

AMRELI STEELS LIMITED

**FOR THE NINE MONTHS AND
QUARTER ENDED**

31 MARCH 2026



**AMRELI
STEELS**

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF OPERATING OFFICER (STRATEGY)

Mr. Hadi Abbas Akberali

CHIEF OPERATING OFFICER (OPERATIONS)

Mr. Noman Sajjad

CHIEF FINANCIAL OFFICER

Mr. Taha Umer

COMPANY SECRETARY

Mr. Adnan Abdul Ghaffar

EXTERNAL AUDITORS

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

SHARE REGISTRAR

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

CORPORATE ADVISOR

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

LEGAL ADVISOR

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

BANKERS

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

REGISTERED OFFICE

A-18, S.I.T.E, Karachi, Pakistan
UAN: (+92-21) 111-AMRELI (267354)
Fax: 92-21-32587240, 38798328
Email: investor-relations@amrelisteels.com

SHERSHAH ROLLING MILL (SRM)

D-89, Shershah Road, Karachi, Pakistan

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

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

SYMBOL AT PAKISTAN STOCK EXCHANGE LIMITED

ASTL

WEBSITE INFORMATION

www.amrelisteels.com

DIRECTORS' REVIEW REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2026

The Board of Directors is pleased to present the Directors' Report for the third quarter ended 31 March 2026. This report outlines the Company's operational performance against a challenging macroeconomic backdrop, marked by heightened regional volatility, evolving energy dynamics, and the continued implementation of domestic structural reforms. The recent weeks, in particular, have underscored a pronounced shift in the economic landscape, what initially appeared to be a phase of recovery has transitioned into a period of heightened uncertainty, with external shocks and market pressures testing the resilience of the economy.

Contrary to earlier hopes of stability in commodity prices, inflation is once again a major headwind. While the Pakistan Bureau of Statistics recorded CPI at 7.3% in March, the ground reality in April 2026 is far more aggressive. The surge in international oil prices (now comfortably hovering above \$105-\$110 per barrel) and the disruption in global supply chains have triggered a 'second wave' of cost-push inflation.

With fuel prices at the pump reaching record highs this month, the earlier trend of monetary easing by the State Bank of Pakistan has hit a roadblock. We are now preparing for a 'higher-for-longer' interest rate environment, which directly increases finance costs and further dampens the purchasing power of consumers.

The steel industry is currently caught between rising input costs and a 'demand desert' in the local market. While rebar prices briefly stabilized earlier in the year, the recent 18%-20% jump in fuel prices has made those price points unsustainable. International scrap and iron ore are no longer just volatile; they are becoming difficult to secure due to maritime blockades.

The Pakistan Association of Large Steel Producers (PALSP) continues to highlight that without immediate government intervention, specifically in rationalizing industrial power tariffs and cracking down on cross-border smuggling, the documented players face a shrinking market.

Despite these adversities, your Company recorded net sales of Rs. 13,039 million during the nine months ended 31 March 2026, reflecting a marginal increase compared to Rs. 12,910 million in the corresponding period last year. However, a stronger performance was observed in the third quarter, where sales increased significantly to Rs. 5,889 million from Rs. 4,109 million, indicating a recovery through increased volumes post restructuring in previous quarter of this year.

A comparison of the key financial indicators of the Company for the nine months and quarter ended 31 March 2026, with the corresponding period last year is presented below:

	Nine months Ended 31 March 2026 (Rs. in million)	Nine months Ended 31 March 2025 (Rs. in million)	Quarter Ended 31 March 2026 (Rs. in million)	Quarter Ended 31 March 2025 (Rs. in million)
Net Sales	13,039	12,910	5,889	4,109
Gross Profit	294	339	584	94
Operating (loss) / Profit	(300)	(791)	173	(440)
Finance Costs	(2,381)	(3,140)	(511)	(900)
Profit / (Loss) before taxation	390	(3,932)	(337)	(1,340)
Profit / (Loss) after taxation	868	(2,858)	(305)	(985)
Profit / (Loss) per share – basic and diluted (in Rupees)	2.72	(9.62)	(1.03)	(3.32)

Despite the topline growth, gross profit declined to Rs. 294 million from Rs. 339 million in the corresponding period, primarily attributable to margin compression arising from price rationalization. Nevertheless, the third quarter showed a notable improvement, with gross profit increasing to Rs. 584 million compared to Rs. 94 million in the same quarter last year, reflecting better cost absorption resulting from increased capacity utilization.

The Company reported an operating loss of Rs. 300 million, a significant improvement from the operating loss of Rs. 791 million in the corresponding period last year. This improvement is primarily driven by better cost rationalization and enhanced operational efficiency. On a quarterly basis, the Company achieved an operating profit of Rs. 173 million, compared to an operating loss of Rs. 440 million in the same quarter last year, further reinforcing the positive operational turnaround.

Finance costs reduced substantially to Rs. 2,381 million from Rs. 3,140 million, reflecting the impact of easing interest rates, improved debt management, and partial deleveraging. This reduction has been a key contributor to the improvement in overall profitability.

The Company reported a profit before taxation of Rs. 390 million, compared to a loss of Rs. 3,932 million in the corresponding period last year. This turnaround is largely attributable to recognition of gain on restructuring in previous quarter. Accordingly, after taxation, the Company posted a net profit of Rs. 868 million, as against a net loss of Rs. 2,858 million last year. Earnings per share (EPS) stood at Rs. 2.72, compared to a loss per share of Rs. 9.62 in the corresponding period, reflecting a substantial recovery in profitability.

Overall, while margin pressures persist at the gross level, the Company has demonstrated strong resilience and an improved trajectory, particularly evident in the third quarter performance. The management's focus on cost discipline, and operational efficiencies have started yielding tangible results, positioning the Company for improved performance in the upcoming periods, subject to stabilization in economic conditions and input costs.

Future Outlook:

The outlook for the final quarter of the current fiscal year and the year ahead remains exceptionally challenging, with limited signs of a near-term recovery. The broader economic climate continues to exert significant pressure on the steel industry, as both international and domestic trends threaten the stability of the industrial landscape.

The global geopolitical landscape has deteriorated significantly following the escalation of conflict in the Middle East and the effective closure of the Strait of Hormuz in March 2026. This disruption has sent shockwaves through energy markets and triggering a severe scarcity of LNG and petroleum products. For the steel sector, which is inherently energy-intensive, the resulting volatility in electricity and fuel tariffs poses an existential threat to production costs. Furthermore, the maritime blockade has disrupted the global supply chain for vital raw materials, including steel scrap and billets. These logistical hurdles have led to unpredictable lead times and escalating freight and insurance premiums, which are rapidly eroding already narrow profit margins.

The gloomy outlook is further compounded by the persistent absence of a level playing field. While documented, tax-paying companies like ours are squeezed by rising tariffs and compliance costs, the market continues to be flooded with supplies from undocumented local players operating outside the tax net. This makes it incredibly difficult to pass on our rising costs to the end consumer without losing market share to the informal sector.

Despite these significant and persistent challenges, the Company remains steadfast in its commitment to navigating this difficult environment. The Board and Management are firmly focused on capital preservation and operational resilience. Management is also implementing rigorous cost-control measures to mitigate the impact of the current energy and supply chain shocks.

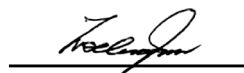
The Board extend sincere appreciation to the stakeholders, including shareholders, lenders, customers, and suppliers, for their continued trust and unwavering support as we navigate this period of intense volatility and strive to maintain long-term institutional stability.

For & on behalf of the Board of Directors



Shayan Akberali
Chief Executive Officer

28 April 2026
Karachi



Zoeb Salemwala
Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2026

		March 31, 2026 (Un-audited)	June 30, 2025 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	25,531,709	27,253,432
Right of use asset		117,605	102,539
Intangible assets		698	1,363
Long-term loans and deposits		289,518	141,839
		<u>25,939,530</u>	<u>27,499,173</u>
CURRENT ASSETS			
Stores and spares		2,036,532	1,995,376
Stock-in-trade	5	3,622,578	4,011,727
Trade debts	6	2,057,304	1,564,495
Loans and advances		38,616	37,513
Trade deposits and short-term prepayments	7	59,932	17,426
Short term investment		14,600	14,389
Other receivables		438,410	648,340
Taxation – net		2,996,965	2,898,164
Cash and bank balances	8	1,450,525	3,905,295
		12,715,462	15,092,725
Non current assets held for sale	9	1,151,345	765,011
TOTAL ASSETS		<u>39,806,337</u>	<u>43,356,909</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
500,000,000 ordinary shares of Rs.10 each		5,000,000	5,000,000
Issued, subscribed and paid-up capital		3,370,114	2,970,114
Capital reserve			
Share Premium		3,388,742	2,788,742
Surplus on revaluation of property, plant and equipment		8,652,186	8,912,968
Revenue reserve - accumulated losses		(3,093,310)	(4,222,256)
		<u>12,317,732</u>	<u>10,449,568</u>
NON-CURRENT LIABILITIES			
Long term financing	10	12,706,963	-
Loan from related party	11	124,922	124,922
Deferred taxation	12	2,753,362	3,393,752
Deferred liabilities	13	296,081	327,311
Lease liabilities		63,062	88,217
Deferred markup		2,608,215	-
		<u>18,552,605</u>	<u>3,934,202</u>
CURRENT LIABILITIES			
Trade and other payables	14	973,458	1,578,000
Contract liabilities		792,342	335,726
Interest / markup accrued		355,946	4,648,357
Short-term borrowings - secured	15	4,283,266	17,793,260
Sponsor's loan	16	1,310,000	-
Current portion of long-term financing	10	536,954	3,975,727
Current portion of long-term provision		282,238	282,238
Current portion of lease liabilities		57,615	18,249
Current portion of deferred liabilities	13	28,098	-
Current portion of government grant		310,836	336,328
Unclaimed dividend		5,247	5,254
		<u>8,936,000</u>	<u>28,973,139</u>
TOTAL EQUITY AND LIABILITIES		<u>39,806,337</u>	<u>43,356,909</u>
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

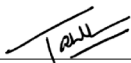
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	Nine months period ended		Three months period ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Note	----- (Rupees in '000) -----			
Sales	13,039,970	12,910,413	5,889,521	4,109,589
Cost of sales	<u>(12,745,854)</u>	<u>(12,570,532)</u>	<u>(5,305,422)</u>	<u>(4,015,532)</u>
Gross profit	294,116	339,881	584,099	94,057
Distribution costs	(455,191)	(444,051)	(170,972)	(132,692)
Administrative expenses	(597,052)	(572,210)	(173,783)	(187,326)
(Provision) / reversal of expected credit loss	(62,935)	78,177	(45,253)	20,651
Other expenses	(146,518)	(313,520)	(39,591)	(281,803)
Other income	<u>667,367</u>	<u>119,843</u>	<u>19,475</u>	<u>46,260</u>
Operating (loss) / profit	(300,213)	(791,880)	173,975	(440,853)
Finance costs	<u>(2,381,913)</u>	<u>(3,140,724)</u>	<u>(511,927)</u>	<u>(900,087)</u>
	(2,682,126)	(3,932,604)	(337,952)	(1,340,940)
Gain on restructuring of loans	<u>3,072,647</u>	-	-	-
Profit / (loss) before levy and taxation	390,521	(3,932,604)	(337,952)	(1,340,940)
Levy	<u>(162,745)</u>	<u>(162,053)</u>	<u>(71,160)</u>	<u>(52,733)</u>
Profit / (loss) before taxation	227,776	(4,094,657)	(409,112)	(1,393,673)
Taxation	<u>640,388</u>	<u>1,236,053</u>	<u>103,769</u>	<u>408,130</u>
Profit / (loss) for the period	<u><u>868,164</u></u>	<u><u>(2,858,604)</u></u>	<u><u>(305,343)</u></u>	<u><u>(985,543)</u></u>
	----- (Rupees) -----			
Profit / (loss) per share – basic and diluted	<u>2.72</u>	<u>(9.62)</u>	<u>(1.03)</u>	<u>(3.32)</u>

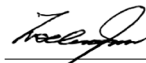
The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	Nine months period ended		Three months period ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	----- (Rupees in '000) -----			
Profit / (loss) for the period	868,164	(2,858,604)	(305,343)	(985,543)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>868,164</u>	<u>(2,858,604)</u>	<u>(305,343)</u>	<u>(985,543)</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

Share Capital	Capital reserve		Revenue reserve	Total	
	Issued, subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment		Accumulated (loss) / unappropriated profit
(Rupees in '000)					
Balance as at July 01, 2024 (Audited)	2,970,114	2,788,742	9,218,163	(751,018)	14,226,001
Total comprehensive loss for the period	-	-	-	(2,858,604)	(2,858,604)
Loss for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	(2,858,604)	(2,858,604)
Transferred to accumulated profit in respect of:					
- incremental depreciation during the period – net of tax	-	-	(181,671)	181,671	-
Balance as at March 31, 2025 (Un-audited)	2,970,114	2,788,742	9,036,492	(3,427,951)	11,367,397
Balance as at July 01, 2025 (Audited)	2,970,114	2,788,742	8,912,968	(4,222,256)	10,449,568
Total comprehensive profit for the period	-	-	-	868,164	868,164
Profit for the period	-	-	-	-	-
Other comprehensive Income for the year	-	-	-	868,164	868,164
Equity injection					
Share capital (note 1.2)	400,000	-	-	-	400,000
Share premium (note 1.2)	-	600,000	-	-	600,000
	400,000	600,000	-	-	1,000,000
Transferred to accumulated profit in respect of:					
- incremental depreciation during the period – net of tax	-	-	(180,135)	180,135	-
- realization on disposal-net of tax	-	-	(80,647)	80,647	-
Balance as at March 31, 2026 (Un-audited)	3,370,114	3,388,742	8,652,186	(3,093,310)	12,317,732

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026**

	March 31, 2026	March 31, 2025
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	227,776	(4,094,657)
Adjustments for:		
Depreciation on:		
- Operating fixed assets	4.1 913,905	1,009,814
- Right-of-use assets	21,148	27,368
Amortization on Intangible assets	666	1,499
Amortization on Government grant	(25,492)	(24,335)
Provision / (reversal) of expected credit loss	6.1 62,935	(78,177)
Provision for gratuity	51,978	98,446
Increase in long-term provision	-	49
Gain on disposal of held for sale	(5,108)	-
Reversal of spread - finance cost	(496,152)	-
Gain on restructuring of loans	(3,072,647)	-
Loss on disposal of operating fixed assets	8,156	275,870
Finance costs	2,381,913	3,140,724
Net cash from operating profit before working capital change:	(158,698)	4,451,258
Decrease / (increase) in current assets:		
Stores and spares	(41,156)	413,535
Stock-in-trade	389,149	3,389,249
Trade debts	(492,809)	771,359
Loans and advances	(1,103)	19,638
Trade deposits and short-term prepayments	(42,505)	(262,025)
Other receivables	209,929	298,392
	21,505	4,630,148
Increase / (decrease) in current liabilities:		
Trade and other payables	(381,671)	(934,968)
Contract liabilities	456,614	(117,236)
	74,943	(1,052,204)
Cash generated from operations	165,526	3,934,546
Income taxes paid	(321,672)	(292,078)
Gratuity paid	(108,558)	(212,165)
Finance costs paid	(1,125,188)	(804,215)
Long-term deposits – net	(147,678)	(9,628)
Net cash (used in) / from operating activities	(1,537,570)	2,616,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(25,960)	(38,580)
Assets held for sale	425,777	-
Proceeds from disposal of operating fixed assets	16,119	16,058
Short-term investment	(211)	(100)
Net cash from / (used in) investing activities	415,725	(22,622)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(12)	(19)
Short-term borrowings – net	(1,461,520)	691,958
Long-term financing – net	-	(137,572)
Loan from directors	1,310,000	-
Issuance of shares	1,000,000	-
Lease rentals paid	(42,874)	(34,198)
Net cash from financing activities	805,594	520,169
Net increase / (decrease) in cash and cash equivalents	(316,251)	3,114,006
Cash and cash equivalents at beginning of the period	1,226,139	(3,052,525)
Cash and cash equivalents at end of the period	18 909,888	61,481

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements


Chief Executive Officer


Chief Financial Officer


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2026

1 THE COMPANY AND ITS OPERATIONS

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

Business Unit	Address
Registered office and warehouse	- Plot No. A-18, S.I.T.E Karachi (Land measuring area 2.490 Acres)
Production plant and warehouse	- Industrial Land, Deh Gharo, Tapo Gharo, Taluka Mirpur Sakro, District Thatta, Sindh (Land measuring area 109.5 Acres) Plot No. D-89 Shershah Karachi (Land measuring area 2.220 Acres)
Warehouse	- Noor Road Badami Bagh Lahore (Land measuring 0.79 Acres)
Office Premises	- 10th floor, West Wing, Sky Tower, Clifton, Karachi - F-11, KDA Scheme 1, Karsaz, Karachi

- 1.2 In the prior years, the Company faced various challenges included, but not limited to, a tight monetary policy, constrained fiscal space, high inflation, exorbitant energy costs, mounting external and domestic debt burdens, and stringent conditions associated with International Monetary Fund (IMF) support. These factors placed considerable pressure on the construction sector, leading to reduced demand and capacity utilization. The Company has shutdown its plant located at Shershah due to unfavourable financial position of the Company. The gap between current assets and current liabilities has widened considerably, primarily due to liquidity, operational capital expenditures, and the repayment of liabilities. The Company breached the covenant of all long term finance due to adverse liquidity position which resulted in reclassification of long term loans and related deferred grant from "non-current liabilities" to "current liabilities" under the requirements of IAS 1- Presentation of financial statements. As at June 30, 2025, the current liabilities of the Company exceeded its current assets by Rs. 13,880.415 million.

However, management has devised strategies to navigate these challenges, including debt restructuring and reducing operational costs, and sales of under-utilized assets including warehouses and buildings. During the period ended March 31, 2026, the Company successfully executed a Master Restructuring Agreement (MRA) with its lender, and all Conditions Precedent (CPs) stipulated under the MRA were duly fulfilled on December 29, 2025. The significant terms and condition of the MRA are disclosed in the note 10 to these condensed interim financial statements. The MRA represents a significant milestone for the Company, as it provides essential financial relief through the conversion of short-term borrowings into long-term facilities (Refer note 10 & 15), extension of existing long-term loans, deferment of interest for an agreed period, and revival of remaining working capital lines to support optimal capacity utilization.

In addition, during the period the Sponsor's has injected fresh equity of Rs. 1,000 million at a price of Rs. 25 per share comprising of a face value of Rs. 10 each and a premium of Rs. 15 per share and granted short term loan amounting to Rs. 1,310 million (refer note 16) to improve the liquidity of the Company. The Company has marked surplus assets amounting to Rs. 809.504 million for sale which are classified as held for sale (Refer note 9). The management expects the Company's future outlook is positive, citing the GDP growth forecast, a decrease in inflation, decline in interest rates, which will further boost the construction industry. The Company's current ratio as of March 31, 2026 has improved to 1.42, reflecting enhanced liquidity and reinforcing the financial stability required for operational recovery. Management is confident that, following the successful implementation of the MRA, deferment in repayment of principal and interest repayments, availability of working capital facilities, and the liquidity support provided by the Company and sponsors, the Company will be well positioned to maximize capacity utilization, leading to an overall improvement in its financial performance and financial position. Accordingly, the management expects positive results in near future. The Company expects to be able to meet all obligations as they fall due. In view of the above, the management believes that no material uncertainty exists for the Company to continue as a going concern due to the arrangements and step taken by the management for availability of sufficient cash flows as and when required and needed during next financial year and, accordingly, these financial statements have been prepared on going concern basis.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Act. These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2025.

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

2.2 Functional and presentation currency

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

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

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

2.4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS IN THE ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

2.4.1 New accounting standards, amendments and IFRS interpretations that are effective for the nine months period ended March 31, 2026

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 01, 2025. However, these do not have any material impact on the Company's financial information and, therefore, have not been detailed in this condensed interim financial informations.

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3 ACCOUNTING ESTIMATES ASSUMPTION AND JUDGEMENTS

In the preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and incomes and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual financial statements as at and for the year ended June 30 2025.

	March 31, 2026 (Un-audited)	June 30, 2025 (Audited)
Note	----- (Rupees in '000) -----	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	23,845,218	25,544,016
Capital work-in-progress	1,686,492	1,709,416
	<u>25,531,709</u>	<u>27,253,432</u>
4.1 Operating fixed assets		
Balance at beginning of the period / year	25,544,016	28,196,929
Additions during the period / year 4.1.2	6,149	30,442
Disposals during the period / year 4.1.2	(24,274)	(924,166)
Assets held for sale	(809,504)	(274,843)
Transfer from capital work-in-progress 4.2 & 4.1.2	42,736	132,107
Impairment	-	(286,085)
Depreciation charged during the period / year	(913,905)	(1,330,368)
Balance at end of the period / year	<u>23,845,218</u>	<u>25,544,016</u>

- 4.1.1 This includes plant and machinery having book value of Rs. 1,302,469 million located at Shershah factor, Karachi. The factory was temporary shutdown due to financial constraints, market and operational challenges and was notified to Pakistan Stock Exchange on October 29, 2025.
- 4.1.2 Details of additions and disposal for the nine months period ended are as follows:

	Additions		Deletions (NBV)	
	March 31, 2026	June 30, 2025	March 31, 2026	June 30, 2025
	Un-Audited	Audited	Un-Audited	Audited
Buildings	-	-	-	839,813
Plant and machinery	-	12,915	19,611	33,685
Furniture and fixtures	-	940	-	33,584
Office equipments	290	2,614	11	15,792
Vehicles	-	13,131	4,622	1,011
Computers	5,859	842	30	281
	6,149	30,442	24,274	924,166

4.2 Capital work-in-progress	Opening balance	Additions	Transfer to operating fixed assets	Closing balance
----- Un-audited -----				
----- Rupees in '000 -----				
Leasehold Land	120,000	-	-	120,000
Civil Works	252,135	120	-	252,255
P&M and Others	1,337,281	19,692	(42,736)	1,314,237
	1,709,416	19,812	(42,736)	1,686,492

March 31, June 30,
2026 2025
(Un-audited) (Audited)
----- (Rupees in '000) -----

5 STOCK-IN-TRADE

Raw materials - scrap

- In hand	462,940	1,821,956
- In transit	486,480	578,285
	949,420	2,400,241

Work-in-process

398,060 263,334

Finished goods

2,275,098 1,348,152
3,622,578 4,011,727

6 TRADE DEBTS

Considered good	2,057,304	1,564,495
Considered doubtful	649,123	586,188
	2,706,427	2,150,683
Allowance for expected credit loss	6.1 (649,123)	(586,188)
Trade debts - net	2,057,304	1,564,495

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

Balance at beginning of the period / year	586,188	672,921
Charge / (reversal) during the period / year	62,935	(86,733)
Balance at end of the period / year	649,123	586,188

7 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

This includes margin held by the bank against letter of credit amounting Rs.20.918 million (June 30, 2025: Nil).

	March 31, 2026	June 30, 2025
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	

8 CASH AND BANK BALANCES

Cash-In-Hand	9,227	39,599
Bank balances		
-Current accounts	369,140	72,254
-Saving accounts	1,072,158	3,793,441
	1,441,298	3,865,695
	<u>1,450,525</u>	<u>3,905,295</u>

8.1 These carry markup at rates ranging from 7.5% to 9% (2025: 6.75% to 18%) per annum.

	March 31, 2026	June 30, 2025
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	

9 NON CURRENT ASSETS HELD FOR SALE

Karachi:		
- Plots	67,000	67,000
- Warehouse	809,504	-
Lahore - warehouse	274,841	274,841
Islamabad - warehouse	-	423,170
	<u>1,151,345</u>	<u>765,011</u>

In order to meet the working capital requirements and to settle the liabilities, the Company has decided to sell its Karachi and Lahore plots and warehouse which comprise of leasehold land, building, machinery, furniture and office equipments installed therein. The Company has classified these assets, in accordance with the requirements of IFRS-5 " Non-current assets held for sale and discontinued operations" in June 30, 2025 and December 2025.

As per the valuation carried out by M/s KG Traders, the market value of the Karachi plots and the Lahore warehouse was Rs. 67 million and Rs. 278.773 million, respectively. The valuation of the Karachi warehouse was carried out by M/s MYK Associates (Pvt) Limited amounting to Rs. 874.093 million. Furthermore, the Company sold the Islamabad warehouse during the period.

	March 31, 2026 (Un-audited)	June 30, 2025 (Audited)
10 LONG TERM FINANCING	----- (Rupees in '000) -----	
Secured		
Conventional:		
Restructured Loan		
Term Finance Facility	2,157,511	-
Term out Loan		
Running finance	356,223	-
Finance against trust receipts	5,978,184	-
	<u>6,334,407</u>	<u>-</u>
	8,491,918	-
Other Loan		
Term Finance Facility	-	2,412,984
Temporary Economic Refinance Facility (TERF)	58,560	67,832
	<u>58,560</u>	<u>2,480,816</u>
	8,550,478	2,480,816
Islamic:		
Restructured Loan		
Diminishing Musharaka	300,456	-
Term out Loan		
Running finance	218,639	-
Murabaha	327,928	-
Istisna	2,820,473	-
	<u>3,367,040</u>	<u>-</u>
	3,667,496	-
Other Loan		
Diminishing Musharaka	-	335,465
Islamic Temporary Economic Refinance Facility (ITERF)	734,109	828,558
SBP Financing for Renewable Energy	291,834	330,888
	<u>1,025,943</u>	<u>1,494,911</u>
	4,693,439	1,494,911
	<u>13,243,917</u>	<u>3,975,727</u>
Current portion shown under current liabilities		
Islamic	(254,106)	(1,494,911)
Conventional	(282,848)	(2,480,816)
	<u>(536,954)</u>	<u>(3,975,727)</u>
	12,706,963	-

During the period, the Company entered into a Master Restructuring Agreement (MRA) with its Financiers to modify the terms of certain existing financing arrangements. Under the revised terms, repayment of outstanding principal and related markup was deferred and the repayments are rescheduled. The salient features of MRA are as follows:

- Total principal amount of Rs 10,176.684 million is termed out from short term to long term from various conventional and Islamic financial institutions effective from July 01, 2024 at markup charged at 6 months KIBOR.
- A three year grace period from July 01, 2024 to June 30, 2027 has been granted for repayment of principal and markup, which shall remain deferred during the period, however, markup shall continue to accrue throughout the grace period (i.e. Markup deferment period). Upon expiry of the grace period, the outstanding principal shall be repaid over the subsequent seven years in a step-up manner while the accrued markup during the deferment period will also be repaid in subsequent seven years in a step-up manner but inclusive of two years grace period post cessation of deferment period. These facilities are secured against various Pari Passu and ranking changes over land, building and plant and machinery at 25% margin.
- Non-converted short term debt amounting to Rs. 6,891 million has been restructured from various conventional and Islamic financial institutions. Under the revised terms, the principal shall be continued to be repaid on a timely basis, whereas the markup has been granted a three year grace period from July 01, 2024 to June 30, 2027 (i.e. Markup deferment period). Markup shall be charged at 3 months KIBOR and shall continue to accrue during the deferment period. Upon expiry of the deferment period, the outstanding accrued markup shall be repaid over the subsequent seven years inclusive of two years grace period post cessation of deferment period in a step-up manner.

These facilities are secured against Joint Pari Passu charge over current assets of the company at 25% Margin.

- Un-utilized sanctioned limit of Rs. 5,119 million from various conventional and Islamic financial institutions will remain current which means that principal and markup will be served at due dates. However, markup is to be charged at 3 months KIBOR.

These facilities are secured against Joint Pari Passu charge over current assets of the company at 25% Margin.

- Existing long term loans amounting to Rs. 2,539.009 million has been restructured from various conventional and Islamic financial institutions. Under the revised terms, a two years grace period from July 01, 2024 to June 30, 2026 has been granted for repayment of principal with repayment in subsequent four years in equal installments. While, the mark-up on these loans shall be charged at 6 months KIBOR and continue to accrue during the period from July 1st 2024 to June 30, 2027 (Markup deferment period). Upon expiry of the deferment period, the outstanding accrued markup shall be repaid over the subsequent seven years inclusive of two years grace period post cessation of deferment period in a step-up manner.
- Temporary Economic Refinance Facility & Islamic Temporary Economic Refinance Facility loans are remain at exciting terms and condition in respect of markup/profit payments and principal repayments etc..

As the modification was considered substantial, the existing liabilities were extinguished and new liabilities were recognized by discounting the revised cash flows using the new effective interest rate. The detail of the original carrying amount and the restructured value of the loan along with respective gain on restructuring are as follows:

Nature of Balance	Carrying amount	Restructured Value	Gain on restructuring
	----- (Rupees in '000) -----		
Long term	2,539,009	2,404,266	134,743
Term out loan	10,170,684	9,663,664	507,020
Accrued	5,059,416	2,628,532	2,430,884
	17,769,109	14,696,462	3,072,647

The difference between the carrying amount of the liability and the present value of the modified cash flows was recognised as a gain amounting to Rs 3,072.647 million in the statement of profit or loss.

11 LOAN FROM RELATED PARTY

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

March 31, 2026	June 30, 2025
(Un-audited)	(Audited)
----- (Rupees in '000) ---	

12 DEFERRED TAXATION

Deductible temporary differences arising in respect of:

Unused tax credits and losses	(3,524,037)	(3,047,938)
Deferred liability- Gratuity	(105,585)	(127,651)
Trade debts	(253,158)	(228,613)
GIDC provisions	(110,073)	(110,073)
Lease liabilities	(47,064)	(41,514)
	<u>(4,039,917)</u>	<u>(3,555,788)</u>

Taxable temporary differences arising in respect of:

Accelerated tax depreciation / amortization	3,011,979	3,057,159
Surplus on revaluation of property, plant and equipment	3,735,434	3,852,391
Right of use assets	45,866	39,990
	<u>6,793,279</u>	<u>6,949,540</u>
	<u>2,753,362</u>	<u>3,393,752</u>

March 31, 2026	June 30, 2025
(Un-audited)	(Audited)
----- (Rupees in '000) ---	

13 DEFERRED LIABILITIES

Defined benefit obligation	270,731	327,311
Differential RLNG sale price payable to SSGC	53,448	-
	<u>324,179</u>	<u>327,311</u>
Current portion of differential RLNG sale price payable to SSGC	(28,098)	-
	<u>296,081</u>	<u>327,311</u>

14 TRADE AND OTHER PAYABLES

Includes trade creditors amounting to Rs. 141.669 million (June 30, 2025: Rs. 840.819 million).

	March 31, 2026	June 30, 2025
	(Un-audited)	(Audited)
	----- (Rupees in '000) ---	

15 SHORT-TERM BORROWINGS

Secured

Conventional mode:

Cash finance	317,416	770,155
Running finance	540,637	9,208,247
Finance against trust receipts	<u>2,868,998</u>	<u>2,279,704</u>
	<u>3,727,051</u>	<u>12,258,107</u>

Islamic mode:

Running finance	-	399,452
Murabaha	-	343,918
Istisna	<u>556,215</u>	<u>4,791,783</u>
	<u>556,215</u>	<u>5,535,153</u>
	<u>4,283,266</u>	<u>17,793,260</u>

During the year loan form various financiers has been restructured the detail of which is disclosed in note 10 to these condensed interim financial statements.

16 SPONSOR'S LOAN

The loan was obtained from a sponsor to meet the shortfall in liquidity to meet the requirement of the MRA for the purpose of restructuring the facilities (refer note 10). The loan is interest free and is repayable on demand.

17 CONTINGENCIES AND COMMITMENTS

Contingencies

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

	March 31, 2026	June 30, 2025
	(Un-audited)	(Audited)
	----- (Rupees in '000) ---	

Commitments

Outstanding letters of credit	<u>1,388,047</u>	<u>157,140</u>
Outstanding letters of guarantee	<u>489,856</u>	<u>484,856</u>

	March 31, 2026	March 31, 2025
	(Un-audited)	(Audited)
	----- (Rupees in '000) ---	

18 CASH AND CASH EQUIVALENTS

Cash and bank balances	1,450,525	2,759,660
Running finance facilities	<u>(540,637)</u>	<u>(2,698,179)</u>
	<u>909,888</u>	<u>61,481</u>

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited financial statements for the year ended June 30, 2025.

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial statements approximate their fair values. Fair value is the amount for which asset could be exchanged or liability settled between knowledgeable, willing parties in an arm length transaction.

21 TRANSACTION WITH RELATED PARTIES

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

Name of related party	Nature of transactions	Nine months period	
		March 31, 2026	March 31, 2025
----- (Rupees in '000) ----			
Employees	Remuneration and other benefits	252,137	253,622
Various	Contribution to staff gratuity fund	51,978	98,462
Mr. Hadi Akberali	Charged interest on Loan	10,262	15,077
Various directors	Meeting fee	1,725	2,350
Mr. Shayan Akberali	Loan taken	1,310,000	-
Hobnob Bakeries	Entertainment expense	496	736
Mrs. Salsabil Akberali	Sale of bars	620	-
Mrs. Salsabil Akberali	Office Rent (net of taxes)	16,051	-

22 OPERATING SEGMENTS

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

All non-current assets of the Company as at March 31, 2026 and 2025 are located in Pakistan.

Sales made by the Company to its 20 major customers during the period constituted 13% (March 31, 2025: 13%) of total sales.

23 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 28 April 2026 by the Board of Directors of the Company.

24 GENERAL

Figures have been rounded off to the nearest thousands of Rupees, unless otherwise stated.

Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison.



Chief Executive Officer



Chief Financial Officer



Director

Investors' Education

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

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