



Made of Steel

Condensed Interim Financial Statements
For the Six Months Ended December 31, 2024



**UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024**

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Company Information

CHAIRMAN (NON-EXECUTIVE)

Mr. Kamal A. Chinoy

INDEPENDENT DIRECTORS

Dr. Amjad Waheed
Ms. Nausheen Ahmad
Mr. Nihal Cassim

NON-EXECUTIVE DIRECTORS

Mr. Haroun Rashid
Mr. Mustapha A. Chinoy
Mr. Norihiro Mizota
Mr. Yousuf H. Mirza

CHIEF EXECUTIVE OFFICER

Mr. Samir M. Chinoy

CHIEF FINANCIAL OFFICER

Mr. Mujtaba Hussain

COMPANY SECRETARY & HEAD OF LEGAL AFFAIRS

Mr. Zohaib Raza Merchant

CHIEF INTERNAL AUDITOR

Syed Zaib Zaman Shah

EXTERNAL AUDITORS

A. F. Ferguson & Co., Chartered Accountants

LEGAL ADVISOR(S)

Mrs. Sana Shaikh Fikree

INVESTOR RELATIONS CONTACT

Shares Registrar
THK Associates (Pvt.) Ltd
Plot No. 32-C, Jami Commercial Street 2
D.H.A., Phase VII, Karachi - 75500.
Phone: +92 21-111-000-322, +92 21-37120628-29
Email: sfc@thk.com.pk

REGISTERED OFFICE

101, Beaumont Plaza, 10, Beaumont Road,
Karachi – 75530.
Telephone Numbers : +9221-35680045-54
UAN : +92 21-111-019-019, Fax : 021-35680373
E-mail : investors@isl.com.pk

LAHORE OFFICE

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UAN: +92 42-111-019-019
E-mail: lahore@isl.com.pk

ISLAMABAD OFFICE

Office No.303-A, 3rd Floor, Evacuee Trust Complex,
Sector F-5/1, Agha Khan Road, Islamabad.
Telephone Nos: +92 51-28230412-3

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Office No. 708-A, “The United Mall”, Plot No. 74,
Abdali Road, Multan.
Telephone Nos: +92 61-4570571

FACTORY

399 - 405, Rehri Road, Landhi, Karachi.
Telephone Nos: +92 21-35013104 - 5
Fax : 021-35013108
E-mail: info@isl.com.pk

SERVICE CENTER

Plot# LE-73-79, 102-103, 112-118, 125-129
Survey # Nc.98, Near Arabian Country Club,
National Industrial Park, Bin Qasim, Karachi.
Telephone Nos: +92 21-34724184

WEBSITE

www.isl.com.pk

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank AL Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited



Directors' Report

For The Period Ended December 31, 2024

The Directors of your Company are pleased to present the Financial Statements for the half year ended December 31, 2024.

The government continues its efforts to revive the economy while pursuing macroeconomic stabilization and essential structural reforms. The economy is showing signs of recovery, with inflation declining to 4.1% in December 2024, which has allowed the State Bank to reduce the policy rate by 9%. High utility prices remain a concern, and the government is exploring strategies to mitigate its impact. The IMF Extended Fund Facility provides valuable support to maintain the Current Account Balance and stable exchange rate. As a result, GDP growth for FY2024-25 is projected to remain modest ranging between 2.5% and 3%.

The steel sector is also navigating a difficult environment. Declining steel prices are exerting downward pressure on margins and the misuse of sales tax exemptions given to erstwhile FATA/PATA regions has created an uneven playing field to the detriment of the domestic steel manufacturing industry. Despite these challenges, the company reported a profit of Rs. 534 million for the period as compared to Rs. 2,353 million in the same period last year, translating into an earnings per share (EPS) of Rs. 1.23.

Looking ahead, the Company remains steadfast in its commitment to navigating the evolving economic landscape and capitalizing on emerging opportunities. Acknowledging the prevailing uncertainties, we will maintain a vigilant stance, closely monitoring economic variables and adapting our strategies as required. Our primary focus will be on enhancing operational efficiency and optimizing working capital management to mitigate the adverse effects of rising costs and ensure financial flexibility. We will also continue implementing cost rationalization initiatives to strengthen profitability and secure a sustainable future.

In conclusion, we extend our heartfelt gratitude to our employees and stakeholders for their unwavering support and trust in the Company. Your dedication and commitment have been vital in helping us navigate these challenging times, and we are deeply thankful for your contributions. Above all, we express our gratitude to the Almighty for guiding us on this journey.



Samir M. Chinoy
Chief Executive Officer



Kamal A. Chinoy
Chairman

Karachi : January 28, 2025



ڈائریکٹرز رپورٹ

31 دسمبر 2024 کو ختم ہونے والی مدت کے لیے


آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2024 کو اختتام پذیر ہونے والی ششماہی کے مالیاتی گوشواروں کو پیش کرتے ہوئے پُر مسرت ہیں۔


حکومت معیشت کی بحالی کے لیے مسلسل اقدامات کر رہی ہے اور میکرو اکنامک استحکام کے ساتھ بنیادی اصلاحات پر عمل پیرا ہے۔ معیشت میں بہتری کے آثار نمایاں ہو رہے ہیں، دسمبر 2024 میں مہنگائی کی شرح کم ہو کر 4.1 فیصد رہ گئی، جس کے نتیجے میں اسٹیٹ بینک نے پالیسی کی شرح میں 9 فیصد کمی کی ہے۔ تاہم، بڑھتی ہوئی یوٹیلٹی قیمتیں اب بھی ایک اہم چیلنج ہیں، اور حکومت ان کے اثرات کو کم کرنے کے لیے مختلف حکمت عملی وضع کر رہی ہے۔ آئی ایم ایف کا ایکسٹینڈڈ فنڈ فیسیٹی پروگرام کرنٹ اکاؤنٹ کے توازن اور زرمبادلہ کی شرح میں استحکام کو یقینی بنانے کے لیے اہم معاونت فراہم کر رہا ہے۔ ان عوامل کے پیش نظر، مالی سال 2024-25 کے دوران جی ڈی پی (GDP) میں متوقع نمو کی شرح 2.5 فیصد سے 3 فیصد کے درمیان محدود رہنے کا امکان ہے۔

اسٹیل سیکٹر کو بھی مشکل حالات کا سامنا ہے۔ اسٹیل کی قیمتوں میں کمی سے منافع کی شرح پر دباؤ بڑھ رہا ہے، جبکہ سابقہ فائنا/پائنا (FATA/PATA) علاقوں میں دیے گئے سبزی ٹیکس استثنیٰ کے غلط استعمال کی وجہ سے مقامی اسٹیل مینوفیکچرنگ صنعت کو غیر مساوی مسابقت کا سامنا ہے۔ ان چیلنجز کے باوجود، کمپنی نے اس مدت کے دوران 534 ملین روپے کا منافع حاصل کیا، جو گزشتہ سال کے اسی عرصے میں 2,353 ملین روپے تھا، جس کے نتیجے میں فی شیئر آمدنی (EPS) 1.23 روپے رہی۔

مستقبل کی صورت حال پر نظر رکھتے ہوئے، کمپنی اپنی حکمت عملی کو بدلتے ہوئے اقتصادی حالات کے مطابق ابھرتے ہوئے مواقعوں سے فائدہ اٹھانے کے لیے انتہائی پُر عزم ہے۔ موجودہ غیر یقینی حالات کے پیش نظر، ہم معیشت کے اہم اشاریوں پر گہری نظر رکھیں گے اور اپنی حکمت عملی میں حسب ضرورت تبدیلیاں کریں گے۔ ہماری بنیادی توجہ آپریشنل کارکردگی کو بہتر بنانے اور فعال سرمائے کے انتظام کو مزید موثر بنانے پر مرکوز رہے گی تاکہ بڑھتے ہوئے اخراجات کے منفی اثرات کو کم کیا جاسکے اور مالی استحکام کو یقینی بنایا جاسکے۔ مزید برآں، ہم لاگت میں کمی کے اقدامات کو جاری رکھیں گے تاکہ منافع بخش استحکام کو مضبوط بنانے کے ساتھ کمپنی کے روشن مستقبل کو یقینی بنایا جاسکے۔

آخر میں، ہم کمپنی کی مسلسل حمایت اور اعتماد کے لئے اپنے تمام ملازمین اور اسٹیک ہولڈرز کا تہہ دل سے شکریہ ادا کرتے ہیں، جن کے عزم اور وابستگی نے ہمیں ان مشکل حالات میں ثابت قدم رہنے میں مدد کی۔ سب سے بڑھ کر، ہم اللہ تعالیٰ کے شکر گزار ہیں، جس کی رہنمائی ہمارے لیے ہمیشہ مشعل راہ رہی ہے۔


کمال اے چنائے
چیئرمین


سمیر ایم چنائے
چیف ایگزیکٹو آفیسر

کراچی: جنوری ۲۸، ۲۰۲۵



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL STEELS LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of International Steels Limited as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to and forming part of the condensed interim financial statements for the six-month period 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. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2024.

Scope of Review

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

Conclusion

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

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

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: February 13, 2025

UDIN: RR202410073vMKWwjpCs



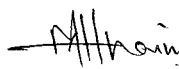
INTERNATIONAL STEELS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		(Un-audited) December 31	(Audited) June 30
	Note	2024	2024
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	19,563,311	20,016,449
Right-of-use assets		30,990	23,846
Intangible assets		462,837	408,853
Investment in an associate	6	48,450	-
Long term deposit with Central Depository Company of Pakistan Limited		100	100
		20,105,688	20,449,248
CURRENT ASSETS			
Stores and spares		959,149	902,140
Stock-in-trade	7	14,239,004	18,259,002
Trade debts		956,897	1,423,286
Receivable from K-Electric Limited (KE)		4,988	25,537
Advances, trade deposits and prepayments		171,616	140,894
Staff retirement benefits		38,376	55,521
Sales tax receivable		-	580,296
Taxation - net		493,260	145,754
Short-Term Investments	8	4,951,136	-
Cash and bank balances	9	5,738,079	2,708,102
		27,552,505	24,240,532
TOTAL ASSETS		47,658,193	44,689,780
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
500,000,000 (2024: 500,000,000) ordinary shares of Rs.10 each		5,000,000	5,000,000
Share capital			
Issued, subscribed and paid-up capital		4,350,000	4,350,000
Revenue reserve			
Unappropriated profit		16,002,137	16,735,347
Capital reserve			
Revaluation surplus on property, plant and equipment		2,074,379	2,112,083
TOTAL SHAREHOLDERS' EQUITY		22,426,516	23,197,430
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finance - secured	10	755,904	845,316
Deferred income - Government grant		85,436	98,244
Gas Infrastructure Development Cess	11	-	-
Deferred taxation - net		1,556,633	1,811,362
Lease liabilities		17,059	4,415
		2,415,032	2,759,337
CURRENT LIABILITIES			
Trade and other payables	12	11,738,943	12,822,416
Contract liabilities		1,835,154	1,834,506
Short term borrowings - secured	13	8,435,364	3,560,288
Unpaid dividend		477	430
Unclaimed dividend		6,200	7,079
Current portion of long term finance - secured	10	248,763	344,944
Current portion of lease liabilities		19,358	24,886
Sales tax payable		465,636	-
Accrued mark-up		66,750	138,464
		22,816,645	18,733,013
TOTAL LIABILITIES		25,231,677	21,492,350
CONTINGENCY AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		47,658,193	44,689,780

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



Nihal Cassim
Director & Chairman
Board Audit Committee



Mujtaba Hussain
Chief Financial
Officer



Samir M. Chinoy
Chief Executive
Officer



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

	Note	Six months ended		Three months ended	
		December 31	December 31	December 31	December 31
		2024	2023	2024	2023
		(Restated)		(Restated)	
		(Rupees in '000)		(Rupees in '000)	
Revenue from contracts with customers	15	31,802,736	39,739,065	18,312,844	20,531,835
Cost of sales		(29,422,906)	(34,425,591)	(16,837,987)	(17,683,217)
Gross profit		2,379,830	5,313,474	1,474,857	2,848,618
Selling and distribution expenses		(827,980)	(947,074)	(443,231)	(578,707)
Administrative expenses		(229,832)	(235,962)	(116,088)	(128,576)
		(1,057,812)	(1,183,036)	(559,319)	(707,283)
Operating Profit		1,322,018	4,130,438	915,538	2,141,335
Finance cost		(559,149)	(371,287)	(226,114)	(175,603)
Other expenses		(85,708)	(398,524)	(51,485)	(253,383)
		(644,857)	(769,811)	(277,599)	(428,986)
Other income	16	149,453	150,462	(22,166)	25,577
Profit before levies and income tax		826,614	3,511,089	615,773	1,737,926
Levies		-	(125,049)	-	(74,447)
Profit before income tax		826,614	3,386,040	615,773	1,663,479
Income tax expense	17	(292,521)	(1,033,475)	(261,107)	(427,984)
Profit for the year		534,093	2,352,565	354,666	1,235,495
Earnings per share - basic and diluted (Rupees)		1.23	5.41	0.82	2.84

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


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Mujtaba Hussain
 Chief Financial
 Officer

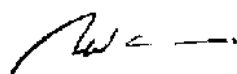

Samir M. Chinoy
 Chief Executive
 Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

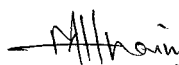
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

	Six months ended		Three months ended	
	December 31 2024	December 31 2023	December 31 2024	December 31 2023
	(Rupees in '000)		(Rupees in '000)	
Profit after taxation	534,093	2,352,565	354,666	1,235,495
Other comprehensive income	-	-	-	-
Total comprehensive income	534,093	2,352,565	354,666	1,235,495

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



Nihal Cassim
Director & Chairman
Board Audit Committee



Mujtaba Hussain
Chief Financial
Officer



Samir M. Chinoy
Chief Executive
Officer

INTERNATIONAL STEELS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

	Issued, subscribed & paid-up capital	Revenue reserve- unappropriated profit	Capital reserve- Revaluation surplus on property, plant and equipment	Total
(Rupees in '000)				
Balance as at July 01, 2023	4,350,000	15,146,402	2,187,478	21,683,880
Profit for the period	-	2,352,565	-	2,352,565
Other comprehensive income	-	-	-	-
Total comprehensive income	-	2,352,565	-	2,352,565
Transactions with owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 25% (Rs. 2.50 per share) for the year ended June 30, 2023	-	(1,087,500)	-	(1,087,500)
Total transactions with owners of the Company - distributions	-	(1,087,500)	-	(1,087,500)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	37,697	(37,697)	-
Balance as at December 31, 2023	4,350,000	16,449,164	2,149,781	22,948,945
Balance as at July 01, 2024	4,350,000	16,735,347	2,112,076	23,197,423
Profit for the period	-	534,093	-	534,093
Other comprehensive income	-	-	-	-
Total comprehensive income	-	534,093	-	534,093
Transactions with owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 30% (Rs. 3.00 per share) for the year ended June 30, 2024	-	(1,305,000)	-	(1,305,000)
Total transactions with owners of the Company - distributions	-	(1,305,000)	-	(1,305,000)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	37,697	(37,697)	-
Balances as at December 31, 2024	4,350,000	16,002,137	2,074,379	22,426,516

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


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Mujtaba Hussain
 Chief Financial
 Officer


Samir M. Chinoy
 Chief Executive
 Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

		Six months ended		
		December 31	December 31	
Note		2024	2023	
(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash generated from operations	18	6,594,736	4,721,343
	Finance cost paid	(621,730)	(414,803)	
	Income on bank deposits received	171,373	190,395	
	Staff retirement benefits paid	-	(19,228)	
	Payment on account of compensated absences	(16,466)	(7,398)	
	Income tax paid	(894,768)	(1,300,264)	
	Net cash generated from operating activities	5,233,145	3,170,045	
CASH FLOWS FROM INVESTING ACTIVITIES				
	Payment for acquisition of property, plant and equipment	5	(570,905)	(523,381)
	Payment for acquisition of intangible asset	(54,777)	(75,143)	
	Proceeds from disposal of property, plant and equipment	64,712	53,458	
	Investment in Associate	(48,450)	-	
	Investments in Pakistan Investment Bond	(4,951,136)	-	
	Proceeds / (Investments) of Term Deposit Receipt	250,000	(20,000)	
	Net cash used in investing activities	(5,310,556)	(565,066)	
CASH FLOWS FROM FINANCING ACTIVITIES				
	Repayment of long term financing	(198,401)	(187,782)	
	Proceeds / (Repayment) from Short term borrowings - net	4,875,076	(1,100,000)	
	Lease rentals paid	(13,455)	(12,592)	
	Dividend paid	(1,305,832)	(1,088,475)	
	Net cash generated / (used in) from financing activities	3,357,388	(2,388,849)	
	Net increase in cash and cash equivalents	3,279,977	216,130	
	Cash and cash equivalents at beginning of the period	1,974,102	1,096,911	
	Cash and cash equivalents at end of the period	19	5,254,079	1,313,041

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


Nihal Cassim
 Director & Chairman
 Board Audit Committee


Mujtaba Hussain
 Chief Financial
 Officer


Samir M. Chinoy
 Chief Executive
 Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

1. STATUS AND NATURE OF BUSINESS

International Steels Limited ('the Company') was incorporated on September 03, 2007 as a public unlisted Company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is domiciled in the province of Sindh. The Company was listed on the Pakistan Stock Exchange Limited on June 01, 2011. The Company is subsidiary of International Industries Limited (Holding Company) which holds 245,055,543 shares (June 30, 2024: 245,055,543 shares) of the Company as at December 31, 2024 representing 56.3% (June 30, 2024: 56.3%) of the shareholding of the Company.

The net assets of the Steel Project Undertaking of International Industries Limited (the Holding Company), amounting to Rs. 4,177.17 million determined as at August 23, 2010 (day immediately preceding the completion date) in accordance with the Scheme of Arrangement, were transferred to the Company on August 24, 2010. In consideration of transferring to and vesting the Steel Project Undertaking in the Company, 417,716,700 fully paid-up ordinary shares were issued at par value to the Holding Company.

The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. The Company commenced commercial operations on January 01, 2011. The registered office of the Company is situated at 101, Beaumont Plaza, 10 Beaumont Road, Civil Lines, Karachi - 75530.

The manufacturing facilities of the Company are situated at 399-405, Rehri Road, Landhi Industrial Area, and Plot No. LE-73-79,102-103, 112-118, 125-129, Survey No. NC.98, near Arabian Country Club, National Industrial Parks (NIP), Bin Qasim Industrial Park, Karachi.

The Company has sales offices at following locations:

- Chinoy House, 6-Bank Square, Lahore - 54000
- Office No. 303-A 3rd Floor Evacuee Trust Complex Sector F-5/1 Agha Khan Road, Islamabad; and
- Office No. 708-A, The United Mall, plot No. 74, Abdali Road, Multan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.1.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended June 30, 2024.

2.1.3 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2024, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended December 31, 2023.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity) that is determined on the present value of defined benefit obligations less fair value of plan assets, freehold land and buildings thereon that are stated at fair values determined by an independent, investment in associate that is valued using equity method of accounting and certain investments that are stated at fair value.

2.3 Functional and presentation currency

These condensed financial statements are presented in Pakistan Rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 The summary of material accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2024. The new additional policies applied during the period ended December 31, 2024:

3.1.1 Investment in an associate

The Company has investment in associated company as disclosed in note 6. The investment in associated Company is accounted for using equity method of accounting. It is initially recognised at cost. The Company's share in its associate's post-acquisition profits or losses and other comprehensive income are respectively recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in statement of profit or loss and other comprehensive income.

3.1.2 Restatement

The Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" via circular No. 07/2024 dated May 15, 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these condensed interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was already applied in the financial statements of the Company for the year ended June 30, 2024. Accordingly the figures of prior period condensed interim financial statement for the period ended December 31, 2024 have been restated. There has been no effect on the statement of financial position, the statement of cash flows and earnings per share as a result of this change.

The impact of the restatement is as under:

	For the half year ended			For the half year ended		
	December 31, 2024			December 31, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees in '000)					
Effect on statement of profit or loss						
Profit before income tax	826,614	-	826,614	3,511,089	(125,049)	3,386,040
Levies - final tax	-	-	-	-	(125,049)	(125,049)
Income tax expense	(292,521)	-	(292,521)	(1,158,524)	125,049	(1,033,475)

3.2 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

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 01, 2024. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are standards and certain other amendments 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 are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, 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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
- 4.2 The significant judgements made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended June 30, 2024.
- 4.3 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2024.

5. PROPERTY, PLANT AND EQUIPMENT

		Operating assets	Capital work in progress	Total
(Rupees in '000)				
Cost / revalued amount	Note			
Opening balance as at July 01, 2024		30,745,376	1,034,742	31,780,118
Additions	5.1	439,526	524,333	963,859
Adjustments / transfers - net		46,569	(439,526)	(392,957)
Disposals	5.1	(89,759)	-	(89,759)
		31,141,712	1,119,549	32,261,261
Accumulated depreciation				
Opening balance as at July 01, 2024		(11,763,670)	-	(11,763,670)
Charge for the period		(989,133)	-	(989,133)
Disposals	5.1	54,853	-	54,853
		(12,697,950)	-	(12,697,950)
Written down value as at December 31, 2024 (Un-audited)		18,443,762	1,119,549	19,563,311
Written down value as at June 30, 2024 (Audited)		18,981,707	1,034,742	20,016,449

5.1 Additions and disposal to the operating assets during the period are as follows:

	(Un-audited)		(Un-audited)	
	December 31, 2024		December 31, 2023	
	Additions / Transfer	Disposal / Transfer (Written down value)	Additions / Transfer	Disposal / Transfer (Written down value)
(Rupees in '000)				
Building on freehold land	7,507	-	32,498	-
Plant and machinery	217,906	(3,813)	605,711	(31,515)
Furniture and fixtures	462	-	295	-
Office equipment	9,270	(58)	39,451	(78)
Vehicles	204,381	(31,035)	163,917	(19,828)
	439,526	(34,906)	841,872	(51,421)

6. INVESTMENT IN AN ASSOCIATE

	(Un-audited)	(Audited)
	December 31	June 30
	2024	2024
(Rupees in '000)		
Chinoy Engineering & Construction (Private) Limited (CECL) - 4,845,000 (June 30, 2024: Nil) fully paid ordinary shares of Rs. 10 each - note 6.1	48,450	-
	48,450	-



- 6.1 The Board of Directors in their meeting held on July 18, 2024 approved to make investment in Chinoy Engineering & Construction (Private) Limited (CECL) to the extent of 17% of its share capital. The said decision was approved by the members of the Company in an Extraordinary General Meeting held on August 13, 2024. Based on the members approval, the Company made investment in CECL on September 20, 2024, amounting to Rs. 48.45 million. The remaining shareholding of CECL is owned by International Industries Limited (17%), Pakistan Cables Limited (17%) and ASCG Engineering (49%).

The Company has a significant influence over the board composition of CECL and also holds 17% (June 30, 2024: Nil) of the total equity. Accordingly, the Company has accounted this as investment in associate. The above amount represents proportionate carrying value of the associate's net assets. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company. As at period end, the operations of CECL were at initial stages, therefore, the share of profit or loss does not have any material impact on these condensed interim Financial Statements.

7. STOCK-IN-TRADE

	(Un-audited)	(Audited)
	December 31	June 30
	2024	2024
	(Rupees in '000)	
Raw material		
- in hand	4,214,000	3,818,766
- in transit	4,842,884	4,918,138
	9,056,884	8,736,904
Work-in-process	1,126,461	1,560,840
Finished goods	4,029,422	7,926,094
By-products	12,848	2,974
Scrap material	13,389	32,190
	14,239,004	18,259,002

8. SHORT-TERM INVESTMENTS

At fair value through profit or loss

Pakistan Investment Bond - note 8.1	4,951,136	-
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- 8.1 This represents Pakistan Investment Bond (PIB) having face value of Rs. 4,800 million (June 30, 2024: Rs. Nil). The bond carries yield 15.47% (June 30, 2024: Nil) per annum maturing at October 03, 2026. The above amount includes income accrued on PIB of Rs. 168 million (June 30, 2024: Nil).

9. CASH AND BANK BALANCES

- 9.1 These include:

- 9.1.1 Investment in Term Deposit Receipt (TDR) amounting to Rs. 384 million (June 30, 2024: Rs. 384 million) having mark-up of 9.50% (June 30, 2024: 18.15%). The TDR was placed against a bank guarantee submitted to the Nazir of Sindh High Court in relation to petition filed by the Company in the Court against chargeability of Super Tax.

- 9.1.2 Investment in Term Deposit Receipt (TDR) amounting to Rs. 100 million (June 30, 2024: Rs. 50 million) having mark-up of 10.00% (June 30, 2024: 18.50%). The TDR was placed against a bank guarantee submitted to the ETO.



10. LONG TERM FINANCE - secured

		(Un-audited) December 31	(Audited) June 30
	Note	2024	2024
(Rupees in '000)			
Conventional			
Long Term Finance Facility (LTFF)	10.1	270,290	405,685
Temporary Economic Refinance Facility (TERF)	10.2	400,565	431,377
Renewable Energy Financing Facility (REFF)	10.3	150,000	150,000
Islamic			
Islamic Long Term Finance Facility (ILTFF)	10.4	295,763	329,370
		1,116,618	1,316,432
Less: Deferred Income			
- Government grant	10.5	(111,951)	(126,172)
Less: Current portion of long term loans:			
Conventional			
Long Term Finance Facility (LTFF)		(107,731)	(219,383)
Temporary Economic Refinance Facility (TERF)		(61,625)	(61,625)
Renewable Energy Financing Facility (REFF)		(18,750)	-
Islamic			
Islamic Long Term Finance Facility (ILTFF)		(60,657)	(63,936)
		(248,763)	(344,944)
		755,904	845,316

- 10.1** This represents finance facility loan obtained from different banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects at SBP Refinance rate + 0.50% to 1.00% (June 30, 2024: SBP Refinance rate at 0.50% to 1.00%).
- 10.2** This represents finance facility loan obtained from a commercial bank under the SBP's Temporary Economic Refinance Facility available to the Company at SBP Refinance rate + 1.25% (June 30, 2024: SBP Refinance rate + 1.25%) for setting up of new industrial units.
- 10.3** This represents finance facility loan obtained from different banks under the SBP's Renewable Energy Financing Facility available to the Company at SBP Refinance rate + 3.00% (June 30, 2024: SBP Refinance rate + 3.00%) for setting up of Solar power project.
- 10.4** This represents finance facility loan obtained from different banks under the SBP's Islamic Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects at SBP Refinance rate + 3.00% (June 30, 2024: SBP refinance rate at 3.00%).
- 10.5** Government grant amounting to Rs. 111.95 million (June 30, 2024: Rs. 126.17 million) has been recorded up to the period ended December 31, 2024 and Rs. 14.22 million (December 31, 2023: Rs. 14.38 million) has been amortised during the period.
- 10.6** The above loans are secured against joint pari passu charge over fixed assets of the Company (such as land, building, plant and machinery etc.).

11. GAS INFRASTRUCTURE DEVELOPMENT CESS

In the prior year, the Honorable Supreme Court of Pakistan (SCP) has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 through its judgement dated August 13, 2020. The Supreme court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under its Section 8(2) to the industrial sector is also available. Further, payment of due GIDC was allowed in 48 installments instead of 24 installments.

The Company has also filed a civil suit before the Honourable High Court of Sindh (SHC) on the ground that the Company has not passed on the burden of Cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing.

The Company has recognised GIDC payable with respect to its captive power plant used for self consumption. This payable has been revalued and recorded at its present value by discounting the future cash flows using three year PKRV rate and has booked loss of Rs. Nil (June 30, 2024: Rs. 5.49 million), which has been recorded as other income. The unwinding of the GIDC during the year amounts to Rs. 6.80 million (December 31, 2023: Rs. 32.16 million).

The Company has not recognized GIDC amounting to Rs. 769 million (June 30, 2024: Rs. 769 million) pertaining to period from 01 July 2011 to 31 Jul 2020 with respect to its captive power plant from which power generation is supplied to K-Electric Limited. Management considers that, in the event such levy is imposed, it shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).

Despite the speaking order dated August 13, 2020 by The Supreme court, the Federal Government did not initiate the gas project within six months, therefore, the Company has filed a petition in the SHC challenging the bills of GIDC arrears in violation of decision of the Supreme court.

12. TRADE AND OTHER PAYABLES

	Note	(Un-audited)	(Audited)
		December 31	June 30
		2024	2024
(Rupees in '000)			
Trade creditors		4,956,277	5,670,585
Accrued expenses	12.1	2,231,272	2,689,112
Provision for infrastructure cess	12.2	4,242,029	3,853,646
Workers' Welfare Fund	12.3	165,266	241,391
Workers' Profit Participation Fund		44,436	252,342
Deferred income - Government grant		26,515	27,928
Provision for government levies		5,727	4,717
Short term compensated absences		6,858	18,823
Others		60,563	63,872
		11,738,943	12,822,416

12.1 This includes current portion of provision for Gas Infrastructure Development Cess amounting to Rs.1,255.07 million (June 30, 2024: Rs. 1,248.21 million) and provision against revision of gas tariff by Oil and Gas Regulation Authority amounting to Rs.544.96 million (June 30, 2024: Rs. 544.96 million).

12.2 The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every Company subsequent to December 27, 2006 is required to clear the goods on paying 50% of the Cess amount involved and furnishing a bank guarantee / security for the remaining amount of 50%. Subsequently, through Sindh Finance Act 2015 and 2016, the legislation has increased the rate to 1.25%. From 01 July 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

The case was decided on June 04, 2021 by the SHC. The SHC declared first four versions of the law unconstitutional and the release of bank guarantees were ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 03, 2021. The Company was not satisfied with the above orders and filed an appeal with the Supreme Court of Pakistan.

On September 1, 2021, the Supreme Court granted a stay order and suspended the recovery of levy and operation of judgement of SHC dated June 4, 2021, that the bank guarantees already submitted by the Company in pursuant to the order of High Court is valid and enforceable. The court further ordered that imports should be released on submission of fresh bank guarantees equivalent to 100% of the fee amount under the Act.

Bank guarantees issued as per the above mentioned orders amounting to Rs. 4,282.50 million (June 30, 2024: Rs. 4,032.50 million) have been provided to the Excise and Taxation Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on prudent basis.

- 12.3** The Company filed a constitutional petition in the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014. Stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971.

13. SHORT TERM BORROWINGS - secured

	Note	(Un-audited)	(Audited)
		December 31	June 30
		2024	2024
(Rupees in '000)			
Conventional			
Short term under FE 25 Import	13.1	3,099,757	-
Running finance under Export Refinance Scheme (Rupee Based Discounting)	13.2	-	110,288
Running finance under Export Refinance Scheme	13.3	3,950,000	3,350,000
Islamic			
Short term finance under FE 25 Import	13.4	1,085,607	-
Running finance under Export Refinance Scheme	13.5	300,000	100,000
		8,435,364	3,560,288

- 13.1** This represents short term running finance facility under Foreign Exchange-25 Scheme for the purpose of meeting working capital requirements from various commercial banks. The rate of mark-up on these finances ranges from 5.40% to 6.00% (June 30, 2024: Nil) per annum.

- 13.2** The Company has availed short term running finance facility under Export Finance Scheme (Rupee Based Discounting) of the State Bank of Pakistan from a Islamic Bank. The rate of mark-up on this facility is nil (Jun 30, 2024: 2%) per annum.

- 13.3** The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The rate of mark-up on this facility is 9.75% to 10.00% (June 30, 2024: 17.25% to 17.50%) per annum. This facility matures within six months and is renewable.



- 13.4** This represents short term running finance facility under Islamic Foreign Exchange-25 Scheme for the purpose of meeting working capital requirements from an Islamic bank. The rate of mark-up on this finance is 7.25% (June 30, 2024: Nil) per annum.
- 13.5** The Company has short term running finance facility under Islamic Export Refinance Scheme of the State Bank of Pakistan from a Islamic bank. The rate of mark-up on this facility is 10.00% (June 30, 2024:17.50%) per annum. This facility matures within six months and is renewable.
- 13.6** As at December 31, 2024, the unavailed facilities from the above borrowings amounted to Rs. 18,415 million (June 30, 2024: Rs. 23,289 million).
- 13.7** The above facilities are secured by way of joint pari passu charge over current and future moveable assets of the Company.

14. CONTINGENCY AND COMMITMENTS

14.1 Contingency

There have been no significant changes during the period in the contingency reported in the annual audited financial statements for the year ended June 30, 2024.

14.2 Commitments

- 14.2.1** Commitments under Letters of Credit for raw materials and spares as at December 31, 2024 amounted to Rs. 11,287 million (June 30, 2024: Rs. 12,106.10 million).
- 14.2.2** The facilities for opening letters of credit and guarantees from banks as at December 31, 2024 amounted to Rs. 40,500 million (June 30, 2024: Rs. 40,500 million) and Rs. 10,184 million (June 30, 2024: Rs. 10,184 million) respectively of which unutilised balance at period end amounted to Rs. 29,213 million (June 30, 2024: Rs. 28,393 million) and Rs. 1,217 million (June 30, 2024: Rs. 1,590 million) respectively.
- 14.2.3** The Company has issued a guarantee to Reko Diq Mining Company Ltd (RDMC) to ensure that CECL, associated company, performs its obligations under the contract with RDMC, with joint and several liability with associated companies, International Industries Limited and Pakistan Cables Limited.

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Un-audited			
	Six months ended		Three months ended	
	December 31	December 31	December 31	December 31
	2024	2023	2024	2023
	(Rupees in '000)		(Rupees in '000)	
Local	31,881,664	36,807,244	18,316,955	18,081,663
Export	5,265,994	9,298,541	3,094,098	5,535,808
	37,147,658	46,105,785	21,411,053	23,617,471
Sales tax	(4,699,225)	(5,635,235)	(2,682,813)	(2,769,796)
Trade discounts	(305,145)	(388,861)	(238,454)	(162,563)
Sales commission	(340,552)	(342,624)	(176,942)	(153,277)
	(5,344,922)	(6,366,720)	(3,098,209)	(3,085,636)
	31,802,736	39,739,065	18,312,844	20,531,835

16. OTHER INCOME

	December 31	December 31
	2024	2023
	(Rupees in '000)	
Income from non-financial assets		
- Loss from power generation	(271,154)	(60,829)
- Gain on sale of property, plant and equipment	29,806	2,037
- Rental income	1,590	1,457
- Loss on remeasurement of Gas Infrastructure Development Cess	-	(6,158)
- Liabilities no longer payable written back	188,743	-
- Others	14,874	9,175
	(36,141)	(54,318)
Income from financial assets		
- Income on bank deposits - conventional	127,160	190,395
- Income on Pakistan Investment Bond	44,213	-
- Government grant	14,221	14,385
	185,594	204,780
	149,453	150,462

17. INCOME TAX EXPENSE

	December 31	December 31	December 31	December 31
	2024	2023	2024	2023
	(Restated)		(Restated)	
	(Rupees in '000)		(Rupees in '000)	
Tax expense for the period				
Current	(547,263)	(1,109,989)	(504,659)	(578,563)
Prior	-	40,415	-	40,415
	(547,263)	(1,069,574)	(504,659)	(538,148)
Deferred tax	254,742	36,099	243,552	110,164
	(292,521)	(1,033,475)	(261,107)	(427,984)



18. CASH GENERATED FROM OPERATIONS

		Un-audited	
		Six months ended	
		December 31	December 31
Note		2024	2023
(Rupees in '000)			
	Profit before taxation	826,614	3,511,089
	Adjustments for:		
	Depreciation and amortisation	1,001,374	960,545
	Gain on disposal of property, plant and equipment	(29,806)	(2,037)
	Provision for net realisable value written off stores and spares	2,311	20,934
	Provision for staff gratuity	17,153	19,228
	Loss on discounting of Gas Infrastructure Development Cess	-	6,158
	Unwinding of Gas Infrastructure Development Cess	6,803	32,166
	Provision for compensated absences	4,500	4,500
	Income on bank deposits / government securities	(171,373)	(190,395)
	Finance cost	552,346	339,121
	Deferred income - Government grant	(7,153)	(14,385)
		1,376,155	1,175,835
	Changes in working capital	4,391,967	34,419
18.1		6,594,736	4,721,343

18.1 CHANGES IN WORKING CAPITAL

Decrease / (increase) in current assets:			
	Stores and spares	(59,320)	86,972
	Stock-in-trade	4,019,998	(1,460,447)
	Receivable from K-Electric Limited	20,549	6,938
	Trade debts	466,389	(1,047,333)
	Advances, trade deposits and short-term prepayments	(30,722)	(137,189)
	Sales tax receivable	1,045,932	134,711
		5,462,826	(2,416,348)
Increase / (decrease) in current liabilities:			
	Trade and other payables	(1,071,507)	2,244,493
	Contract liabilities	648	206,274
		4,391,967	34,419

19. CASH AND CASH EQUIVALENTS

	Cash and bank balances	9	5,738,079	1,717,041
	Less: Term Deposits Receipts (TDRs)		(484,000)	(404,000)
			5,254,079	1,313,041

20. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Holding Company, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. The contribution to defined contribution plan (provident fund) are made as per the terms of employment and contribution to the defined benefit plan (gratuity fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of contractual engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements, are as follows:

	(Un-audited)			
	Six months ended		Three months ended	
	December 31	December 31	December 31	December 31
	2024	2023	2024	2023
	(Rupees in '000)		(Rupees in '000)	
Holding company:				
Sales	551,077	2,056,381	255,591	1,889,164
Purchases	1,118	10,944	613	4,673
Rent / Lease payments	6,860	6,382	3,430	3,191
Shared resources cost	23,985	102,783	4,270	61,326
Reimbursement of expenses	7,622	4,217	6,627	4,217
Dividend paid	735,167	612,639	-	-
Associated undertakings				
Sales	915,924	3,147,712	501,243	2,343,041
Purchases	18,272,092	24,217,352	4,394,709	15,484,869
Dividend paid	118,433	98,694	-	-
Rental Income	1,590	1,458	795	729
Reimbursement of Expenses	12,233	9,526	12,233	791
Services / Donations	8,499	722	3,172	36
Key management personnel				
Remuneration	232,340	217,005	109,652	107,160
Staff retirement funds				
Contribution paid / adjusted	37,973	40,234	18,372	20,124
Non-executive directors				
Directors' fee	3,700	3,800	900	1,300

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at December 31, 2024, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for:

- short term investments carried at fair value
- land and building stated at revalued amounts
- investment in associate accounted for using the equity method

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

		December 31, 2024 (Un-audited)			
		Fair Value			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Financial assets at fair value through profit or loss					
	Pakistan Investment Bonds	-	4,951,136	-	4,951,136
Non-financial assets					
	Land and Building	-	-	5,989,604	5,989,604
	Total	-	4,951,136	5,989,604	10,940,740

		June 30, 2024 (Audited)			
		Fair Value			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Non-financial assets					
	Land and Building	-	-	6,126,446	6,126,446
	Total	-	-	6,126,446	6,126,446

22. OPERATING SEGMENTS

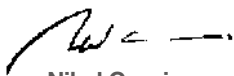
- 22.1 These condensed interim financial statements have been prepared on the basis of a single reportable segment.
- 22.2 Revenue from sales of steel products represents 99.79% (June 30, 2024: 99.64%) of total revenue whereas remaining represent revenue from sale of surplus electricity to K-Electric Limited (KE). The Company does not consider sale of electricity to KE as separate reportable segment as the power plant of the Company is installed primarily to supply power to its Cold Rolling, Galvanizing and Colour Coating Plants and currently any excess electricity is sold to KE.
- 22.3 85.82% (December 31, 2023: 79.83%) of gross sales are domestic sales whereas 14.18% (December 31, 2023: 20.17%) of sales are export sales.

23. NON-ADJUSTING EVENTS AFTER REPORTING DATE

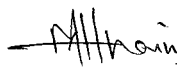
The Board of Directors of the Company in their meeting held on January 28, 2025 have declared an interim cash dividend of Rs. Nil (January 29, 2024: Rs. 2.50) per share for the year ending June 30, 2025 amounting to Rs. Nil (December 31, 2023: Rs. 1,087.5 million). The condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

24. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors on January 28, 2025.



Nihal Cassim
Director & Chairman
Board Audit Committee



Mujtaba Hussain
Chief Financial
Officer



Samir M. Chinoy
Chief Executive
Officer

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