILEE INSURANCE CO. LTD.		1,650.00		
	SHARE TRADING CO. LTD.		1,441.00		
	FANCIES INVESTMENTS LTD.		580.00		
	TRUSTEE-KARACHI SHERATON HOTEL EMPLOYEES PROVIDENT FUND		500.00		
	MAZHAR HUSSAIN SECURITIES (PVT) LTD		500.00		
	DEPUTY ADMINISTRATOR ABANDONED PROPERTIES ORGANIZATION		495.00		
	AMINA MUSLIM GIRLS SCHOOL TRUST		330.00		
	FANCY TRUSTEES LTD.		256.00		
	HABIB BANK LTD.		211.00		
	Y.S. SECURITIES & SERVICES (PVT) LTD.		109.00		
	NH SECURITIES (PVT) LIMITED.		103.00		
	AMIE INVESTMENT LTD.		100.00		
	DARSON SECURITIES (PRIVATE) LIMITED		58.00		
	ARAT CORPORATION LTD		43.00		
	HABIB BANK LTD.		14.00		
	H M INVESTMENTS (PVT) LIMITED		10.00		
	SH. MIAN MOHD. TRUST LYALPUR		10.00		
	BEGUM ALLA JAWAI CHERITABLE TRUST		9.00		
	AL-HAMZA TRADING CO. LTD.		9.00		
	SARFARAZ MAHMOOD (PVT) LTD.		2.00		
7	General Public (Local)	4424		7,185,166	23.19
	Total	4466		30,977,554	100.00

Shareholders holding Shares 10% or more

Total Paid up Capital

Mr. Mehmood Ali Mehkri

30,977,554

Shares Holding

23,286,494

%

75.17



Metropolitan Steel Corporation Limited

PROXY FORM

I/We _____

_____ Folio/CDC Acc. # _____ being a
member of

Metropolitan Steel Corporation Limited hereby appoint _____

Folio/CDC Acc.# _____ of _____

(a member of the Company) as my/our proxy to attend and vote for me/us and on my /our behalf at the 71st Annual General Meeting of the company to be held on October 24, 2026 at 10:00 am and or at any adjournment thereof.

Signature day of _____

Revenue
Stamp
of Rs.50/-

Signature

N.B/: 1. Name may be written in Block letters and mention your ledger Folio/CDC Acc. #. and also the ledger Folio/CDC Acc. # of the Proxy holder.

2. Proxy may be given to person who is a member of the Corporation expect in the case of Companies where the proxy may be given to any of its employees.

3. Proxies in order to be valid must be received by the Company not less than 48 hours before the meeting.



If Undelivered Please return to:
METROPOLITAN STEEL CORPORATION LIMITED.
Plot # HE-1/2, Landhi Industrial Area,
Karachi.