DOST STEELS LIMITED
FINANCIAL STATEMENT
UN-AUDITED FOR THE THREE MONTHS ENDED SEPTEMBER 30 SEPTEMBER 2026

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 nut 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	Director/ Chairman
Mr. Muhammad Azhar Chughtai	Director
Mr. Zahid Iftakhar	Director
Mr. Shafiq Ahmed Soomro	Director
Mr. Mian Abuzar Shad	Director
Madam Nargis Abuzar Shad	Director
Madam Saba Azam	Director
Madam Naushaba Shahzad	Director
Nominated by NBP	
Mr. Asim Jilani	Director
Nominated by FBL	
Mr. Suhail Elahi	Chief Executive Officer

Audit Committee

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

Human resource & Remuneration Committee

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

Chief Financial Officer
Mr. Muhammad Afzal Shehzad

Company Secretary
Mr. Muhammad Afzal Shehzad

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

Shares Registrar

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

Head Office/Registered Office
Commercial Property No.31,
2nd Floor Cavalry Ground,
Lahore Cantt,
Lahore-54700, Pakistan
Ph: # 042-36610313

Auditors

Mushtaq & Co.
Chartered Accountants

Legal Advisor
AHM & COMPANY
806 Eden Height, Jail Road
Lahore

Plant Address
52 Km Lahore Multan Road
Phool Nagar, Distt Kasur Punjab

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

DOST STEELS LTD.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members Assalam-O-Alaikum

The Directors of Dost Steels Limited present their review on the financial performance of the Company for the quarter ended September 30, 2026.

Financial performance of the Company for the quarter ending September 30, 2026 along with corresponding period was as under:

Description	September 30, 2026 (PKR)	September 30, 2025 (PKR)
Sale	Nil	Nil
Cost of Sales	(26,766,563)	(10,943,944)
Gross (Loss) / Profit	(26,766,563)	(10,943,944)
Administrative and Selling expenses	(2,139,635)	(3,279,100)
Finance costs	(80,944,501)	Nil
Loss before taxation	(106,670,499)	(12,456,044)
Taxation	Nil	Nil
Loss after taxation	(106,670,499)	(12,456,044)
Loss Per Share	(0.24)	(0.03)

Business Review

The loss per share for the year was Rs. 0.24, compared to Rs. 0.03 in the corresponding year. The loss after tax increased to Rs. 106.670 million from Rs. 12.456 million. The losses were primarily attributable to the non-production during the year under review. The Company has been unable to resume production due to a shortage of working capital. However, following the induction of a new investor, the management remains hopeful of a positive turnaround.

Operational Performance

Unfortunately, the Company was unable to resume its operations during the year due to insufficient working capital.

On behalf of the Board of Directors

Naim Anwar
Chairman / Director
Lahore: 29/10/2026

DOST STEELS LIMITED
Commercial Property No.31,
2nd Floor Cavalry Ground,
Lahore Cantt, Lahore
Ph: 042-36610313

DOST STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026

	Note	September 2026 Rupees	June 2026 Rupees
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	11,348,405,945	11,366,959,540
Intangible assets	6	1,000	1,000
Long term security deposits	7	40,375,445	40,551,445
		11,388,782,390	11,407,511,985
CURRENT ASSETS			
Stores and spares		26,845,775	26,845,775
Stock in trade	8	-	-
Trade debtors	9	-	-
Advances	10	672,594	672,594
Taxes recoverable/ adjustable	11	20,218,292	16,481,034
Cash and bank balances	12	2,068,740	1,632,361
		49,805,402	45,631,764
TOTAL PROPERTY AND ASSETS		11,438,587,792	11,453,143,749
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	4,446,955,770	4,446,955,770
Discount on issue of shares	14	(2,130,224,462)	(2,130,224,462)
Advance for issuance of share	15	3,829,952	3,829,952
Capital reserve			
Surplus on revaluation of assets	16	7,022,360,099	7,022,360,099
Revenue reserve			
Accumulated loss		(1,923,549,170)	(1,816,878,671)
		7,419,372,189	7,526,042,688
NON-CURRENT LIABILITIES			
Long term borrowings - secured	17	400,381,367	446,929,534
Markup accrued on secured borrowings	18	632,811,640	551,867,139
Deferred liabilities	19	28,126,429	27,903,681
Deferred tax liabilities		1,798,453,508	1,798,453,508
		2,859,772,944	2,825,153,862
CURRENT LIABILITIES			
Trade and other payables - unsecured	20	36,781,185	35,743,894
Accrued markup	21	17,311,804	17,311,804
Short term borrowings - unsecured	22	608,473,844	598,563,842
Current and overdue portion of long term borrowings		445,391,093	398,842,926
Provision for taxation		51,484,733	51,484,733
		1,159,442,659	1,101,947,199
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		11,438,587,792	11,453,143,749

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

DOST STEELS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	September 2026 Rupees	September 2025 Rupees
Sales		-	-
Cost of sales		(26,766,563)	(10,943,944)
Gross loss		(26,766,563)	(10,943,944)
Administrative and selling expenses		(2,139,635)	(3,279,100)
Finance cost		(80,944,501)	-
Other operating income		3,180,200	1,767,000
Profit/(Loss) before Income tax		(106,670,499)	(12,456,044)
Taxation		-	-
Profit/(Loss) for the period		(106,670,499)	(12,456,044)
OTHER COMPREHENSIVE INCOME- NET OF INCOME TAX			
Items that will not be reclassified subsequently to the statement of profit or loss		-	-
Items that will be reclassified to the statement of profit or loss		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(106,670,499)	(12,456,044)
Earning/(Loss) per share	24	(0.24)	(0.03)

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | Director

DOST STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Share capital	Discount on issue of shares	Advance for issuance of shares	Capital reserve	Revenue reserve	Total
				Surplus on revaluation of Property,Plant and equipment	Accumulated loss	
	..... Rupees					
Balance as at 01 July 2025	4,446,955,770	(2,130,224,462)	3,829,952	7,072,934,991	(1,702,622,162)	7,690,874,089
Shares issued during the year:						
Total comprehensive loss:						
Loss for the year	-	-	-		(164,831,401)	(164,831,401)
Other comprehensive income for the year	-	-	-	-	-	-
Incremental depreciation transferred from surplus on revaluation of property plant and equipment (Net of deferred tax)				(50,574,892)	50,574,892	-
	-	-	-	(50,574,892)	(114,256,509)	(164,831,401)
	4,446,955,770	(2,130,224,462)	-	-	(114,256,509)	(164,831,401)
Balance as at 30 June 2026	4,446,955,770	(2,130,224,462)	3,829,952	7,022,360,099	(1,816,878,671)	7,526,042,688
Total comprehensive loss:						
Loss for the period	-	-	-	-	(106,670,499)	(106,670,499)
Other comprehensive income for the period	-	-	-	-	-	-
	4,446,955,770	(2,130,224,462)	-	-	(106,670,499)	(106,670,499)
Balance as at 30 September 2026	4,446,955,770	(2,130,224,462)	3,829,952	7,022,360,099	(1,923,549,170)	7,419,372,189

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

DOST STEELS LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	September 2026 Rupees	September 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(106,670,499)	(12,456,044)
Adjustments for non-cash and other items:			
Depreciation		18,553,595	2,816,765
Finance cost		80,944,501	-
Provision for gratuity		222,750	222,750
		99,720,846	3,039,515
Operating cash flows before working capital changes		(6,949,653)	(9,416,529)
(Increase)/ decrease in current assets:			
Advances		-	387,844
Taxes recoveable/ adjustable		(3,737,261)	(653,172)
Increase/ (decrease) in current liabilities:			
Trade and other payables		1,037,291	331,851
		(2,699,970)	66,523
Cash used in operations		(9,649,623)	(9,350,006)
Finance cost paid		-	-
Net cash flows used in operating activities		(9,649,623)	(9,350,006)
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term security deposits		176,000	(40,000)
Net cash flows generated from investing activities		176,000	(40,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings-unsecured-net		9,910,002	8,754,835
Net cash flows generated from financing activities		9,910,002	8,754,835
Net increase in cash and cash equivalents during the year		436,379	(635,171)
Cash and cash equivalents at the beginning of the year		1,632,361	676,819
Cash and cash equivalents at the end of the year	12	2,068,740	41,648

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

DOST STEELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

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:

Description	Location	Address
Registered office/ head office	Lahore	Commercial Property No 31, 2nd Floor Cavelary Ground, Lahore Cantt, Lahore
Mill/ plant site	Phoolnagar	52 Km, Multan Road, Phoolnagar.

2 BASIS OF PREPARATION

2.1 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.

2.2 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.

2.3 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.

2.4 Reclassification and rearrangements

Corresponding figures have been reclassified and rearranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparision. Appropriate disclosures are given in relevant notes in case of material reclassifications and rearrangements.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of asset, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

- **Revaluation of property, plant and equipment**

Revaluation of certain classes of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to current depreciated replacement values. The frequency of revaluations depends upon the changes in fair value of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three to five years.

- **Income taxes**

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

- **Trade and other receivables**

The Company regularly reviews its trade and other receivables in order to estimate the provision required against bad debts (refer note 4.5).

- **Employee benefits**

The Company, on the basis of actuarial valuation report, recognises actuarial gains and losses immediately in other comprehensive income; immediately recognises all past service cost in the statement of profit or loss and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/ asset (refer note 5.20).

3 INITIAL APPLICATION OF A STANDARD, AMENDMENT OR AN INTERPRETATION TO AN EXISTING STANDARD AND FORTHCOMING REQUIREMENTS

a) Standards and interpretations that became effective but are not relevant to the Company:

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 4 to these financial statements.

b) Forthcoming requirements not effective in current year and not considered relevant:

The following standards (revised or amended) and interpretations became effective for the annual periods beginning on or after the mentioned dates but are either not relevant or do not have any material effect on the Financial Statements of the Company other than increased disclosures in certain cases:

- IFRS 7 - Amendments Regarding the Classification and Measurement of Financial Instruments - (applicable on Annual periods beginning on or after 1 January 2026).
- IFRS 9 - Amendments Regarding the Classification and Measurement of Financial Instruments - (applicable on Annual periods beginning on or after 1 January 2026).
- IAS 21 - The Effects of Changes in Foreign Exchange Rates - (initial application on Annual periods beginning on or after 1 January 2026).

- IFRS 17 - Insurance Contracts - (initial application on Annual periods beginning on or after 1 January 2026).
- Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cashflows) initial application on Annual periods beginning on or after 1 January 2026).

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan as at 30 June 2025:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards.
- IFRIC 12 – Service Concession Arrangement.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.
- IFRS 18 – Presentation and Disclosure in Financial Statements.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any except for freehold land, buildings and plant and machinery. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less impairment loss, if any. Buildings and plant and machinery are stated at revalued amounts carried out by independent valuers by reference to its current market price less accumulated depreciation and impairment loss, if any. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the buildings, and the net amount is restated to the revalued amount of the plant and machinery.

Depreciation on fixed assets is charged to the statement of profit or loss by applying reducing balance method except that of plant and machinery which is on number of units method. Rates of depreciation are specified in the note 6.

Depreciation is charged on additions from the month in which property, plant and equipment become available for use while no depreciation is charged from the month of deletion/ disposal.

Normal repairs and maintenance are charged to the statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Gain/ loss on disposal of property, plant and equipment is recognized in the statement of profit or loss.

The assets' residual values and useful lives are continually reviewed by the Company and adjusted if impact on depreciation is significant. The Company's estimate of residual values of property, plant and equipment at the year end has not required any adjustment as its impact is considered insignificant.

Capital work in progress

Capital work in progress is stated at cost less impairment loss, if any, and represents expenditure incurred during the construction and installation of property, plant and equipment. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

4.2 Intangibles

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any, and at notional value. Amortization is charged to the statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization is charged on additions from the month in which intangible asset becomes available for use while no amortization is charged from the month in which the asset is disposed off/ derecognised.

4.3 Stores and spares

These are valued at lower of average cost and net realizable value (NRV).

4.4 Stock in trade

These are valued at the lower of NRV and cost determined as follows:

- Raw material	First in First Out (FIFO)
- Work in process	Raw material cost
- Finished goods	Cost of direct materials and other attributable overheads
- Stock in transit	Invoice value and other charges paid thereon upto the year end

4.5 Trade debtors and other receivables

Trade debtors are recognised and carried at original invoice amount less provision for doubtful debts. An estimated provision is made on the basis of Expected Credit Loss (ECL) method. Bad debts are written off as and when identified. Other receivable are recognised and carried at cost which is the fair value of the consideration to be received in future for goods or services delivered.

4.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

4.7 Share capital, reserves and profit distribution

Share capital represents the face value of ordinary shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits, if any. Right shares are issued at a discount with the approval of board of directors, the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX).

Retained earnings/ accumulated loss include all current and prior period retained profits/ losses.

Profit distribution to the shareholders is recognized in the period in which it is approved.

4.8 Long term loans

These are initially measured at fair value plus directly attributable transaction costs, if any, and subsequently measured at amortized cost using effective interest rate method if applicable, less provision for impairment loss, if any.

4.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at book value, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.10 Contract liabilites

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

4.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

4.11.1 Current tax

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.11.2 Deferred tax

Deferred tax is provided using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using the current rates of taxation. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged to income except in case of items credited or charged to equity in which case it is included in the equity.

4.11.3 Levies

Tax charged under the 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 21/ IAS 37.

4.12 Provisions

A provision is recognized when the Company has an obligation (legal or constructive), as a result of a past event 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 the obligation.

4.13 Revenue recognition

Revenue arises mainly from the sale of steel, reduced iron, sponge iron, hot briquetted iron, carbon steel, pig iron, special alloy steel in different forms, shapes and sizes, and is measured according to IFRS-15 (Revenue from Contracts with Customers) at the fair value of the consideration received or receivable as defined in sales contract, including variable consideration; sales tax and other duties collected on behalf of third parties are not taken into account.

4.13.1 Sale of goods

Revenue is recognized when control of a promised goods passes to a customer at a specific point in time. The customer obtains control of the goods when the goods are delivered to customers and in very few cases when goods are handed over to the customers i.e. ex-factory, in case of local sales. Further in case of export sale, control is transferred when goods are loaded on vessels.

4.13.2 Interest income

Interest income is recognised as it accrues under the effective interest method.

4.14 Surplus on revaluation of property, plant and equipment

The surplus arising on revaluation of property, plant and equipment as at the date of revaluation, is credited to the "Surplus on revaluation of property, plant and equipment" presented and recognized in the statement of comprehensive income and accumulated in the statement of changes in equity as a capital reserve. Following amounts are transferred from "Surplus on revaluation of property, plant and equipment" to retained earnings/ (accumulated loss) through the statement of changes in equity to record realization of surplus:

a) an amount equal to incremental depreciation for the year- net of tax, on surplus on revaluation of property, plant and equipment and

b) an amount equal to carrying amount of surplus on revaluation of property, plant and equipment, on its disposal.

4.15 Financial instruments

Recognition and measurement

Financial assets and liabilities are recognized, when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of the contractual rights to receive cash flows from the assets that comprise the financial asset or the rights have been transferred and the Company has transferred substantially all the risks and rewards of ownership or the enterprise loses control of the contractual rights that comprise financial assets or a portion of financial assets. In case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets are long term investments, short term investments, trade and other receivables, advances adjustable in cash and cash and bank balances. The Company derecognizes a financial asset or a portion of financial asset when, and only when, the right to receive the cash flows from the assets have been expired or have been transferred; and the Company has transferred substantially all the risks and rewards of ownership or the enterprise loses control of the contractual rights that comprise the financial assets or a portion of financial assets.

The Company has classified its financial assets based on the requirements as set out in IFRS-9 'Financial Instruments'. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and contains three principal classifications categories of financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics.

4.15.1 Financial assets

a) Financial asset at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and; at an amount equal to lifetime ECLs.

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

b) Financial asset at fair value through other comprehensive income:

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

c) Financial asset at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Recognition and measurement

Financial assets at initial recognition are measured at its fair value of the consideration given. Subsequent to initial recognition, financial assets shall be classified at amortized cost using effective interest method, fair value through other comprehensive income with changes in fair value recognized in other comprehensive income and fair value through profit or loss with changes in fair value recognized in profit or loss.

The Company follows trade date accounting for purchase and sale of investments.

4.15.2 Financial liabilities

Financial liabilities are recongnized according to the substance of the contractual arrangements entered into. At the time of initial recognition, all the financial liabilities shall be measured at fair value plus or minus transaction costs that are directly attributable to the issue of a financial liability. Financial liabilities shall subsequently be measured at amortised cost. Significant financial liabilities are due to related party, trade and other payables. Any gain or loss on subsequent remeasurement to fair value of financial assets and financial liabilities is taken to the statement of profit or loss in the year in which it arises.

Offsetting of financial assets and financial liabilities

A financial asset and liability is offset against each other and the net amount is reported in the statement of financial position if the Company has legally enforceable right to set off the recognized amount and intends either to settle on net basis or realize the asset and settle the liability simultaneously.

4.15.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

4.15.4 Impairment

Financial assets

A financial asset is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. Loss allowance for ECL on a financial asset is recognized to account for impairment.

If a financial asset has low credit risk at the date of initial application of IFRS 9, then the Company has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non-financial assets

The Company assesses at each statement of financial position date, whether there is any indication that assets may be impaired. If such an indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed their respective recoverable amounts, assets are written down to their recoverable amount and resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of carrying amount of the asset had there been no impairment loss. A reversal of the impairment loss is recognized in the statement of profit or loss.

4.16 Impairment of other assets

The carrying amounts of the assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of that asset or group of assets is estimated and impairment losses are recognized in the statement of profit or loss.

4.17 Related party transactions

The Company enters into transactions with related parties for sale or purchase of goods and services on an arm's length basis and priced at comparable uncontrolled market price. However, loan from the related parties are unsecured and interest free.

4.18 Foreign currency translation

Foreign currency transactions are translated into Pak rupees at the rates of exchange prevailing on the date of each transaction. Assets and liabilities denominated in foreign currencies are translated into Pak rupee at the rate of exchange ruling on the statement of financial position date.

4.19 Borrowing costs

Borrowing costs related to the capital work in progress are capitalized in the cost of the related assets. All other borrowing costs are charged to the statement of profit or loss when incurred.

4.20 Staff retirement benefit

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all permanent employees of the Company who have completed minimum qualifying period. Provisions are made annually to cover the obligation and charged to the statement of profit or loss, based on actuarial valuation by using the projected unit credit method. Actuarial gains and losses are recognized immediately in other comprehensive income and past service cost is recognized immediately to the statement of profit or loss.

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	OWNED								Total
	Freehold land	Building on freehold land	Plant and machinery	Furniture and fittings	Vehicles	Office equipments	Electric equipments	Computer equipments	
	---------- Rupees ----------								
Period ended 30 September 2026									
Cost including revaluation	**2,624,050,000**	**944,869,019**	**8,006,824,384**	**3,809,299**	**837,500**	**1,928,302**	**10,264,774**	**5,071,544**	**11,597,654,822**
Accumulated depreciation	**-**	**(225,447,748)**	**(4,481,786)**	**(3,492,380)**	**(790,695)**	**(1,496,178)**	**(8,593,524)**	**(4,946,566)**	**(249,248,877)**
	2,624,050,000	**719,421,271**	**8,002,342,598**	**316,919**	**46,805**	**432,124**	**1,671,250**	**124,978**	**11,348,405,945**
Year ended 30 June 2026									
Cost including revaluation	2,624,050,000	944,869,019	8,006,824,384	3,809,299	837,500	1,928,302	10,264,774	5,071,544	11,597,654,822
Accumulated depreciation	-	(207,001,049)	(4,481,784)	(3,480,030)	(788,230)	(1,479,342)	(8,528,414)	(4,936,433)	(230,695,282)
	2,624,050,000	737,867,970	8,002,342,600	329,269	49,270	448,960	1,736,360	135,111	11,366,959,540
Period ended 30 September 2026									
Opening net book value	**2,624,050,000**	**737,867,970**	**8,002,342,600**	**329,269**	**49,270**	**448,960**	**1,736,360**	**135,111**	**11,366,959,540**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charged	**-**	**(18,446,701)**	**-**	**(12,348)**	**(2,464)**	**(16,836)**	**(65,113)**	**(10,133)**	**(18,553,595)**
Net book value as at 30 September 2026	**2,624,050,000**	**719,421,269**	**8,002,342,600**	**316,921**	**46,806**	**432,124**	**1,671,247**	**124,978**	**11,348,405,945**
Year ended 30 June 2026									
Opening net book value	2,624,050,000	819,853,300	8,002,342,600	387,375	61,587	528,188	2,042,775	193,017	11,449,458,842
Additions (revaluation)				-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Depreciation charged	-	(81,985,330)	-	(58,106)	(12,317)	(79,228)	(306,415)	(57,906)	(82,499,302)
Net book value as at 30 June 2026	2,624,050,000	737,867,970	8,002,342,600	329,269	49,270	448,960	1,736,360	135,111	11,366,959,540
Depreciation rate	**-**	**10%**	**Units of production basis**	**15%**	**20%**	**15%**	**15%**	**30%**	

5.1 Depreciation charged for the year has been allocated as under:

	Note	September 2026 Rupees	June 2026 Rupees
Cost of sales		**18,513,368**	82,302,554
Administrative and selling expenses		**40,227**	196,748
		18,553,595	82,499,302

5.2 Freehold land includes land having area of 326 kanal and 12 marla, situated at 52 Km, Multan Road, Phoolnagar. Building is constructed on this land. Freehold land also includes open freehold land having area of 206 acres 68 sq-yards situated in Deh Kalo Kohar, Tapo Kalo Kohar, Taluka Thano Bula Khan, District Jamshoro, Sindh.

5.3 No depreciation is charged to plant and machinery as per the Company's policy as number of units produced were nil during the year .

	Note	September 2026 Rupees	June 2026 Rupees
6 INTANGIBLE ASSETS			
Computer software			
Cost			
At the beginning of the year		1,111,350	1,111,350
Addition during the year		-	-
Balance as at 30 June		1,111,350	1,111,350
Accumulated amortization			
At the beginning of the year		(1,110,350)	(1,110,350)
Amortization charge for the year	26	-	-
Balance as at 30 June		(1,110,350)	(1,110,350)
Written down value as at 30 June		1,000	1,000

6.1 The Company amortizes intangible asset on a straight line basis over the period of useful life @ 30%.

6.2 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.

7 LONG TERM SECURITY DEPOSITS			
Against utilities		40,251,445	40,251,445
Against rent		64,000	240,000
Others		60,000	60,000
		40,375,445	40,551,445
8 STOCK IN TRADE			
Raw material		4,781,225	4,781,225
Less: Provision for obsolete raw material		(4,781,225)	(4,781,225)
		-	-
9 TRADE DEBTORS			
- Unsecured			
Trade debtors		19,469,715	19,469,715
Allowance for expected credit loss		(19,469,715)	(19,469,715)
		-	-
10 ADVANCES			
- Unsecured and considered good by the management			
Advances:			
To employees - against expenses		24,400	24,400
For supplies/ services		638,965	638,965
Margin against letters of credit		9,229	9,229
		672,594	672,594
11 TAXES RECOVERABLE/ ADJUSTABLE			
Advance income tax		18,040,146	13,686,145
Input sales tax		2,178,146	2,794,889
		20,218,292	16,481,034
12 CASH AND BANK BALANCES			
Cash in hand		1,538,310	1,101,930
Cash at banks:			
- Current accounts		29,495	496,555
- Deposit accounts	12.1	500,935	33,876
		2,068,740	1,632,361

	Note	September 2026 Rupees	June 2026 Rupees

13 SHARE CAPITAL

			30 September 2026	
Authorized share capital				
445,000,000	Authorized share capital of Rs. 10 each		**4,450,000,000**	4,450,000,000
Issued, subscribed and paid-up capital				
444,695,577	Ordinary share of Rs.10 each each fully paid in cash		**4,446,955,770**	4,446,955,770

13.1 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.

13.2 The Company has not reserved shares for issue under options or sale contracts.

14 DISCOUNT ON ISSUE OF SHARES

Discount on issue of right shares	14.1	1,365,481,480	1,365,481,480
Discount on issue of shares other than right shares	14.2	764,742,982	764,742,982
		2,130,224,462	**2,130,224,462**

14.1 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 2017.

14.2 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 2024.

15 ADVANCE FOR ISSUANCE OF SHARE

From Crescent Star Insurance Limited and its assignees	**8,999**	8,999
From directors	**3,820,953**	3,820,953
	3,829,952	3,829,952

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 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	7,022,360,099	7,022,360,099
The reconciliation of this head of account is as follows:		
Balance at the beginning of the year	7,022,360,099	7,072,934,991
Add: Revaluation surplus recognized during the year - net of deferred tax	-	(50,574,892)
	7,022,360,099	7,022,360,099

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.

17 LONG TERM BORROWINGS - SECURED

From banking companies and financial institutions - Conventional

Term finance - restructured facilities

Opening balance	17.1	**683,859,704**	**772,766,703**
Paid during the year			**(88,906,999)**
		-	**683,859,704**
Less: Current and overdue portion		**(283,478,337)**	**(236,930,170)**
Accrued portion of finance cost		-	-
		(283,478,337)	**(236,930,170)**
		400,381,367	**446,929,540**

17.1 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.

	Note	September 2026 Rupees	June 2026 Rupees
18 MARKUP ACCRUED ON SECURED BORROWINGS			
From banking companies and financial institutions - Conventional		-	614,940,264
Term finance - restructured facilities			
Opening balance - Long term borrowings		713,779,895	814,009,666
-Accrued markup		-	-
-Unpaid markup		-	-
Markup accrued during the year		-	-
Adjustments due to restructuring of term finance facilities			
-Adjusted during the year		80,944,501	(100,229,771)
		-	713,779,895
Less: Current and overdue portion		(161,912,756)	(161,912,756)
Accrued portion of finance cost		-	-
		(161,912,756)	(161,912,756)
		632,811,640	551,867,139
19 DEFERRED LIABILITIES			
Staff gratuity	19.1	28,126,429	27,012,681
19.1 Staff gratuity			
Movement in net defined benefit obligation recognized in statement of financial position:			
Opening balance		27,903,681	27,012,681
Provision for the year		222,750	891,000
		28,126,431	27,903,681
Less: Payments made during the year		-	-
		28,126,431	27,903,681
20 TRADE AND OTHER PAYABLES - UNSECURED			
Creditors		7,627,106	7,627,307
Contract liabilities		119,438	119,438
Accrued liabilities		26,068,549	25,031,057
Payable to old employees		2,966,092	2,966,092
		36,781,185	35,743,894
21 ACCRUED MARKUP			
Long term borrowings - secured		17,311,804	17,311,804
22 SHORT TERM BORROWINGS - UNSECURED			
Loans from directors		8,469,056	8,469,056
Loans from sponsors		571,188,705	561,278,703
Loan from Abuzar Grinding Mills (Private) Limited - Associated company		18,419,610	18,419,610
Loan from Crescent Star Insurance Limited - Associated company		10,396,473	10,396,473
		608,473,844	598,563,842

These loans are unsecured, interest free, obtained to facilitate the Company for working capital requirement and had been utilized accordingly.

23 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as described in financial statements for the year ended 30 June 2026.

24 EARNING/(LOSS) PER SHARE

Earning (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 year as follows:

Profit/(Loss) attributable to ordinary shareholders	Rupees	(106,670,499)	(12,456,044)
Weighted average number of ordinary shares in issue during the year		444,695,577	444,695,577
Loss per share - basic and diluted	Rupees	(0.24)	(0.03)

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.

25 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment and commercial operations were started during the year ended 30 June 2018.

26 PRODUCTION CAPACITY

	September 2026	June 2026
	Metric Tons	
Total installed capacity - on three shift basis	350,000	350,000
Available installed capacity - on three shift basis	350,000	350,000
Actual production	-	-

The plant has not been operated as the Company had stopped its commercial production since 2019 due to the absence of required working capital.

27 NUMBER OF EMPLOYEES

	September 2026	June 2026
	Number	
Total number of employees as at 30 June	26	26
Average number of employees during the year	25	25

28 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.

29 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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

30 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved and authorized for issue on _____ by the Board of Directors of the Company.

Chief Executive Officer | Chief Financial Officer | Director