

DOST STEELS LIMITED

FINANCIAL STATEMENT
FOR THE HALF YEAR ENDED

31 DECEMBER 2025

Our Vision

- To recognize globally as a leading supplier of steel large bar of the highest quality standards, with market leading standards of customer service.
- Business development by adoption of emerging technologies, growth in professional competence, support to innovation. Enrichment of human resources and performance recognition.

Our Mission

- To manufacture and supply high quality steel large bar to the construction sector whilst adopting safe and environmentally friendly practices.
- To remain the preferred and consistent supply source for various steel products in the country.
- Offer products that are not only viable in terms of desirability and price but most importantly give true and lasting value to our customers.
- To fulfill special obligation and compliance of good governance.
- Ensure that the business policies and targets are in conformity with national goals.
- Deliver strong returns on investments of our stakeholders by use of specialized and high quality corporate capabilities with the combined use of modern bar mill practices, enterprise class software on a web based solution and targeted human resource support.

Corporate Strategies

- Ensure that the business policies and targets are in conformity with national goals.
- Establish a better and safer work environment for all employees
- Contribute in National efforts towards attaining sustainable self-efficiency in steel products,
- Customer's satisfaction by providing best value and quality products.
- Maintain modern management system conforming to international standards needed for an efficient organization.
- Ensure to foster open communications, listen, and understand other perspectives.
- Acquire newer generation technologies for effective and efficient operations.

COMPANY INFORMATION

Board of Directors

Mr. Naim Anwar
Mr. Muhammad Azhar Chughtai
Mr. Zahid Iftakhar
Mr. Shafiq Ahmed Soomro
Mr. Mian Abuzar Shad
Madam Nargis Abuzar Shad
Madam Saba Azam
Madam Naushaba Shahzad
Nominated by NBP
Mr. Asim Jilani
Nominated by FBL
Mr. Suhail Elahi

Director/ Chairman
Director
Chief Executive Officer

Shares Registrar

Corplink (Pvt) Limited
Wings Arcade, 1-K,
Commercial, Model Town,
Lahore.
Tel: (042) 35916714 - 35916719
E-mail: shares@corplink.com.pk

Audit Committee

Mr. Shafiq Ahmed Soomro
Mr. Muhammad Azhar Chughtai
Madam Saba Azam

Chairman
Member
Member

Head Office/Registered Office

4th Floor, Al-Hafeez Tower,
Office # 6-F, M.M. Alam Road,
Gulberg-III,
Lahore-54700, Pakistan
Ph: # 042-35785342

Human resource & Remuneration Committee

Mr. Mian Abuzar Shad
Mr. Naim Anwar
Mr. Suhail Elahi

Chairman
Member
Member

Auditors

Mushtaq & Co.
Chartered Accountants

Chief Financial Officer

Mr. Muhammad Afzal Shehzad

Company Secretary

Mr. Muhammad Afzal Shehzad

Legal Advisor

Mr. Ahsan Masood, Advocate
Masood & Masood Corporate &
Legal Consultants, 102 Upper Mall
Scheme Lahore
Ph: No. +92(0)42 37363718

Bankers

Faysal Bank Limited
National Bank of Pakistan
Askari Commercial Bank Limited
Bank of Khybar
Pak Kuwait Investments Co. (Pvt.)
Limited
Saudi Pak Industrial & Agricultural
Investment
Co. Limited
United Bank Limited
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
Bank Alfalah Islamic
Meezan Bank

Plant Address

52 Km Lahore Multan Road
Phool Nagar, Distt Kasur Punjab

Web Presence

www.doststeels.com
e mail: info@dosteels.com

DIRECTORS' REPORT

Dost Steels Limited

For the Half Year Ended December 31, 2025

The Directors are pleased to present the unaudited condensed interim financial statements of the Company for the half year ended December 31, 2025.

1. Operational Status

During the period under review, the Company's production facilities remained temporarily non-operational due to working capital constraints and ongoing financial restructuring efforts.

No production or sales activity was undertaken during the period. However, management ensured:

- Preservation and safeguarding of plant & machinery
- Strict cost control measures
- Compliance with statutory and regulatory requirements

2. Financial Performance

As operations remained suspended, the Company did not generate revenue during the period.

However, the financial performance shows improvement primarily due to disciplined cost management and restructuring progress.

Description	December 31, 2025 (PKR)	December 31, 2024 (PKR)
Sales	-	-
Cost of sales	(58,115,896)	(19,685,003)
Gross Loss	(58,115,896)	(19,685,003)
Administrative and selling expenses	(5,746,862)	(6,120,231)
Finance costs	(32,388,543)	(72,795,759)
Other operating income	2,518,813	-
Loss before taxation	(97,732,453)	(98,600,993)
Taxation	876,797	-
Loss after taxation	(96,855,656)	(98,600,993)
Loss per share (Restated)	(0.22)	(0.22)

3. Settlement with Lenders

The Company continues to make substantial progress under its restructuring arrangement with the banking syndicate.

During the period:

- The Company successfully paid the **second installment** as per the agreed settlement plan.
- Cumulatively, the Company has paid **PKR 280,492,669** to the syndicate lenders to date.

This payment demonstrates:

- Strong commitment of sponsors and management
- Improved financial discipline
- Practical execution of revival strategy

The Board considers this development a significant step toward restoring the Company's financial credibility and strengthening stakeholder confidence.

Head Office # 6-F, 4th Floor, Al-Hafeez Tower, M.M. Alam Road, Gulberg III, Lahore.Ph:042-35785342
Mill Site #52 km, Multan Road, Phoolnagar-55260, Pakistan.

4. Revival & Future Strategy

Management is actively working on:

- Completion of lender settlement obligations
- Arranging working capital lines
- Exploring strategic investors / partnerships
- Phased operational restart plan

Subject to successful completion of restructuring and availability of working capital, the Company aims to resume operations in a structured and sustainable manner.

5. Going Concern

The financial statements have been prepared on a going concern basis. The Directors are confident that ongoing restructuring efforts, including timely installment payments to lenders, will enable the Company to meet its future obligations and resume operations.

6. Acknowledgment

The Directors express their sincere appreciation to shareholders, financial institutions, employees, and regulatory authorities for their continued support during this transitional phase.

For and on behalf of the Board

A handwritten signature in blue ink, appearing to read 'Suhail Elahi', is written over a horizontal line.

Suhail Elahi
Chief Executive Officer
Dated:

A handwritten signature in black ink, appearing to read 'Naim Anwar', is written over a horizontal line.

Naim Anwar
Director / Chairman

Independent Auditor's review report to the members of Dost Steels Limited

Report on review of Condensed Interim Financial Statements

Introduction

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

Scope of Review

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

Basis for Disclaimer of Conclusion

Based on information provided to us by the management, we report that;

1. The Company, as stated in note 2, has incurred a net losses Rs. 96.856 million and its accumulated loss is Rs. 1,774.190 million. The current liabilities of the Company exceed its current assets by Rs. 908.546 million. The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in paying creditors on due date. It has stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. Management of the Company has also not shared any future plans to revive its business. These conditions indicate the existence of material uncertainties which may cast significant doubt on ability of the Company to continue as a going concern, to realize its assets and to discharge its liabilities in normal course of business. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classifications of liabilities that might be necessary should the Company be unable to continue as going concern. Under the circumstances use of going concern assumption is not appropriate;
2. The syndicate long term finance (LTF) of Rs. 726.219 million, markup accrued on secured borrowings thereon of Rs. 765.454, accrued markup of LTF of Rs. 17.312 million, remained unconfirmed by the banks. Therefore, in the absence of sufficient appropriate audit evidence, the accuracy of the figures could not be ascertained;

3. Balance confirmation requests have remained responded to in respect of 'trade & other payables', 'long term security deposits', 'trade debtors' and 'advances for supplies/ services' amounting to Rs. 35.539 million, Rs. 40.591 million, Rs. 19.470 million and Rs. 0.677 million respectively. We were unable to satisfy ourselves by alternative means;
4. During the course of our review, we identified that the liability payable to a director was understated in prior periods by approximately Rs. 3.999 million as a result of incorrect recording of the balance in the Company's accounting records. Although payments made to the director were in accordance with the actual liability, the incorrect book balance resulted in recognition of excess payment in the current period, which has been charged to profit or loss. In our opinion, such understatement represents a prior period error which, in accordance with the applicable financial reporting framework, should have been corrected by restating comparative figures and adjusting opening retained earnings. As the Company has recognized the adjustment in the current period and has not restated comparative figures, the interim financial information reflects misstatement of current period results and equity balances of 3.999 million respectively.
5. The Company has not conducted impairment testing of stores and spares as on December 31, 2025 as per IAS 2 "Inventories" which constitute departure from International Financial Reporting Standards. We consider it is necessary at the period end as the production of the Company has been stopped since 2019. Any impact of the same on assets and condensed interim statement of profit or loss of the Company is not determined;
6. We did not receive confirmation from 3 legal advisors and consultants of the Company. In the absence of all confirmations from legal advisors and consultants and list of pending litigations, completeness of contingencies as disclosed in note 19 cannot be commented upon;
7. The Company did not appropriately comply with the requirements regarding deduction and deposit of withholding taxes, amounts due to Punjab Employees' Social Security Institution and Employees' Old Age Benefit Institution. These dues have not been separately disclosed in the interim financial statements as per the requirement of IAS-1 "Presentation of Financial Statements". Consequent impact of default penalty/surcharge due to non compliance of related provisions of the relevant laws has not been quantified and disclosed in these interim financial statements; and
8. The Company had not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial and Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 17 to the interim financial statements for the half year ended December 31, 2025 and the impact of the noncompliance of IAS 19 on interim financial statements could not be quantified.

Disclaimer of Conclusion

Because of the significance of the matters referred in paragraph (1) to (8) above, we are unable to obtain sufficient and appropriate evidence to form a conclusion on the accompanying interim financial information. Accordingly, we do not express any conclusion on these financial statements.

Other Matter Paragraph

- 1- The interim financial information of the Company for the corresponding period ended December 31, 2024 was reviewed by another auditor whose review report dated February 27, 2025 expressed an adverse conclusion on that interim financial information.

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

The engagement partner on the review resulting in this independent auditors' review report is **Mr. Nouman Arshad, ACA.**

Mushtaq & Co.
CHARTERED ACCOUNTANTS
Lahore
Dated: February 27, 2026
UDIN:

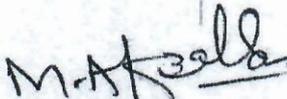


DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNAUDITED
AS AT DECEMBER 31, 2025

	Note	December 31, 2025 (Unaudited) Rupees	June 30, 2025 (Audited) Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,172,209,190	10,213,458,842
Intangible assets	8	1,000	1,000
Long term security deposits		40,591,445	40,551,445
		<u>10,212,801,635</u>	<u>10,254,011,287</u>
CURRENT ASSETS			
Stores and spares		26,845,775	26,845,775
Stock in trade	9	-	-
Trade debtors	10	-	-
Advances		677,053	1,082,384
Taxes recoverable/ adjustable		12,986,186	11,694,502
Cash and bank balances	11	796,661	676,819
		<u>41,305,675</u>	<u>40,299,480</u>
TOTAL ASSETS		<u><u>10,254,107,310</u></u>	<u><u>10,294,310,767</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	4,446,955,770	4,446,955,770
Discount on issue of shares	13	(2,130,224,462)	(2,130,224,462)
Capital reserve			
Surplus on revaluation of property, plant and equipment	14	5,811,647,545	5,836,934,991
Revenue reserve			
Accumulated loss		(1,774,190,372)	(1,702,622,162)
		<u>6,354,188,481</u>	<u>6,451,044,137</u>
NON-CURRENT LIABILITIES			
Advance for issuance of shares - unsecured	15	3,829,952	3,829,952
Long term borrowings - secured	16	493,477,701	619,057,488
Markup accrued on secured borrowings		603,540,951	652,096,910
Employees' retirement benefit	17	27,458,179	27,012,681
Deferred tax liability		1,821,759,896	1,822,636,693
		<u>2,950,066,679</u>	<u>3,124,633,724</u>
CURRENT LIABILITIES			
Trade and other payables - unsecured		35,539,331	35,362,358
Accrued markup	18	17,311,804	17,311,804
Short term borrowings - unsecured		450,862,691	298,852,040
Current and overdue portion of long term borrowings		394,653,591	315,621,971
Provision for taxation		51,484,733	51,484,733
		<u>949,852,150</u>	<u>718,632,906</u>
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		<u><u>10,254,107,310</u></u>	<u><u>10,294,310,767</u></u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer

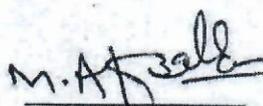

Director

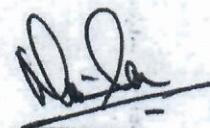
DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half year ended		Quarter Ended	
		December 31, 2025 Rupees	December 31, 2024 Rupees	December 31, 2025 Rupees	December 31, 2024 Rupees
Sales		-	-	-	-
Cost of sales	20	(58,115,896)	(19,685,003)	(47,171,952)	(9,305,062)
Gross loss		(58,115,896)	(19,685,003)	(47,171,952)	(9,305,062)
Administrative and selling expenses		(5,746,862)	(6,120,231)	(2,467,762)	(2,918,031)
Finance cost		(32,388,543)	(72,795,759)	-	(40,505,790)
Other income		2,518,813	-	751,813	-
Other expenses		(3,999,965)	-	(3,999,965)	-
Loss before levies and taxation		(97,732,453)	(98,600,993)	(52,887,866)	(52,728,883)
Levies		-	-	-	-
Loss before taxation		(97,732,453)	(98,600,993)	(52,887,866)	(52,728,883)
Taxation		876,797	-	-	-
Loss for the period		(96,855,656)	(98,600,993)	(52,887,866)	(52,728,883)
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to the condensed interim statement of profit or loss		-	-	-	-
Items that will be reclassified to the condensed interim statement of profit or loss		-	-	-	-
Other comprehensive income / (loss) for the period		-	-	-	-
Total comprehensive loss for the period		(96,855,656)	(98,600,993)	(52,887,866)	(52,728,883)
Loss per share - Basic and diluted	21	(0.22)	(0.22)	(0.12)	(0.12)

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer

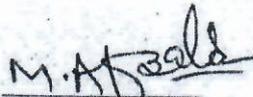

Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Share capital	Discount on issue of shares	Capital reserve	Revenue reserve	Total
			Surplus on revaluation of Property, Plant and equipment	Accumulated loss	
----- Rupees -----					
Balance as at June 30, 2024 (Audited)	4,446,955,770	(2,130,224,462)	-	(2,005,082,741)	311,648,567
Total comprehensive loss:					
Loss for the period	-	-	-	(98,600,993)	(98,600,993)
Other comprehensive income for the period	-	-	-	-	-
Balance as at December 31, 2024 (Unaudited)	4,446,955,770	(2,130,224,462)	-	(2,103,683,734)	213,047,574
Total comprehensive loss:					
Profit for the period	-	-	-	401,061,572	401,061,572
Other comprehensive income for the period	-	-	5,836,934,991	-	5,836,934,991
	4,446,955,770	(2,130,224,462)	5,836,934,991	401,061,572	6,237,996,563
Balance as at June 30, 2025 (Audited)	4,446,955,770	(2,130,224,462)	5,836,934,991	(1,702,622,162)	6,451,044,137
Total comprehensive loss:					
Loss for the period	-	-	-	(96,855,656)	(96,855,656)
Other comprehensive income for the period	-	-	-	-	-
Incremental depreciation - net of deferred tax	-	-	(25,287,446)	25,287,446	-
	-	-	(25,287,446)	(71,568,210)	(96,855,656)
Balance as at December 31, 2025 (Unaudited)	4,446,955,770	(2,130,224,462)	5,811,647,545	(1,774,190,372)	6,354,188,481

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer

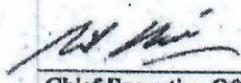

 Director

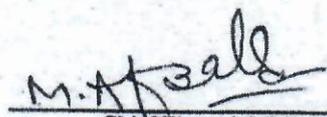
DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	December 31, 2025 Rupees	December 31, 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before levies and taxation	(97,732,453)	(98,600,993)
Adjustments for non-cash and other items:		
Depreciation	41,249,652	6,284,030
Finance cost	-	72,795,759
Provision for gratuity	445,500	410,333
	41,695,152	79,490,121
Operating cash flows before working capital changes	(56,037,301)	(19,110,872)
(Increase)/ decrease in current assets:		
Advances	405,331	-
Taxes recoverable/ adjustable	(1,291,684)	(1,455,700)
Increase/ (decrease) in current liabilities:		
Trade and other payables	176,973	(4,121,103)
	(709,380)	(5,576,803)
Cash used in operations	(56,746,681)	(24,687,675)
Finance cost paid	-	(24,917)
Net cash flows used in operating activities	(56,746,681)	(24,712,592)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term security deposits	(40,000)	-
Net cash flows used in investing activities	(40,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings-unsecured	152,010,649	23,943,506
Long term borrowings	(95,104,126)	-
Net cash flows generated from financing activities	56,906,523	23,943,506
Net increase / (decrease) in cash and cash equivalents during the period	119,842	(769,086)
Cash and cash equivalents at the beginning of the period	676,819	914,217
Cash and cash equivalents at the end of the period	796,661	145,131

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The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

DOST STEELS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

Dost Steels Limited (the Company) was incorporated and domiciled in Pakistan on March 19, 2004 as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company was converted into public limited company with effect from May 20, 2006 and then listed on the Pakistan Stock Exchange Limited with effect from November 26, 2007.

The principal business of the Company include manufacturing of steel, direct reduced iron, sponge iron, hot briquetted iron, carbon steel, pig iron, special alloy steel in different forms, shapes and sizes and any other product that can be manufactured with existing facilities.

Geographical location and address of business units/ plants are as follows:

<u>Description</u>	<u>Location</u>	<u>Address</u>
Registered office/ head office	Lahore	Office No. 6-F, 4th Floor, Al-Hafeez Tower, M.M Alam Road, Gulberg-III, Lahore.
Mill/ plant site	Phoolnagar	52 Km, Multan Road, Phoolnagar.

2 GOING CONCERN ASSUMPTION

The Company incurred a net loss of Rs. 96,855,656 (December 31, 2024: Rupees. 98,600,993) as at December 31, 2025 and its accumulated loss is Rs. 1,774,190,372 (June 30, 2025: Rupees. 1,702,622,162). The current liabilities exceed the current assets by Rupees. 908,546,475 (June 30, 2025: Rupees. 678,333,426). The Company has also been facing long overdue receivables, unfavorable key financial ratios, difficulty in complying with the terms of loan agreements with banks and to pay creditors on due date

The Company is in default under its syndicated contractual obligations with bankers and unable to obtain additional finance. The Company has also stopped its commercial production since 2019 and lost its key management staff without replacement due to working capital deficiency. There are also banking litigations against the Company (note 19).

The Company is in process of negotiating with syndicate consortium to arrange working capital required to resume commercial production. The Company is also expected to earn net profits in coming years. Therefore the Company expects that adequate inflows will be generated in the future years which will wipe out these losses. Hence, the financial statements are prepared on the basis of going concern assumption.

3 BASIS OF PREPARATION

3.1 Accounting convention

These financial statements have been prepared under the "historical cost convention" except as otherwise disclosed in these financial statements. Further accrual basis of accounting has been followed except for cash flows information.

3.2 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 (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

3.3 The cumulative figures for the half year ended December 31, 2024 presented in these condensed interim financial statements are unaudited but have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Companies Act, 2017 ("the Act") and Code of Corporate Governance.

3.4 These condensed interim financial statements comprise the condensed interim statement of financial position as at December 31, 2025, the condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows together with the selected notes for half year ended December 31, 2025.

3.5 The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2025 has been extracted from the audited financial statements of the Company for the year ended June 30, 2025, where as the comparative condensed interim statement of profit or loss and other comprehensive income, the statement of changes in equity and the condensed interim statement of cash flows for the half year ended December 31, 2025 have been subjected to review but not audited. Quarterly figures are unaudited/unreviewed.

3.6 These interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2025.

DOST STEELS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

3.7 Presentation

These financial statements are presented in Pak Rupees, which is also the Company's functional currency. Figures have been rounded to the nearest Pak Rupee, unless otherwise stated.

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2025.

4.2 Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2025

There are other new standards which are effective from July 01, 2025 but they do not have a material effect on the Company's condensed interim financial statements.

4.3 Standards and amendments to approved accounting and reporting standards that are not yet effective

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

5 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2025.

6 RISK MANAGEMENT

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

DOST STEEL LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
7 PROPERTY, PLANT AND EQUIPMENT			
Opening Balance - Net book value		10,213,458,842	2,507,457,041
Addition (Revaluation)		-	7,718,569,852
Depreciation charged during the period/year	7.1	<u>(41,249,652)</u>	<u>(12,568,051)</u>
Closing Balance - Net book value		<u>10,172,209,190</u>	<u>10,213,458,842</u>
7.1 Depreciation charged for the period/year has been allocated as under:			
Cost of sales		41,151,277	12,325,949
Administrative and selling expenses		98,375	242,102
		<u>41,249,652</u>	<u>12,568,051</u>
8 INTANGIBLE ASSETS			
Computer software			
Cost			
At the beginning of the period/year		1,111,350	1,111,350
Addition during the period/year		-	-
As at the end of the period/year		1,111,350	1,111,350
Accumulated amortization			
At the beginning of the period/year		(1,110,350)	(1,110,350)
Amortization charge for the period/year		-	-
As at the end of the period/year		<u>(1,110,350)</u>	<u>(1,110,350)</u>
Written down value at the end of the period/year		<u>1,000</u>	<u>1,000</u>
8.1 The Company amortizes intangible asset on a straight line basis over the period of useful life @ 30%.			
8.2 Intangible asset has been taken at notional value of Rs. 1,000 after amortising the asset over its estimated useful life as asset is still in use.			
9 STOCK IN TRADE			
Raw material		4,781,225	4,781,225
Less: Provision for obsolete raw material		<u>(4,781,225)</u>	<u>(4,781,225)</u>
		-	-
10 TRADE DEBTORS			
- Unsecured			
Trade debtors		19,469,715	19,469,715
Less: Allowance for expected credit loss/(ECL)		<u>(19,469,715)</u>	<u>(19,469,715)</u>
		-	-
11 CASH AND BANK BALANCES			
Cash in hand		481	667,754
Cash at banks:			
- Current accounts		796,180	9,065
		<u>796,661</u>	<u>676,819</u>
12 SHARE CAPITAL			
December 31, 2025 Rupees (Unaudited)			
June 30, 2025 Rupees (Audited)			
Number of Shares			
Authorized share capital			
445,000,000	445,000,000	Authorized share capital of Rs. 10 each	4,450,000,000
<u>445,000,000</u>	<u>445,000,000</u>		<u>4,450,000,000</u>
Issued, subscribed and paid-up capital			
444,695,577	444,695,577	Ordinary share of Rs.10 each fully paid in cash	4,446,955,770
<u>444,695,577</u>	<u>444,695,577</u>		<u>4,446,955,770</u>
12.1 The Company has only one class of ordinary shares. The holders of ordinary shares have equal right to receive dividend, bonus and right issue as declared, vote and block voting at meetings, board selection and right of first refusal of the Company.			
12.2 The Company has not reserved shares for issue under options or sale contracts.			
13 DISCOUNT ON ISSUE OF SHARES			
Discount on issue of right shares	13.1	1,365,481,480	1,365,481,480
Discount on issue of shares other than right shares	13.2	764,742,982	764,742,982
		<u>2,130,224,462</u>	<u>2,130,224,462</u>

DOST STEEL LIMITED
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- 13.1 The Company issued right shares with the approval of board of directors, SECP and PSX with face value of Rs. 2,482,693,600/- comprising of 248,269,360 ordinary shares of Rs. 10 each at a discount of Rs. 5.50 per share in the financial year ended June 30, 2017.
- 13.2 The Company issued ordinary shares other than right with the approval of the board of directors, SECP and PSX with face value of Rs.1,289,617,170/- comprising of 128,961,717 ordinary shares of Rs. 10 each at a discounted price of Rs. 4.07 per share in the financial year ended June 30, 2024.

	December 31, 2025	June 30, 2024
Note	Rupees (Unaudited)	Rupees (Audited)
14 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENTS	<u>5,836,934,991</u>	<u>5,836,934,991</u>
The reconciliation of this head of account is as follows:		
Balance at the beginning of the year	5,836,934,991	-
Add: Revaluation surplus recognized during the year - net of deferred tax	-	5,836,934,991
Less: Incremental depreciation - net of deferred tax	<u>(25,287,446)</u>	<u>-</u>
	<u>5,811,647,545</u>	<u>5,836,934,991</u>

- 14.1 The Company got its freehold land, building and plant and machinery revalued by an independent valuator Sadruddin Associates (Pvt.) Limited on 30 June 2025 who issued the report on the same date. These values were incorporated in the books of accounts with the due approval of the Board of Directors (the Board). The valuation of the said assets was made under fair value hierarchy level-3 on the basis of current prevailing economic and market conditions. The amount of appreciation in the value of assets as a result of revaluation calculated to Rs. 7,718,569,852/- which was added to the book value of the respective assets and the corresponding amount was credited to the surplus on revaluation of property, plant and equipment. This reserve is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

15 ADVANCE FOR ISSUANCE OF SHARES - UNSECURED

From Crescent Star Insurance Limited and its assignees	8,999	8,999
From directors	<u>3,820,953</u>	<u>3,820,953</u>
	<u>3,829,952</u>	<u>3,829,952</u>

- 15.1 The Company had received an unconditional advance against issuance of shares from Crescent Star Insurance Limited (CSIL), associated company, and directors of the Company which are to be adjusted against further issue of shares by the Company whenever made. These amounts are unsecured and interest free.

16 LONG TERM BORROWINGS - SECURED

From banking companies and financial institutions - Conventional
Term finance - restructured facilities

Opening balance	772,766,703	793,814,703
Adjustments due to restructuring of term finance facilities:		
-Adjusted during the year	-	(793,814,703)
-Modification of term finance facilities	16.1	822,766,703
Finance cost accretion	-	8,430,921
Paid during the period/year	<u>(46,548,167)</u>	<u>(50,000,000)</u>
	<u>(46,548,167)</u>	<u>781,197,624</u>
Less: Current portion	<u>(232,740,835)</u>	<u>(153,709,215)</u>
Accrued portion of finance cost	<u>-</u>	<u>(8,430,921)</u>
	<u>(232,740,835)</u>	<u>(162,140,136)</u>
	<u>493,477,701</u>	<u>619,057,488</u>

- 16.1 The Company has arranged new Restructured Term Finance Facilities (as on 28 May 2025) of long term borrowings Rs. 993,431,376/- (Present Value of which is Rs. 822,766,703/-) and markup accrued on secured borrowings Rs. 1,046,451,328/- (Present Value of which is Rs. 814,009,666/-) from National Bank of Pakistan, Askari Bank Limited, NIB Bank Limited (now MCB Bank Limited), Bank of Khyber, Pak Kuwait Investment Company (Private) Limited, Saudi Pak Industrial and Agricultural Investment Company Limited and Faysal Bank Limited (former Royal Bank of Scotland Limited) as a Syndicated loan, whereby Faysal Bank Limited is acting as the principal agent of the syndicate. Due to absence of cash flows and delayed commissioning of the project and subsequent closure of the production, the Company was unable to meet its repayment obligations towards the financiers as a result of which Company restructured its Term Finance Facilities. All the syndicate banks have given their in-principle approval to the rescheduling and restructuring of the debts and obligations.

Terms of rescheduled and restructured agreement are as follows:

- a) As part of restructuring arrangement, the Sponsor has additionally assigned receivables from his other business project(s) directly to the Syndicate for further security.
- b) The markup rate effective from the date of commissioning is 12% (Previously 3 Month KIBOR) payable quarterly in arrears.
- c) The principal repayment is made in 1 upfront payment on 28 May 2025 and 16 quarterly installments commencing from 25 September 2025 till 25 June 2029 as per repayment schedule.
- d) The loan is secured by a mortgage by deposit of title deeds of the mortgaged properties, a charge by way of hypothecation over hypothecated assets, pledge of the pledged shares, and personal guarantees of the sponsors.

- 16.1.1 Overdue portion of liability represents amount due from partial instalment of fourth quarter of year 2019 upto 30 June 2024 and full portion of Pak Kuwait Investment Company (Private) Limited as they have neither signed the previous restructuring agreement nor accepted the payment according to it.

DOST STEEL LIMITED
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	Note	December 31, 2025 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
17 EMPLOYEES' RETIREMENT BENEFIT			
Staff gratuity	17.1	27,458,179	27,012,681
17.1 Movement in net defined benefit obligation recognized in statement of financial position:			
Opening balance		27,012,681	26,121,681
Provision for the year		445,500	891,000
		<u>27,458,181</u>	<u>27,012,681</u>
Less: Payments made during the period / year		-	-
18 ACCRUED MARKUP			
Long term borrowings - secured		<u>17,311,804</u>	<u>17,311,804</u>

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

There is no material change in the contingencies and commitments as described in the financial statements for the period ended December 31 2025.

During the year ended 30 June 2015, two suits were filed against the Company in the Lahore High Court for the recovery of Rs. 1,299,588,534/- and Rs. 122,197,136/- by "Faysal Bank Limited and others" and "Pakistan Kuwait Investment Company (Private) Limited" respectively. The suits are still pending adjudication. The management feels that the cases would become infructuous once the restructuring agreement will be finalised.

	Note	December 31, 2025 Rupees (Unaudited)	December 31, 2024 Rupees (Unaudited)
20 COST OF SALES			
Raw material consumed			
Opening stock of raw material		-	-
Add: Purchased during the year		-	-
Less: Closing stock of raw material	9	-	-
		-	-
Manufacturing overheads			
Salaries, wages and other benefits		7,001,471	5,916,052
Fuel, power and water		5,510,249	6,183,354
Rent, rates and taxes		733,825	176,722
Entertainment		906,420	814,454
Repair and maintenance		2,809,114	424,555
Printing and stationery		3,540	6,890
Depreciation	7.1	41,151,277	6,162,976
		<u>58,115,896</u>	<u>19,685,003</u>
Add: Opening stock of work in process		-	-
Less: Closing stock of work in process		-	-
		-	-
Cost of goods manufactured		<u>58,115,896</u>	<u>19,685,003</u>
Add: Opening stock of finished goods		-	-
Less: Closing stock of finished goods		-	-
		-	-
		<u>58,115,896</u>	<u>19,685,003</u>

21 LOSS PER SHARE - BASIC AND DILUTED

Loss per share is calculated by dividing the loss after tax for the year by the weighted average number of ordinary shares outstanding during the period as

	Rupees	(96,855,656)	(98,600,993)
Loss attributable to ordinary shareholders		<u>96,855,656</u>	<u>98,600,993</u>
Weighted average number of ordinary shares in issue during the period		<u>444,695,577</u>	<u>444,695,577</u>
Loss per share - basic and diluted		<u>(0.22)</u>	<u>(0.22)</u>

No figure for diluted earnings/ (loss) per share has been presented as the Company has not issued any instrument carrying options which would have an impact on earnings/ (loss) per share when exercised.

DOST STEEL LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

22 TRANSACTIONS WITH RELATED AND ASSOCIATED PARTIES

Related parties include associated companies, directors of the Company, companies where directors also hold directorship, related group companies, key management personnel, staff retirement funds and entities over which directors are able to exercise influence. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions, and at prices agreed based on inter-company prices using admissible valuation modes, i.e. comparable uncontrolled price method except short term loan which are unsecured and interest free. The outstanding balance payable to directors, sponsors and transactions with them are disclosed appropriately at relevant places in these condensed interim financial statements. The advance for shares and shares held by related parties are disclosed in note 14 to these condensed interim financial statements.

Transactions and closing balances between the Company and related parties are as follows:

Particular	Nature of Transaction	December 31, 2025 Rupees (Unaudited)	December 31, 2024 Rupees (Unaudited)
Loan obtained/(repaid) from directors and sponsors	Obtained Repaid	172,965,686 24,955,000	23,943,506 -
Loan obtained from associate company (CSIL)	Transfer of funds	-	100,000
Key management personal	Remuneration	-	600,000

Balance outstanding with related and associated parties, other than disclosed elsewhere in these financial statements are as follows:

	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
Short Term borrowings - unsecured, interest free	450,862,691	298,852,040

23 SHARIAH COMPLIANCE DISCLOSURE

During the period, the Company had no transactions, financing arrangements, investments, bank deposits, or income streams that qualified as Shariah-compliant. Accordingly, no separate disclosure in respect of Shariah-compliant items has been presented in these financial statements.

24 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/ cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

25 EVENTS AFTER THE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION DATE

There are no other events after the condensed interim statement of financial position date causing any adjustment to/ disclosure in the condensed interim financial statements.

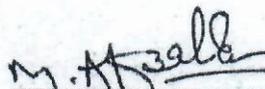
26 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were approved and authorized for issue on 27/2/26 by the Board of Directors of the

27 GENERAL

All figures except for June 30, 2025, appearing in these condensed interim financial statements are unaudited.


 Chief Executive Officer


 Chief Financial Officer


 Director