Crescent Steel and
Allied Products Limited

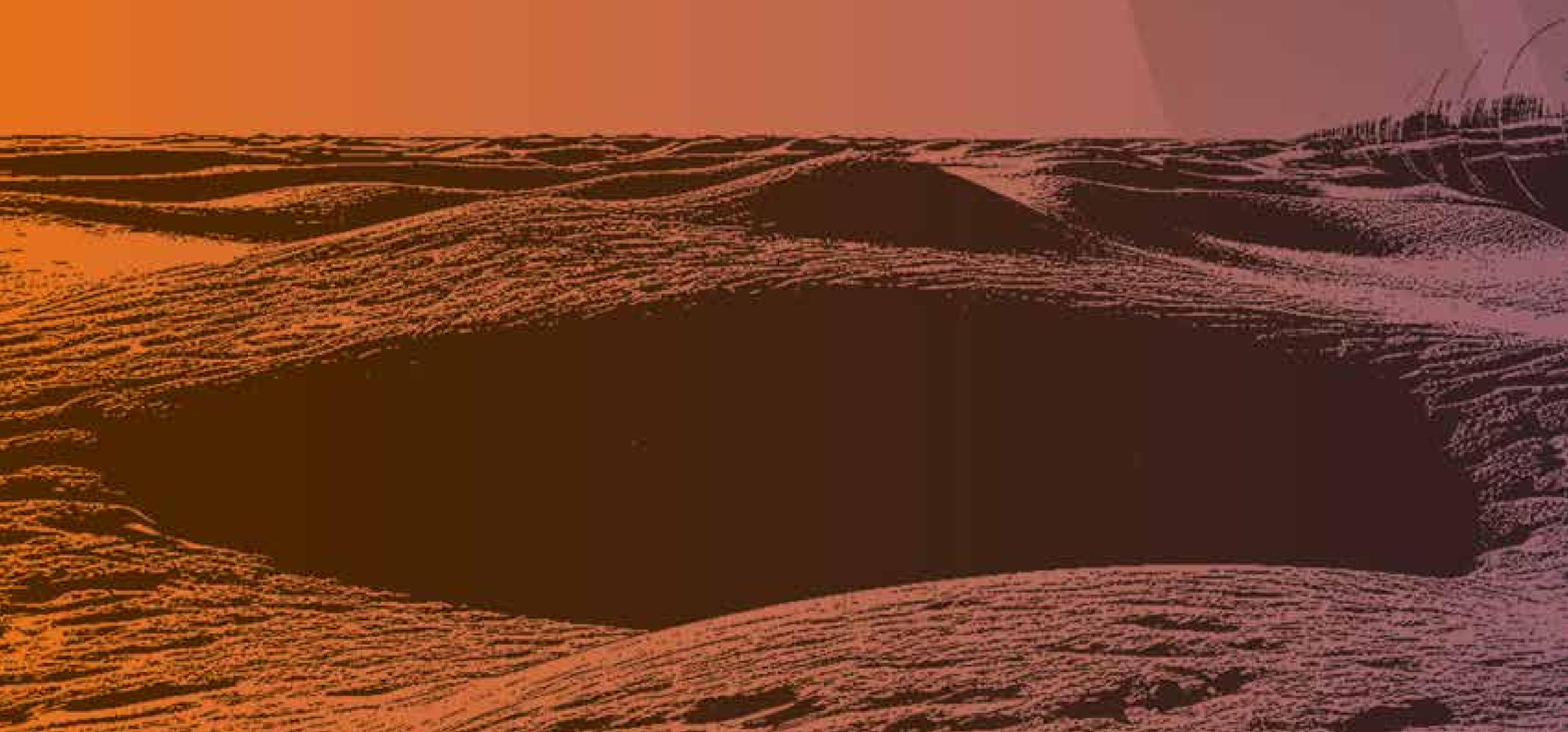
ENGINEERING VALUE.
BUILDING TRUST.

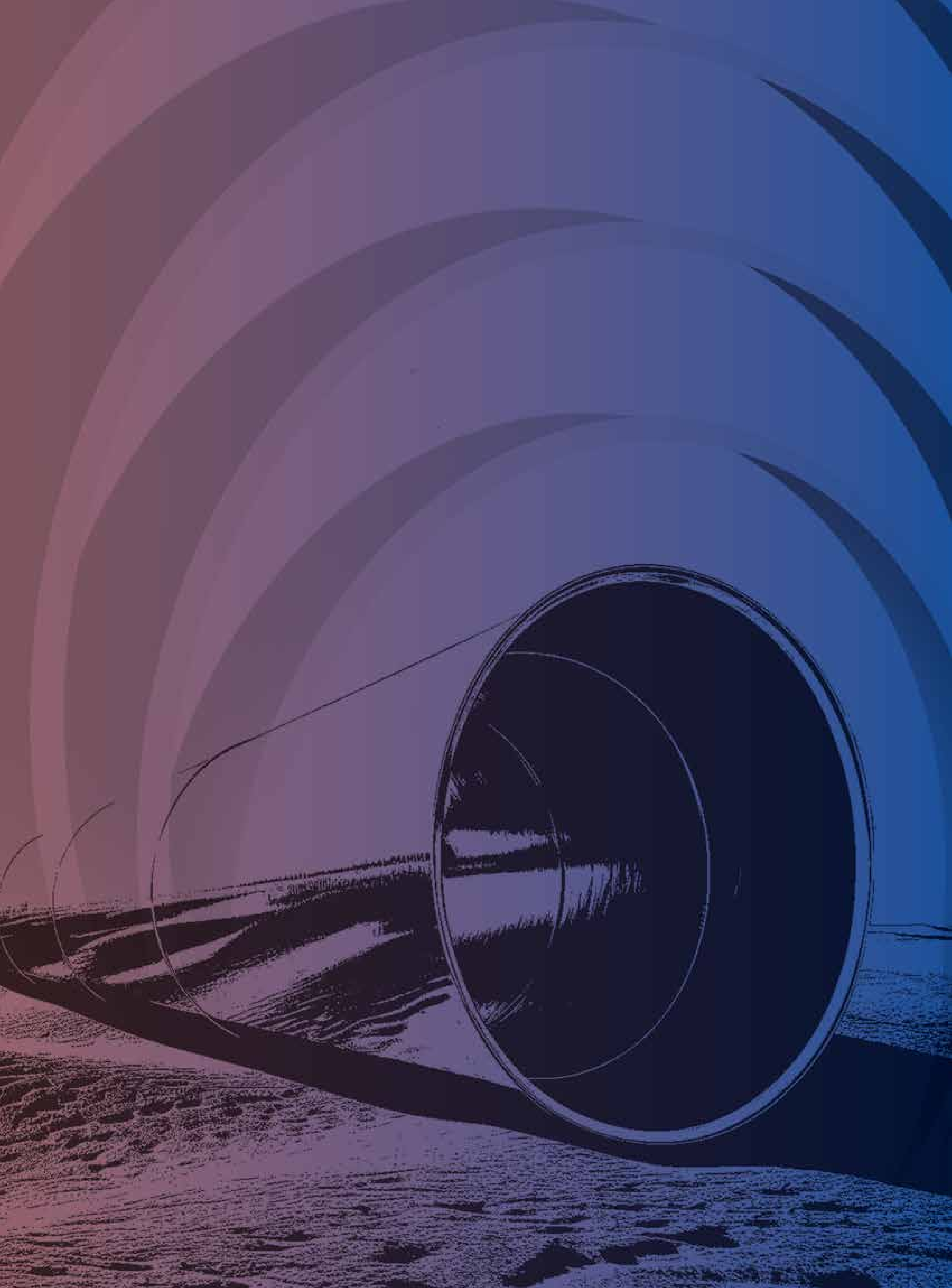
20
25

ENGINEERING VALUE. BUILDING TRUST.

At Crescent Steel, we do more than manufacture pipelines; we deliver solutions that create value and foster enduring trust. Our pipelines go beyond steel; they carry energy, fuel growth, and enable communities and industries to thrive.

Spanning landscapes and markets, every pipeline we build reflects our dedication to quality, innovation, and sustainability. Built to endure and crafted with care, we are steadfast in our commitment to engineering value and earning trust in all we do.





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ABOUT THE REPORT

This report is the third edition of our merged financial and corporate responsibility reporting, published separately up until FY22. The FY25 annual report provides a detailed and focused overview of our operational performance across all key areas of our business, alongside the detailed annual financial reporting.

Our Priorities and Learning From Stakeholders

We are responsible corporate citizens and strive to build and enhance value across all stakeholder groups. This includes maximizing returns for our shareholders and practicing our business in a manner that delivers long lasting value for all stakeholders.

We regularly collect key stakeholder feedback, both formally and informally, to determine where we stand and to ensure that we build a sustainable business with lasting positive impacts in all areas of our operations.

Scope and Boundary

This report covers the performance of all business operations across five distinct Business Units and two wholly owned subsidiaries, for both financial and non-financial information. Audited standalone financial statements present a detailed overview of all Business Units while consolidated financial statements present detailed Group level financial information that includes two wholly owned subsidiaries and the impacts of equity accounted associate companies.

Reporting Period Covered

This report covers the fiscal year 2025 unless otherwise mentioned.

Reporting Framework

The report follows the IFAC International Financial Reporting Standards (IFRS), reporting requirements of the Companies Act (2017) and, the Global Reporting Initiative (GRI) Universal Standards 2021.

The report also draws from guidelines of the Integrated Reporting Framework, ICAP Best Corporate and Sustainability Report Evaluation Criteria, PSX Reporting Criteria and, the SECP ESG Disclosures Road Map. It also maps our contribution to the UN Sustainable Development Goals.

For areas where disclosure standards have not been defined, they have been reported on management approach and benchmarked on globally accepted methodologies and assumptions.

Data Collection

While we started formally reporting on our corporate responsibility performance in 2013, we have always been reporting detailed financial performance alongside voluntary disclosures on corporate responsibility performance since we commenced commercial production in 1987.

We have a robust enterprise level accounting system, and our financials are closed every month. A monthly management report covering financial and operational performance is circulated to key management. Every quarter the Board meets to review performance along with quarterly financial information which is also circulated to shareholders through the stock exchange as per applicable requirements. Financial Statements and quarterly reports are also available on the Company's website for all stakeholders. Financial Statements are reviewed/audited by an external auditor at half-year and, annually.

For non-financial/sustainability reporting related data collection, we operate an in-house data gathering portal which is based on a comprehensive sustainability manual developed by external consultants. The manual draws guidelines on disclosures from Global Reporting Initiatives reporting framework, which we augment periodically to remain updated with GRI's latest guidelines as well as to strengthen our internal and external reporting mechanisms.

All material topics, which are of interest to various stakeholders, and which reflect significant impacts of our activities on the economy, environment, and society are included in this report.

To ensure accuracy and transparency in reporting, we are working with our Internal Auditors to have corporate responsibility disclosures reviewed; however, this remains outstanding on account of capacity gaps in sustainability reporting consulting and assurance landscape in Pakistan; as such at times there are errors in reporting which are duly restated with requisite disclaimers as they come to our attention.

Editorial Policy	Our Annual Report is a way for us to share information on our financial, operational and sustainability related activities and performance with our stakeholders. This year's report covers the efforts and performance of fiscal year 2025.
Organization	Crescent Steel and Allied Products Limited and its subsidiary companies. The significant locations of operations are Nooriabad, Jaranwala, Bhone and Dalowal in Pakistan, with the head office situated in Karachi.
Referenced Reporting Guidelines	• IFAC's International Financial Reporting Standards (IFRS) • Global Reporting Initiative (GRI) Standards 2021
Reporting Cycle	Annual; (July 01, 2024 to June 30, 2025)
Reporting Period	Financial Year 2025 (July 01, 2024 to June 30, 2025)
Date of the Previous Reports	Annual Report 2024, issued on October 06, 2024.
Date of Previous Report Audit (Internal/External)	The Company's financial statements are audited by the appointed external auditors A.F. Ferguson & Co; GRI and other sustainability/non-financial disclosures have not been audited internally or externally; these have however undergone management review. Any restatements are duly disclosed.
Point of Contact and Feedback	For queries and clarifications on this report, please contact us at: info@crescent.com.pk
Available Online	The report is available online at https://www.crescent.com.pk/uploads/media/annual-report-2025.pdf

COMPANY INFORMATION

Board of Directors

Ahmad Waqar
Chairman, Non-Executive Director

Ahsan M. Saleem
Chief Executive Officer

Ahmad Shafi
Non-Executive Director

Muhammad Kamran Saleem
Non-Executive Director (Independent)

Nadeem Maqbool
Non-Executive Director (Independent)

Nausheen Ahmad
Non-Executive Director (Independent)

Nihal Cassim
Non-Executive Director (Independent)

S.M. Ehtishamullah
Non-Executive Director

Company Secretary

Azeem Sarwar

Audit Committee

Nihal Cassim
Chairman, Non-Executive Director (Independent)

Ahmad Shafi
Member, Non-Executive Director

Nadeem Maqbool
Member, Non-Executive Director (Independent)

S.M. Ehtishamullah
Member, Non-Executive Director

Human Resource and Remuneration Committee

Nadeem Maqbool
Chairman, Non-Executive Director (Independent)

Ahmad Shafi
Member, Non-Executive Director

Ahmad Waqar
Member, Non-Executive Director

Nausheen Ahmad
Member, Non-Executive Director (Independent)

Governance and Nomination Committee

Ahmad Waqar
Chairman, Non-Executive Director

Ahsan M. Saleem
Member, Chief Executive Officer

Muhammad Kamran Saleem
Member, Non-Executive Director (Independent)

Nausheen Ahmad
Member, Non-Executive Director (Independent)

Risk Management Committee

S.M. Ehtishamullah
Chairman, Non-Executive Director

Muhammad Kamran Saleem
Member, Non-Executive Director (Independent)

Nihal Cassim
Member, Non-Executive Director (Independent)

Disclaimer: Other than the position of Chairman and CEO, listings are in alphabetical order

Management Team

Ahsan M. Saleem - 1983*
Chief Executive Officer

Muhammad Saad Thaniana - 2007*
Chief Financial Officer and CEO Solution De Energy (Private) Limited

Hajerah A. Saleem - 2012*
Business Unit Head - Investments and Infrastructure Development Division and Head of Corporate Affairs and CEO CS Capital (Private) Limited

Abdullah A. Saleem – 2017*
Business Unit Head - Steel Division and Head of Commercial Operations

Abdul Rouf - 2000*
Business Unit Head - Cotton Division

Mushtaque Ahmed - 1985*
Head of Manufacturing - Steel Division

Owais Ahmed - 2024*
Chief Information Officer

Head of Internal Audit

Muhammad Shakeeb Ullah Khan - 2021*

Auditors

External Auditors

A.F. Ferguson & Co
Chartered Accountants

Internal Auditors

BDO Ebrahim & Co
Chartered Accountants

Legal Advisor

Hassan and Hassan, Advocates, Lahore
A.K. Brohi & Co., Advocates, Karachi

Bankers

Conventional

Allied Bank Limited
Al-Falah Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
United Bank Limited

* Year of Joining

Shariah Compliant

Al-Baraka Bank Pakistan Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan
Faysal Bank Limited

Subsidiaries**

CS Capital (Private) Limited
Solution de Energy (Private) Limited

Registered Office

E-Floor, IT Tower, 73-E/1, Hali Road,
Gulberg-III, Lahore.
Tel: +92 42 3578 3801-03
Fax: +92 42 3578 3811

Liaison Office Lahore

E-Floor, IT Tower, 73-E/1, Hali Road,
Gulberg-III, Lahore.
Tel: +92 42 3578 3801-03
Fax: +92 42 3578 3811
Email: asif.randhawa@crescent.com.pk

Principal Office

9th Floor, Sidco Avenue Centre, 264 R.A. Lines,
Karachi-74200.
Tel: +92 21 3567 4881-85
Fax: +92 21 3568 0476
Email: info@crescent.com.pk

Production Sites

Steel Division
Pipe and Coating Plants

A/25, S.I.T.E., Nooriabad, District
Jamshoro, Sindh-73090.
Tel: +92 25 4670 020-22, +92 25 4670 055
Email: abdullah.saleem@crescent.com.pk

Engineering Unit

(Shakarganj Engineering)
17 Kilometer Summundri Road, Dalowal,
District Faisalabad, Punjab.
Tel: +92 41 2569 825-26
Fax: +92 41 2679 825

**Registered Office and Principal office are same as Holding Company

Cotton Division

Crescent Cotton Products

1st Mile, Lahore Road, Jaranwala,
District Faisalabad.
Tel: +92 41 4318 061-65
Fax: +92 41 4318 066
Email: abdul.rouf@crescent.com.pk

CS Energy Division Power Generation Unit

57 Kilometer, Jhang Sargodha Road, Bhone,
District Jhang.
Tel: +92 48 6889 210 – 12

Public Information

Financial analysts, stock brokers, interested investors and financial media desiring information regarding the Company can contact.

Mr. Azeem Sarwar
Company Secretary
9th Floor, Sidco Avenue Centre, 264
R.A. Lines, Karachi-74200.
Tel: +92 21 3567 4881-85
Email: company.secretary@crescent.com.pk

Share Registrar

Enquiries concerning lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to Company's Share Registrar.

M/s CorpTec Associates (Private) Limited,
503-E Johar Town, Lahore.
Tel: +92 42 3517 0336-37
Fax: +92 42 3517 0338
Email: info@corptec.com.pk

Corporate Website

To visit our website, go to www.crescent.com.pk

Annual Report

For Annual Report 2025 go to:

https://www.crescent.com.pk/uploads/media/annual-report-2025.pdf

OUR PERFORMANCE OVER THE YEARS

Twenty Twenty-Five at a Glance

Economic

2025

- EPS: Consolidated=Rs. (0.56), Unconsolidated = Rs. 17.30
- ROE: Consolidated = (0.5%), Unconsolidated = 15.4%
- Total sales of Rs. 6,381 million at a gross margin of 23.9%
- Profit before taxation: Consolidated = Rs. 275.4 million at a margin of 4.3%, Unconsolidated Rs. 2,007 million at a margin of 31.5%
- Taxes stood at: Consolidated=Rs. 318.8 million, 115.8% % of PBT , Unconsolidated Rs. 565 million, 28.15%
- Income from investments: Consolidated = Rs. 532.9 million at an ROI of 16.2"%, Unconsolidated Rs. 1,462 million at an ROI of 39.6%.
- Remuneration to employees constitutes 23.4"% of net wealth generated
- Goods and services purchased constitute 61.3% of Sales
- Bare Pipe Production: 41,175MT
- Line Pipe Coatings: 319,711 sq. meters
- Dividend from strategic Investments: Rs. 754 million
- Supplied 204 km of high-quality line pipes on time, including 162 km for national energy infrastructure projects and 42 km for the Greater Karachi Bulk Water Supply project.

2024

- EPS: Rs.16.38
- ROE: 14.6%
- Total sales of Rs. 9,112 million at a gross margin of 28.9%
- Profit before taxation, Rs. 2,399 million at a margin of 26.4%
- Taxes stood at Rs. 920 million, 12.4"% of PBT
- Income from investments of Rs. 606.0 million at an ROI on weighted average investments of 46.3%
- Remuneration to employees constitutes 11.0"% of net wealth generated
- Goods and services purchased constitute 64.0% of Sales
- Bare Pipe Production: 59,453.3 MT
- Line Pipe Coatings: 553,906 sq.meters
- Dividend from strategic Investments: Rs. 804 million
- Supplied 301 km of high-quality line pipes on time, including 246 km for national energy infrastructure projects and 55 km for the Greater Karachi Bulk Water Supply project.

People

2025

- 31 students supported through tertiary education sponsorships in Pakistan.
- 1,339 hours volunteered
- 406 employees across locations where we operate
- 56% employees in formal training programs; average training of 4.59 hours per employee across all tiers
- 291+ local, 46+ foreign contractors, service providers and suppliers engaged

2024

- 19 students supported through tertiary education sponsorships in Pakistan.
- 2,327 hours volunteered
- 431 employees across locations where we operate
- 56% employees in formal training programs; average training of 4.52 hours per employee across all tiers
- 365+ local, 45+ foreign contractors, service providers and suppliers engaged

Community

2025

- Rs. 102.22 million donated to support causes working in education during the year
- Rs. 114.47 million in community investments, a 11.33x increase over the prior year. However, as a percentage of PBT it was higher at 6%.
- 23,000 ml of blood collected from donors during the year.
- 46 employees participated in the blood drive held at the Head Office

2024

- Rs. 86.11 million donated to support causes working in education during the year
- Rs. 102.82 million in community investments, a 3.7X increase over the prior year. However, as a percentage of PBT it was lower at 4.07%.
- 23,500 ml of blood collected from donors during the year.
- 47 employees participated in the blood drive held at the Head Office

Environment

2025

- Energy consumption:(GJ) 52,551; Self-generated:(GJ) 46,260 National grid: (GJ) 6,291
- GHG emission decreased by 2,339 tonnes of CO_2 against an increase of 30.2% in sales
- Emissions intensity ratio 0.0005MT CO_2 / sales
- 9,482 trees, 1,000 mangrove saplings planted. Minimize our yearly carbon footprint by 61.94 tonnes

2024

- Energy consumption:(GJ) 89,443; Self-generated:(GJ) 81,823 National grid: (GJ) 7,620
- GHG emission decreased by 1,047 tonnes of CO_2 against an increase of 103.5% in sales
- Emissions intensity ratio 0.0006MT CO_2 / sales
- 3,629 trees, 1,000 mangrove saplings planted to reduce our carbon footprint by an incremental 33.68 tonnes annually

Recognition

2025

Certificate of Merit in the Engineering and Autos Sector by ICAP and ICMAP under the 'Best Corporate Report Awards' for 2023.

2024

- Our Company was presented with a Silver Award in the category of Diversified Holdings by South Asian Federation of Accountants (SAFA) under the 'Best Presented Annual Report Awards' for 2022.
- Our Company was presented with a Certificate of Merit in the Engineering and Autos Sector by ICAP and ICMAP under the 'Best Corporate Report Awards' for 2022

Membership of Associations

- Pakistan Centre for Philanthropy
- Management Association of Pakistan
- Pakistan Engineering Council
- Pakistan Steel Line Pipe Industry Association
- International Cotton Association Limited
- Employer's Federation of Pakistan
- Pakistan Steel Melter's Association
- The Federation of Pakistan
- Chambers of Commerce & IndustryKarachi Chamber of Commerce and Industry
- All Pakistan Textile Mills Associations
- Pakistan Institute of Corporate Governance

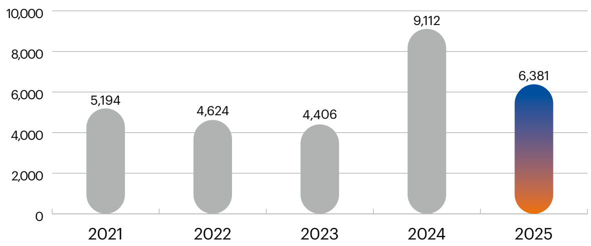
External Initiatives

- API Specification Q1 and API 5L
- ISO 9001:2015, 14001:2015, ISO 45001:2018
- Global Reporting Initiative (GRI) and Sustainability Reporting Standards

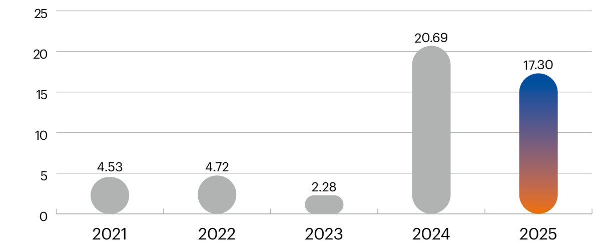
- Rs. 571.76 million donated to support The Citizens Foundation since 1995 at an average of Rs. 20.14 million per year. This translates to an average of 3.9% of PBT for the period.
- During the year our education segment giving stood at Rs. 102.22 million or 27.3% of FY25 PBT.
- Over the 10 years, the company has achieved an average Return on Equity (ROE) of 4.5%, while sales has declined at a CAGR of 2%.
- Since 2008, over 66,300 trees have been planted across 18 years, reducing approximately 7,075 tons of CO_2 - equivalent to avoiding the burning of around 796,292 gallons of gasoline.

KEY HIGHLIGHTS - UNCONSOLIDATED

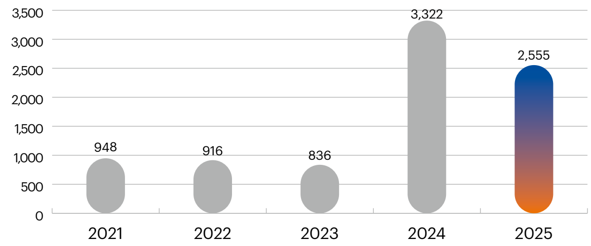
Net Sales - Continuing Operations
Rupees in Million



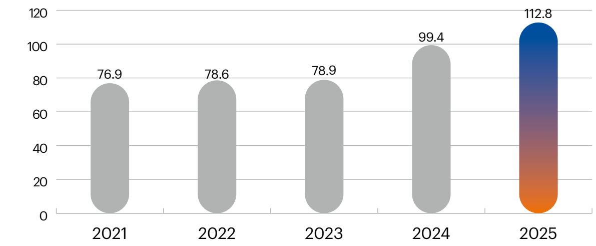
Earnings per Share
(Rs.)



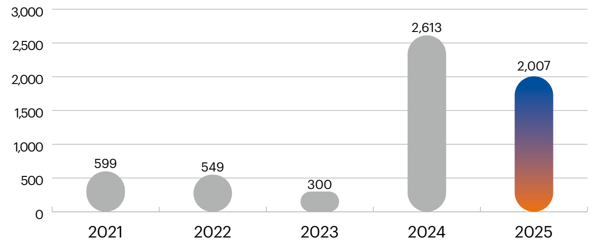
EBITDA - Continuing Operations
Rupees in Million



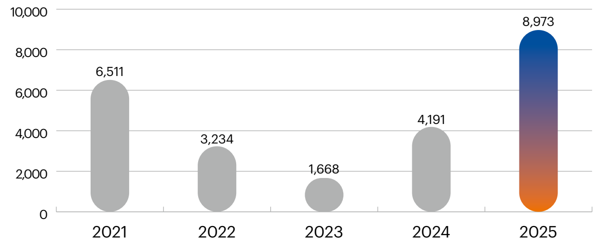
Book Value per Share
(Rs.)



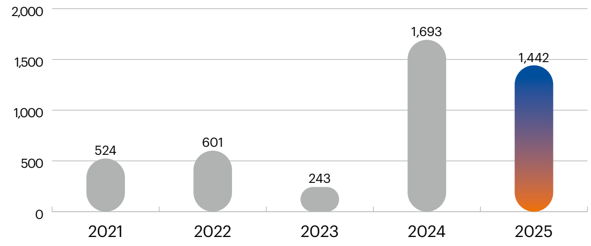
Profit Before Tax - Continuing Operations
Rupees in Million



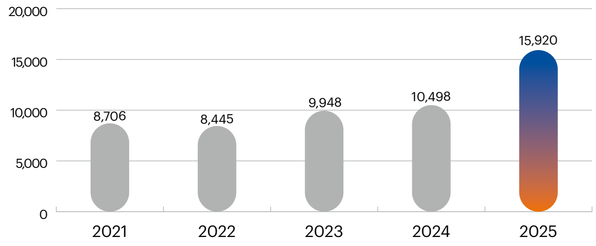
Market Capitalization
Rupees in Million



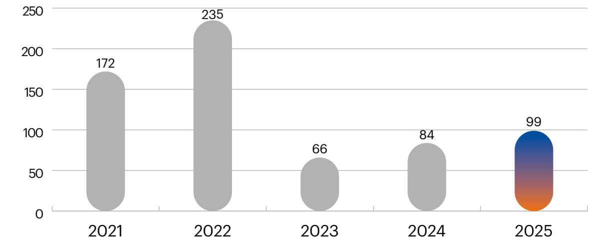
Profit After Tax - Continuing Operations
Rupees in Million



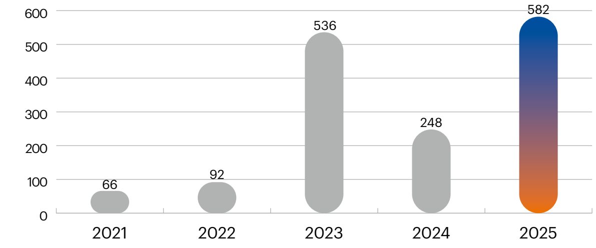
Total Assets
Rupees in Million



Net Loss from - Discontinued Operation
Rupees in Million

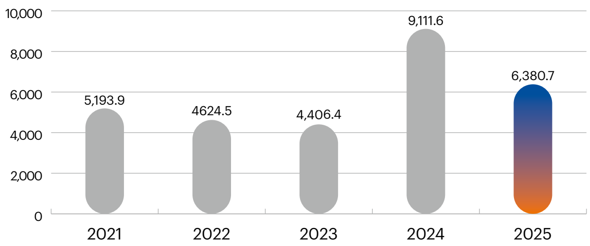


Capital Expenditure
Rupees in Million

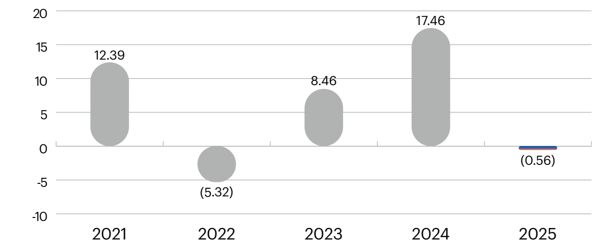


KEY HIGHLIGHTS - CONSOLIDATED

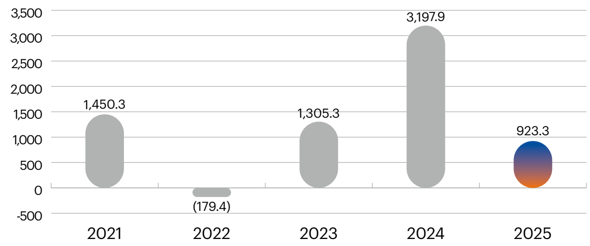
Net Sales - Continuing Operations
Rupees in Million



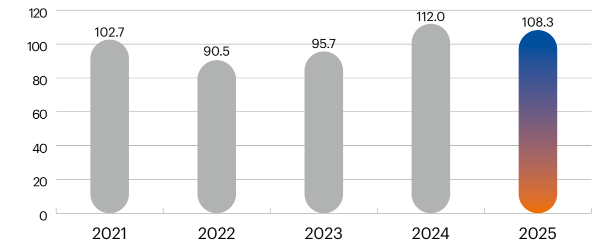
Earnings per Share
(Rs.)



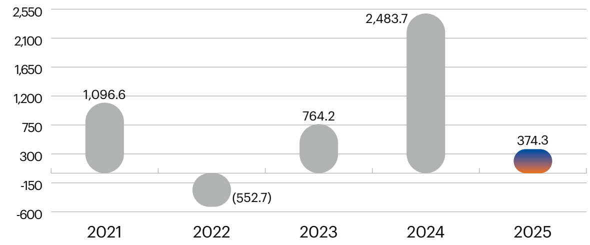
EBITDA /LBITDA - Continuing Operations
Rupees in Million



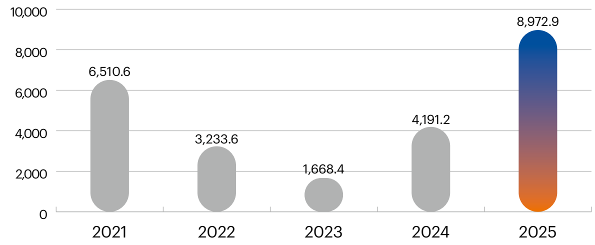
Book Value per Share
(Rs.)



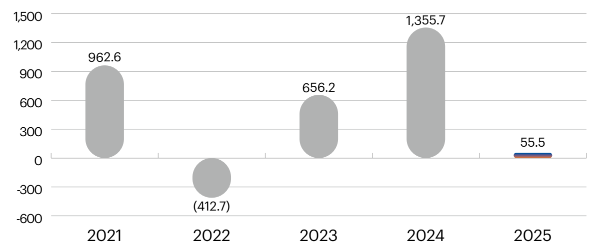
Profit Before Tax - Continuing Operations
Rupees in Million



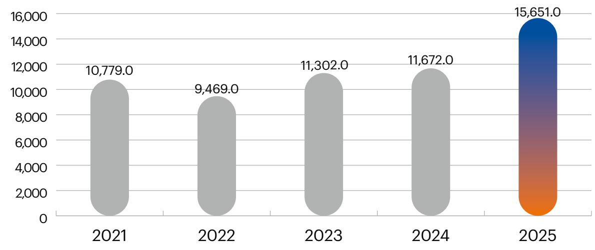
Market Capitalization
Rupees in Million



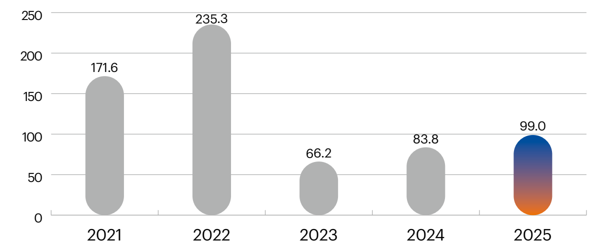
Profit After Tax - Continuing Operations
Rupees in Million



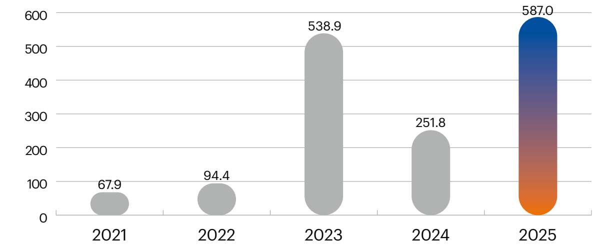
Total Assets
Rupees in Million



Net Loss from - Discontinued Operation
Rupees in Million

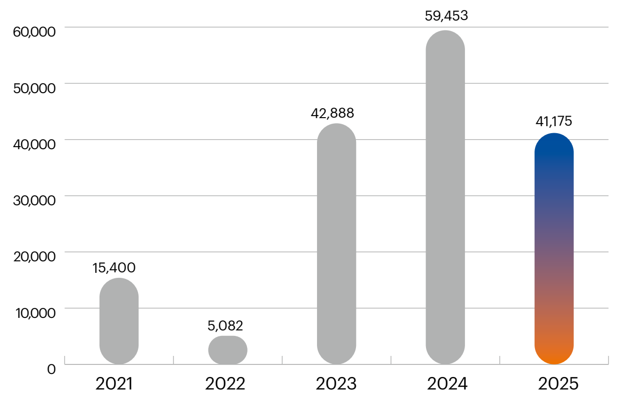


Capital Expenditure
Rupees in Million

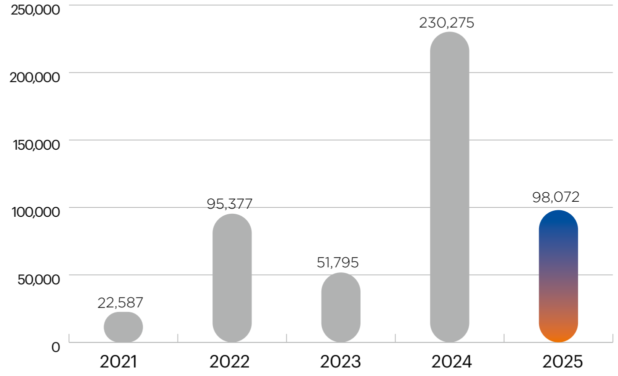


Operational performance

Steel Pipes (MT)

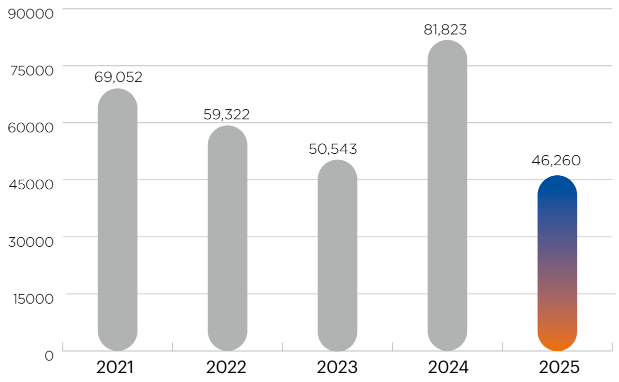


Line Pipe Coating (Sq Meters)

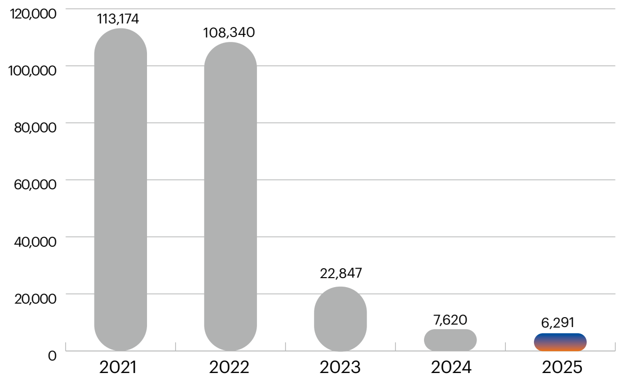


Environment Performance Highlight

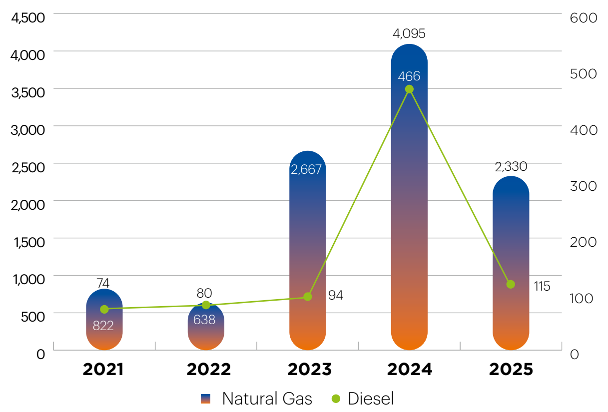
Self Generated Energy (GJ)



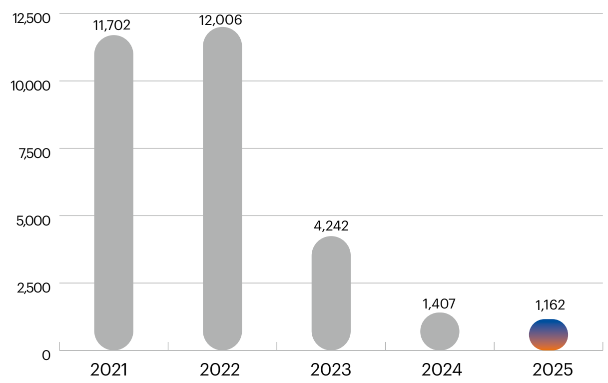
National Grid (GJ)



Direct GHG Emissions in CO_2 Equivalent (tonnes)

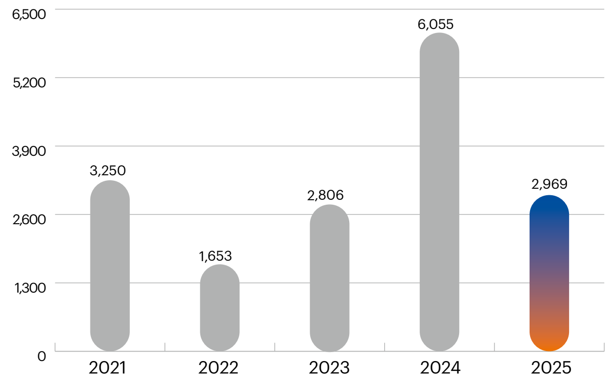


Indirect GHG Emissions in CO_2 Equivalent (tonnes)

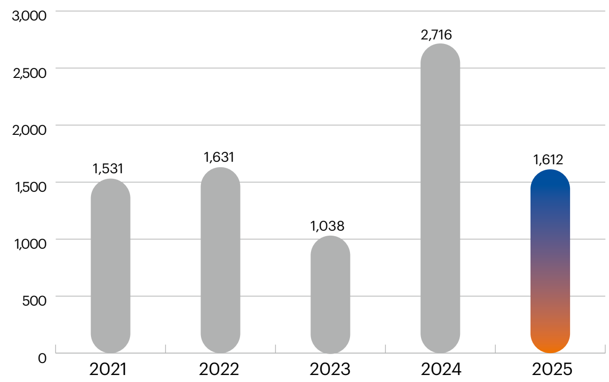


Wealth Generated and Distributed

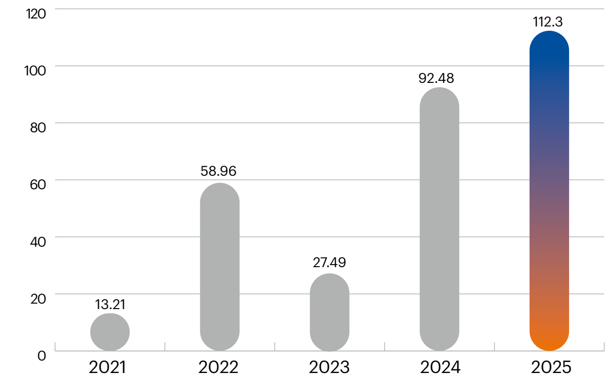
Net Wealth Generated
Rs. in million



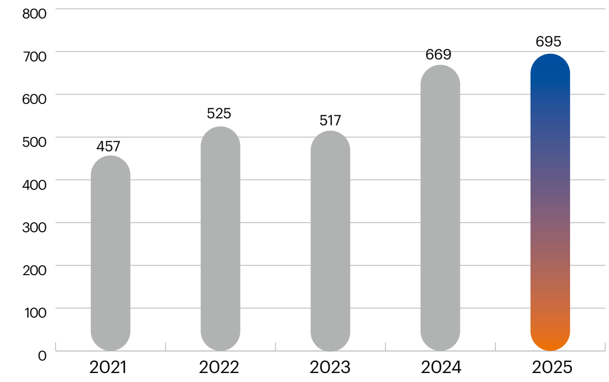
Contribution to Exchequer
Rs. in million



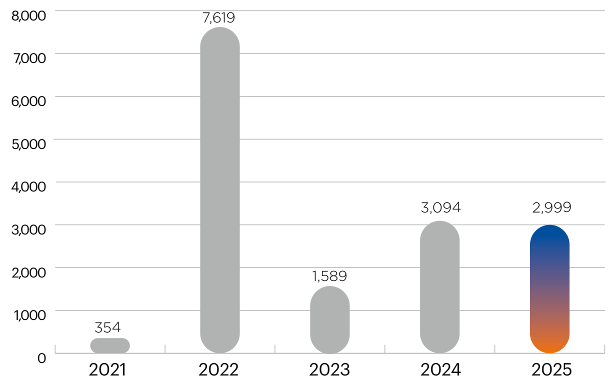
Social Investments
Rs. in million



Contribution to Employees
Rs. in million



Training Expense
Rs. in thousands



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,

It is my pleasure to present the Annual Report for Fiscal Year 2025 which includes our annual sustainability and financial performance together with statutory disclosures. This report is accompanied by the audited Financial Statements (Separate and Consolidated) for the year ended June 30, 2025.

Alhamdulillah, the outgoing fiscal year was another good one for us at Crescent Steel in many aspects. We consolidated our leading industry position with a few distinct achievements, delivered solid financial results accompanied by higher returns for shareholders (up 36.4% YoY), completed key investments which enhance our product offering, and divested in underperforming assets to protect profitability and improve allocations.

The K-IV Pipeline Project, designed in Phase 1 for the supply of 260 MGD of potable water from Keenjhar Lake, to reservoirs in Karachi through a 210 KM pipeline network continues to remain material for our business in the immediate term. We have delivered more than 67% of the ~210 km in pipes required for the project to date; the remaining 30% in line pipes required for the project (65 KM) are expected to be supplied up to FY27. Substantial completion of all packages of the K-IV Phase 1 Project, is expected to trigger demand from the K-IV Augmentation Project which will upgrade water pipeline networks within Karachi; an estimated 70,000 tons of coated large diameter, internally and externally lined pipe demand trigger.

In addition to showcasing our capabilities in the large OD API pipe manufacturing segment for up to 84 inches, the project raised the quality bar in the water and wastewater segment. As a result the Wajihar-Thar project aligned specifications against the KIV Project for which we were considered and successfully awarded the contract. The Wajihar-Thar project enabled us to further strengthen our product offering by adding capabilities for shop applied cement lining.

Profitability and cashflows from core steel line pipe operations were impacted as certain projects budgeted in the water and energy sectors were either not tendered or were delayed; however, our portfolio investments helped deliver strong overall financial results. Our team's performance this past year has been disciplined and driven by purpose – we delivered improved operations, product reach and strengthened commitments with customers, colleagues and the communities we serve.

Progress on the national reform agenda provides a more stable backdrop for businesses like ours. They reduce volatility in procurement and capital planning and create space for investment in the sectors that will drive Pakistan's growth – engineering, energy, and infrastructure. Crescent Steel's own performance this year, including our contribution to the K-IV water supply project over the last two years, demonstrates the role that Pakistani corporates can play in building national resilience.

At the close of FY25, Crescent Steel successfully delivered over 204 kilometers (41,175 metric tons) of line-pipe in assorted sizes, alongside 319,711 square meters of line-pipe coating. These volumes reflect our continued operational strength and execution capability.

Sales for FY25 stood at Rs. 6,380 million (FY24: Rs. 9,112 million), reflecting a 30.0% year-on-year decline, primarily due to the slowdown in laying activities of the KIV project and delayed execution of in hand orders from Q4FY25 to Q1FY26 due to supply chain disruptions and geo-political tensions. Sales equated to Rs. 12,161 million on a deemed revenue basis (factoring in client supplied steel raw material for the K-IV Project) compared with deemed revenue of Rs. 18,105 million in FY24.

Despite a moderated topline activity, profitability remained robust with standalone EBIT at Rs. 2,197 million (FY24: Rs. 3,024 million), translating into a margin of 34.3% on net sales (FY24: 33.2%). This is primarily on the back of income from investments of Rs. 1,462 million (FY24: 1,070 million) – primarily constituting dividends and realized gain on sales of strategic holdings in Altern Energy Limited (ALTN) in line with our asset allocation and divestment strategy. Consequently, underlying EBITDA stood at Rs. 2,468 million (FY24: Rs. 3,290 million), with a margin of 38.7% (FY24: 36.1%), reflecting strong liquidity and earnings buffers that can be leveraged to absorb shocks and provide access to capital. On a consolidated basis, results were impacted by portfolio adjustments consequent on the divestment of Altern Energy Limited.

Standalone profit after tax (PAT) stood at Rs. 1,343 million (FY24 PAT: Rs. 1,607 million). Gross profit stood at Rs. 1,524 million, reflecting a margin of 23.9% (FY24: 28.9%; Rs. 2,636 million), impacted by lower sales and project-linked cost dynamics. Operating profit however, was recorded at Rs. 1,138 million (FY24: 2,560 million), translating into a margin of 33.3% (FY24: 31.2%).

On a consolidated basis, the Group posted a loss after tax of Rs. 43 million for FY25, compared to a profit after tax of Rs. 1,272 million in FY24. Operating profit however, was recorded at Rs. 1,138 million (FY24: 2,560 million), translating into a margin of 17.8% (FY24: 28.1%). This is primarily on account of portfolio adjustments and divestment of strategic holdings in Altern Energy Limited consequent on the termination of the underlying Power Purchase Agreement (PPA). As a result, as of February 28, 2025, the accounting treatment for our investment in ALTN was revised from equity accounting to fair value through profit or loss. This resulted in impairment charge of Rs. 220 million and a share-of-loss impact of Rs. 475 million on the consolidated P&L. As of July 16, 2025, the Group has fully disposed of its holding in ALTN.

Consequently, standalone earnings per share (EPS) for FY25 stood at Rs. 17.30 (FY24: Rs. 20.69), while consolidated loss per share (LPS) was Rs. 0.56 (FY24: EPS of Rs. 16.38).

As at June 30, 2025, the Company's balance sheet footing stood at Rs. 15,920 million (FY24: Rs. 10,498 million). We maintained a conservative gearing ratio of 22.0% and a strong current ratio of 1.63 reflecting prudent financial management and a disciplined capital structure. These metrics underscore our commitment to preserving financial resilience and operational agility amid a dynamic and evolving business environment.

Crescent Steel's book value has grown at a compounded annual growth rate (CAGR) of 7.5% since 1987 – from Rs. 7.11 to Rs. 112.73 per share. When adjusted for unrealized gains on strategic investments held at cost, the indicative break-up value stands at Rs. 141.10 per share. As of the reporting date, the Company's share traded at Rs. 115.63 per share, reflecting an earnings multiple of 6.7x and a price-to-book value ratio of 1.02 – underscoring sustained investor confidence and intrinsic value creation.

The Company distributed Rs. 388 million, representing 28.9% of PAT, as interim dividend during FY25. Including the proposed final dividend, total profit distribution to shareholders for the year will stand at Rs. 582 million, equaling 43.3% of PAT.

Rs. 112.4 million or 5.9% of profit before tax (PBT) was donated towards various causes we support. Of these community investments, approximately 91.0% were directed toward education, reflecting our belief in its transformative impact and long-term value creation.

Rs. 1,584 million or 83.0% of PBT was paid in taxes to the national exchequer and broader economy (FY24: Rs. 2,704 million; 107.0% of PBT), a year-on-year decline of 41.4%, primarily due to reduced topline activity linked to project execution cycles. Rs. 4,472 million (49.3% of sales) was paid to suppliers, while Rs. 691 million (15.0% of sales) was distributed to employees as compensation and benefits. Payments to lenders stood at Rs. 288 million (4.5% of sales and an average borrowing cost of 15.2%).

The flexibility and strength of our operating model – combined with the unwavering commitment of our leadership and teams – enabled us to close FY25 with strong performance, despite continued idling in other business divisions and a significant escalation in input costs. These outcomes demonstrate the resilience of our diversified business model, with investment income offsetting pressure on the steel division, and reflect our ability to adapt, prioritize core strengths, and execute with discipline under challenging conditions.

Looking ahead, a key strategic focus will be to sustain topline momentum and reinforce the Company's growth trajectory through operational excellence, market responsiveness, and prudent capital allocation.

Having stated some fiscal facts, I would now like to move to operations

Incorporated in 1983, we commenced commercial production in 1987 with an API licensed line pipe manufacturing unit about 100 km from Karachi, in Nooriabad. Today, we operate four distinct businesses, in the engineering, textile, power, and capital markets sectors.

Our flagship operations center on the manufacturing and coating of large diameter steel line pipes, which play a critical role in the energy cycle by enabling the safe and efficient transportation of hydrocarbons. These pipelines traverse rivers, mountains, towns, and villages – serving as vital infrastructure that communities and the environment depend on for long-term integrity and safety. Beyond oil and gas, line pipes are also used in water and wastewater systems, and serve structural applications in the construction of ports, jetties, bridges and buildings.

During the year, we developed and commissioned an Internal Cement Mortar Lining (ICML) system in-house, positioning ourselves as one of the only domestic facilities with a shop applied ICML product. Our in-house ICML facility will provide our growing customer base with an enhanced product offering, enabling us to build internal lining revenue streams. This is aligned with our medium-term objective of building our internal and external lining business for steel pipelines.

This versatility underscores the strategic importance of our products across multiple sectors and reinforces Crescent Steel's position as a trusted contributor to national infrastructure development.

Beyond the flagship steel operations, our operations continue to create meaningful impact across key sectors of the economy. Our yarn business contributes to the agricultural value chain by generating sustained demand for cotton and empowering farming communities across Pakistan. Investments in alternate power have enabled us to achieve energy independence while contributing to the stability of the national grid. Our capital market investments reflect a long-term conviction in the resilience and growth potential of Pakistan's corporate sector.

During FY25, the operations of the Hadeed (Billet) Division were formally classified as a discontinued, in line with the Company's strategic review. Accordingly, all assets of the division except for freehold land were reclassified as "Held for Sale" under applicable accounting standards. The freehold land was separately reclassified as "Investment Property," in line with its long-term strategic value and potential for alternate use. This reclassification aligns with our broader objective of optimizing asset deployment and focusing capital on core and high-performing segments.

Our purpose – **to contribute meaningfully to sustainable national development and inclusive growth, while consistently delivering value across all stakeholder groups** – remains the cornerstone of our strategic direction and corporate ethos. It serves as the vital link between our business strategy and our responsibility as a corporate citizen. This purpose underpins our commitment to remain competitive, resilient, and forward-looking, while actively contributing to Pakistan's economic, environmental, and social prosperity.

Our businesses continue to provide equal opportunity employment to hundreds of people in Pakistan.

We have made a deliberate and disciplined prioritization of where we want to grow, remaining focused on businesses where we can leverage our inherent strengths and long-standing capabilities. Our strategic thrust continues to center around the engineering sector, which remains core to our value proposition and long-term growth ambitions. The challenges of the past few years have served as a catalyst – helping us sharpen our focus within this segment while prompting difficult but necessary decisions to unlock value from underperforming or non-core assets. This portfolio rationalization reflects our commitment to capital efficiency, strategic clarity, and sustainable value creation.

The engineering sector remains a pivotal driver of economic growth in Pakistan, particularly through the development of national energy and water infrastructure. The increasing reliance on pipelines as efficient logistics solutions for fluid transport, coupled with their use in specialized construction applications such as piling for ports, jetties, bridges and buildings, will sustain demand for large diameter line pipes. Crescent Steel is strategically positioned to capitalize on this opportunity, leveraging its technical expertise, manufacturing capacity, and longstanding industry relationships to support infrastructure expansion and national development.

We understand that our industry and Company can have a profound impact on people's lives.

Energy and water security are foundational to Pakistan's economic and social development, with far-reaching implications for communities across the country. These sectors have historically been the single most important contributors to Crescent Steel's growth and employment generation, and they remain central to our business sustainability today. The Company has contributed 35.0% of the national gas transmission infrastructure during it's 38 years of operations, playing a significant role in advancing Pakistan's energy logistics and infrastructure footprint.

Our pipe manufacturing business continues to serve domestic demand for large diameter steel line pipes – products that are otherwise imported at high freight costs to bridge local supply gaps. Planned national initiatives to expand pipeline infrastructure, particularly for the transportation of imported fuels, along with critical water and sanitation projects, are material not only to our future business prospects but also to Pakistan's long-term development agenda. Crescent Steel is well positioned to support and benefit from these transformative investments.

Our successes mean a durable and sustainable, energy and water infrastructure for Pakistan.

During the year produced and supplied 41,175 tons of steel line pipe in diameter sizes ranging from 12 inches to 84 inches (59,453 tons in FY24). On a notional basis, this works out to 82,286 tons on an installed notional capacity of 200,000 tons. Line pipe coatings of 319,711 sq. meters on an installed notional capacity of 600,000 sq. meters (553,906 sq. meters in FY24). A total of 204 KMs of line pipes were dispatched during the year.

The Steel Division remained a key contributor to Crescent Steel's overall performance during FY25, despite the operational challenges mentioned earlier. Revenues stood at Rs. 6,346 million (FY24: Rs. 9,056 million), generating a gross profit of Rs. 1,656 million at a margin of 26.1% (FY24: 31.7%; Rs. 2,868 million). Adjusting for deemed revenue of approximately Rs. 5,830 million, estimated sales reach Rs. 12,176 million, reflecting a gross margin of 13.6%. The Division posted a profit before tax (PBT) of Rs. 724 million (FY24: Rs. 1,758 million), contributing Rs. 9.33 per share – 37.9% of the Company's total PBT of Rs. 24.58 per share.

Our line pipe business remains tightly linked to national development cycles, which inherently fluctuate as with all infrastructure development. To buffer against these fluctuations, we have a resilient corporate structure supported by ancillary revenue streams and robust cash flow management.

FY25 saw a strong rebound in Pakistan's capital markets, reflecting improved macroeconomic indicators and investor confidence. The KSE-100 Index rose 60.1% to close FY25 at 125,627 points – among the strongest performers globally. In USD terms, the return was 58.2%, dampened by a modest 1.9% PKR depreciation.

Market capitalization rose significantly, with the KSE-100 alone adding PKR 1.3 trillion to reach PKR 3.7 trillion up 52.4% (USD 13.2 billion, up 49.5%). This growth was driven by broad-based liquidity inflows, substantial monetary easing of 850 basis points and, progress under the IMF program that strengthened external account stability.

For Crescent Steel, this performance is material. Our investment portfolio benefitted from market gains, while the broader improvement in liquidity and confidence has positive implications for capital formation and financing conditions across industries. Despite the rally, valuations remain compelling. The KSE-100 trades at a forward P/E of 7.2x compared to regional market averages of 12.5x and P/B of 1.24 well below regional averages. This presents a supportive backdrop for long-term investors and underscores Pakistan's potential for further re-rating as fundamentals continue to strengthen .

The investments division continued to provide working capital and cashflow support to our core business, generating Rs. 979 million in cash flow support through investment income (mainly from dividend income flows) and Rs. 1,477 million through the pledge of assets for funded and non-funded limits.

The portfolio (on a consolidated basis including CS Capital) holds Rs. 2,053 million in trading investments while Rs. 3,330 million makeup strategic investments. The division posted a PBT of Rs. 1,415 million, including dividend income of Rs. 801.4 million on a standalone basis. The Division contributed 74.2% to the PBT of Rs. 24.58 per share.

The spinning unit remained inoperative during the year and consequently posted a loss before tax of Rs. 66 million.

Our grid-tied 974.8 KwH solar plant contributed Rs. 102 million in energy savings since installation and has helped reduce 1,579 tons of CO_2 emissions – reinforcing our commitment to sustainable operations and environmental stewardship.

We employ a diverse workforce with varying skill sets across 6 locations; on average, we had 420 people in employment during the outgoing fiscal year, receiving compensation and benefits of Rs. 691 million during the year. We closed the fiscal year with a workforce of 406 (FY24: 431).

Our commitment has always been to deliver quality products responsibly, efficiently, and economically, and in doing so to make positive contributions to our community, provide fair returns to our shareholders and a desirable workplace for employees.

As a long-term industrial concern, our values are rooted in sustainable principles. Since we opened our facility in Nooriabad in the 1980s – with all our acquisitions and expansions during this time, we have grown with the communities where we work and live, have remained invested in the overall well-being of Pakistan, minimizing our environmental footprint and being a reliable partner for suppliers and customers.

At Crescent Steel, we take pride in the unwavering commitment to ethical business practices demonstrated across our leadership and management teams. Our Core Values and Governing Principles reflect a deeply held belief that every aspect of our business must be conducted with honesty, openness, fair play, and decency. These principles were formally adopted well before the introduction of any mandated Code of Corporate Governance and even prior to our listing in 1987 – underscoring the foresight and integrity embedded in our corporate DNA. Today, they continue to serve as Crescent Steel's North Star, guiding our decisions, shaping our behaviors, and anchoring our responsibility to do what is right – for our business, our people, and all stakeholders we serve.

We continuously strive to build a culture of care anchored in safety-first principles, a steadfast commitment to environmental stewardship, and enduring relationships with all our stakeholders. Our journey has taught us that the discipline and resilience to navigate both favorable and challenging times with equal resolve always returns dividends over a long arc.

At Crescent Steel, we are grateful for what we have accomplished over the past four decades – building not just infrastructure, but trust, impact, and institutional strength.

As we look ahead, we remain deeply committed to seizing the opportunities before us and continuing to make a lasting difference for our business, our communities, and the nation at large.

Looking Ahead

Line pipe manufacturing and coating operations remain an area of focus for us - we expect to resume execution of remaining quantities against the K-IV project. We also have orders in hand from both gas and water line-pipes that will keep us busy during FY26.

Sui Northern Gas Pipelines Limited (SNGPL) has issued a tender for supply of assorted diameters of steel line pipes of approximately 195 kilometers. If awarded, this project will be executed in H2FY26.

In the water sector we expect that projects allied with K-IV will continue to keep us occupied over the next three years, including the K-IV Augmentation Project and the K-IV Project, Phase-II.

I remain confident about Crescent Steel's future because Pakistan's fundamentals are turning a corner. The recent macroeconomic stabilization is creating space for investment, and I have conviction that the engineering sector will prove to be an engine of growth and innovation. Pakistani corporates have shown resilience through every cycle, and I believe the years ahead will offer new opportunities for companies that combine technical strength with disciplined execution. Crescent Steel is well positioned to contribute to and benefit from this next phase of growth.

Looking ahead, our strategy remains clear. We are committed to reinforcing our position in the engineering sector while undertaking a comprehensive review of our asset base. This will allow us to become leaner, more agile, and better positioned to pursue sustainable, long-term growth and value creation.

I extend my sincere gratitude to the Board and its committees for their proactive guidance and unwavering support. I also wish to acknowledge the dedication and resilience of our employees and management team, whose outstanding contributions have been instrumental to sustained performance.

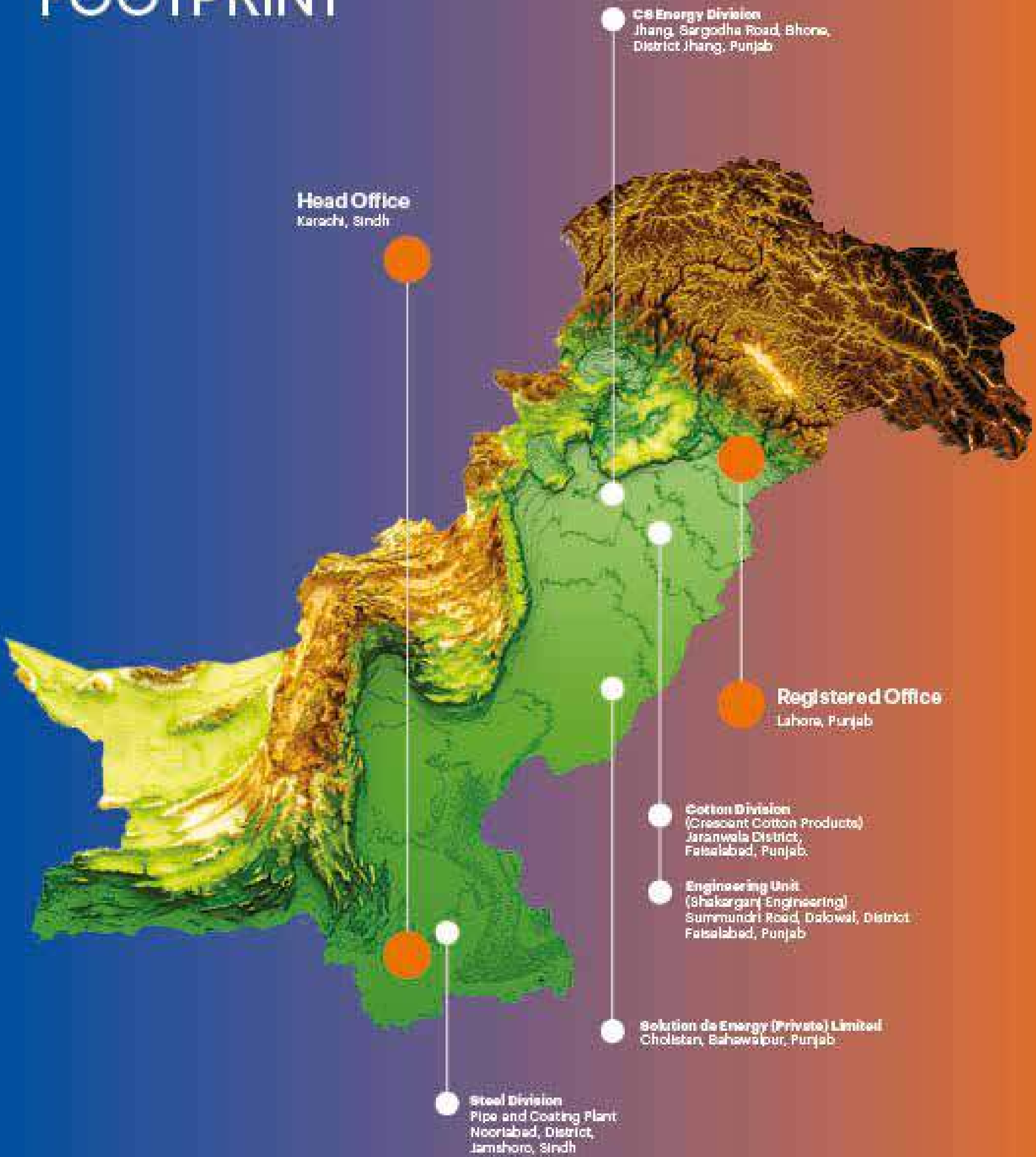
Finally, I would like to recognize and thank our stakeholders – our customers, the communities in which we operate, our business partners, and most importantly, you, our shareholders.

I look forward to your continued trust and support in our collective journey to build a sustainable and value-creating enterprise.

Ahsan M. Saleem
Chief Executive Officer

July 31, 2025

OUR FOOTPRINT



Business Unit	Address
Principal Office and Mailing Address	9th Floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi-74200
Liaison Offices	E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.
Steel Division Pipe and Coating Plants	A/25, S.I.T.E., Nooriabad, District Jamshoro, Sindh-73090
Engineering Unit	17 Kilometer Summundri Road, Dalowal, District Faisalabad, Punjab.
Cotton Division (Crescent Cotton Products)	1st Mile, Lahore Road, Jaranwala, District Faisalabad.
CS Energy Division Power Generation Unit	57 Kilometer, Jhang Sargodha Road, Bhone, District Jhang.

AWARDS AND ACCOLADES

2016

- 1st Position in the Diversified Holdings Sector - Best Presented Annual Report Award 2014 (SAFA)
- 3rd Position in the Engineering Sector - Best Corporate Report Award 2014 (ICAP and ICMAP)
- 2nd Position - Best Sustainability Report Award 2014 (ICAP and ICMAP)
- 2nd Position in the Human Resource Development Category - Employer of the Year Award 2014 (EFP)

2017

- 1st Position in the Diversified Holdings Sector - Best Presented Annual Report Award 2015 (SAFA)
- 3rd Position in the Engineering Sector - Best Corporate Report Award 2015 (ICAP and ICMAP)
- 3rd Position - Best Sustainability Report Award 2015 (ICAP and ICMAP)
- 1st Position in the Engineering and Autos Sector - Best Corporate Report Award 2016 (ICAP and ICMAP)
- 3rd Position - Best Sustainability Report Award 2016 (ICAP and ICMAP)

2018

- Listed among PSX - Top 25 Companies 2016
- 1st Position in the Diversified Holdings Sector - Best Presented Annual Report Award 2016 (SAFA)
- 3rd Position in the Integrated Reporting Category - Best Presented Annual Report Award 2016 (SAFA)
- 5th Position - Best Sustainability Report Award 2017 (ICAP and ICMAP)

2019

- Certificate of Merit in the Engineering and Autos Sector - Best Corporate Report Award 2018 (ICAP and ICMAP)
- 1st Position in the Diversified Holdings Sector - Best Presented Annual Report Award 2017 (SAFA)

2020

- 3rd Position – Corporate Philanthropy Award 2018 (PCP)

2021

- 1st in the Diversified Holdings Sector - Best Presented Annual Report Award 2019 (SAFA)
- Certificate of Merit in the Engineering and Autos Sector - Best Corporate Report Award 2019 (ICAP and ICMAP)
- Certificate of Merit in the Engineering and Autos Sector - Best Corporate Report Award 2020 (ICAP and ICMAP)

2022

- 1st in the Diversified Holdings Sector - Best Presented Annual Report Award 2020 (SAFA)
- Certificate of Merit in the Engineering and Autos Sector - Best Corporate Report Award 2021 (ICAP and ICMAP)

2023

- Joint Gold award in the category of Diversified Holdings by South Asian Federation of Accountants (SAFA) under the 'Best Presented Annual Report Awards' for 2021

2024

- Silver Award in the category of Diversified Holdings by South Asian Federation of Accountants (SAFA) under the 'Best Presented Annual Report Awards' for 2022.
- Certificate of Merit in the Engineering and Autos Sector - Best Corporate Report Award 2022 (ICAP and ICMAP).

2025

- Certificate of Merit in the Engineering and Autos Sector by ICAP and ICMAP under the 'Best Corporate Report Awards' for 2023.

OUR HISTORY (1983-2025)

1983-1990

1983

- Incorporation of Crescent Steel and Allied Products Limited*

1987

- Started commercial production
- Listed on Pakistan Stock Exchange
- API Certification accreditation

1989-90

- Modification of pipe plant to produce line pipes up to 90 inches in outside diameter

1991-2000

1991

- Exported line pipes
- Investment made in 3-layered polyolefin coating facility

1992

- Executed first ever 3LPE coating project in Pakistan

1995-96

- Change of reporting period from December to June
- Introduced new logo of the Company

1997

- First company in its sector to obtain ISO 9001 accreditation
- Started reporting on Environment and Social Responsibility

2000

- Diversified into the textile sector by acquiring Crescent Cotton Products consisting of 19,680 spindles*

2001-2010

2001-02

- BMR at Crescent Cotton Products

2003

- Adaptation of the Code of Corporate Governance

2004

- Implementation of ERP and other IT related initiatives
- Acquired testing facilities for our service line pipes

2005

- Installed fine count unit at Crescent Cotton Products consisting of 25,344 spindles*

2006

- Pipe manufacturing and coating plant significantly upgraded to produce pipes for cross country pipelines
- Completion and commencement of production on the new spinning mill
- Acknowledged among KSE - Top 25 Companies 2005
- First Pakistani Company to acquire oil and gas industry specifics ISO/TS 29001, QMS Certification from API
- 1st Position – Best Corporate Report Awards 2005 (ICAP and ICMAP)

2007

- Initiated the implementation of Oracle E-Business suite
- The Investment and Infrastructure Development Division (IID) was carved out as a separate business unit

2008

- Executed port piles work
- 1st Position – Best Corporate Report Award 2007 (ICAP and ICMAP)

2009

- Oracle E-Business Suite go - live
- Merit certificate - Best Presented Accounts and Corporate Governance Disclosure Award 2009 (SAFA)
- Acknowledged among KSE - Top 25 Companies 2008
- 2nd Position – Best Corporate Report Award 2008 (ICAP and ICMAP)

2010

- Acquired a 100% stake in Shakarganj Energy (Private) Limited, a bagasse fired thermal generation power plant*
- Adapted horizontal and vertical integration in the steel business
- Complied with ISO 14001 and OHSAS 18001 requirements for the first time
- 2nd Position – Best Corporate Report Award 2009 (ICAP and ICMAP)

2011-2020

2011

- Upgraded coating plant capacity to 60" making it the only coating plant of this capacity in Pakistan*
- Migrated entire ERP system to cloud infrastructure
- Acknowledged among KSE - Top 25 Companies 2010
- Machinery enhancement at Crescent Cotton Products
- 2nd Position – Best Corporate Report Award 2010 (ICAP and ICMAP)

2012

- Acquired a 100% stake in CS Capital (Private) Limited*
- Steel Division upgraded with state-of-the-art digital control systems and HMI (Human Machine Interface) capabilities

- Acknowledged among KSE - Top 25 Companies 2011
- BMR at Crescent Cotton Products
- 1st Position – Best Management and Decent Work Practices Award (EFP)
- 2nd Position - Best Practices Award on OSH&E (Occupational Safety, Health and Environment) (EFP)
- 2nd Position – Best Corporate Report Award 2011 (ICAP and ICMAP)

2013

- Incorporated a wholly owned subsidiary Crescent Hadeed (Private) Limited to manufacture steel billets*
- High energy efficient motors installed for reducing consumption of energy during production
- Defined Crescent Core Values*
- Launched Crescent Communications – an internal communication platform
- Developed a sustainability reporting framework*
- 1st Position – Best Corporate Report Award 2012 (ICAP and ICMAP)
- 2nd Position – Corporate Excellence Award (MAP)

2014

- 1st Position – Employer of the Year Award 2012 (EFP)
- 1st Position – Best Practice Award on OHSAS 2013 (EFP)
- 2nd Position – Best Corporate Report Award 2013 (ICAP and ICMAP)
- 3rd Position – Best CEO Award 2013 (Mass HRS)
- 4th Position – Best Sustainability Report Award 2013 (ICAP and ICMAP)
- 5th Position – Corporate Philanthropy Award 2012 (PCP)

2015

- Land allocated by Punjab Power Development Board to Solution de Energy (Private) Limited to establish solar power generation plant
- Installation of 7,680 compact attachments to enhance efficiency*
- Received KSE - Top 25 Companies Award for the years 2010, 2011 and 2013
- 2nd Position - Best Presented Annual Report Award 2013 (SAFA)
- 3rd Position - Best Practice Award on OSH&E (Occupational Safety, Health and Environment) 2014 (EFP)

2016

- Rights issued to finance expansion in the line pipe manufacturing unit by adding another SP Line
- Installation and commencement of operation on the second SP Line, enhancing the installed capacity and product offering*
- Production of 58,202 tons of Mixed Dia Bare Pipe and coating of 590,738 square meters*

2017

- Record production of 88,110 tons of Mixed-Dia Bare Pipe*

2019

- Amalgamation of Crescent Hadeed (Private) Limited and CS Energy (Private) Limited – wholly owned subsidiaries
- Enhanced hydro-tester machine capacity to meet new industry requirements*

2020

- Issuance of electricity generation license of Solution de Energy
- Tested and implemented IT infrastructure for work from home.
- Implementation of Covid-19 protocols and work instructions

2021-2025

2023

- Enhanced pipe hydrostatic testing capacity to up to 100" in pipe diameters*
- Enhanced coating capability of pipe from 64" to 84" diameters*
- Installed Solar Power system at Nooriabad having 561.2 KW*

2024

- EPS of Rs. 20.69 per share.
- Production of 59,453MTons of mixed dia bare pipe, including 43,347MTons of 84 inch OD API "Grade L290M/X-42M, Standard API Spec 5L (46th Edition) PSL-2"
- Coating application on 84 inch OD pipe*

2025

- Classified operation of Hadeed Division as 'Discontinued operation'.
- Installed Cement Mortar lining setup
- Installed Beveling machine for pipes (406 to 3048mm).
- Divestment from strategic holding in Altern Energy Limited

*Denotes diversification into new business, major expansion in existing units and landmark achievements.


ENGINEERING VALUE.
BUILDING TRUST.

GROUP STRUCTURE

Crescent Steel and Allied Products Limited

Our Business Operations are structured as separate Business Units and as subsidiary units within Crescent Steel.

The Company operates four divisions: Steel and Engineering, Crescent Cotton Products, Investments and Infrastructure Development (IID) and, CS Energy. Operations of Crescent Hadeed had been suspended during FY25 and the asset was held for sale as on June 30th 2025. The Company also operates two wholly owned subsidiaries:CSCapital (Private) Limited and Solution De Energy (Private) Limited. CS Capital forms part of the IID Division as a standalone investment holding company while Solution De Energy holds strategic investments in a 100 MW Solar Park Project and forms part of the CS Energy Division.

The Company holds strategic investments in Shakarganj Limited (28.1%), Shakarganj Food Products Limited (10.1%) and Crescent Textile Mills Limited (8.5%).

Business Divisions

- Steel and Engineering
- Crescent Cotton Products
- Investment and Infrastructure Development Division
- CS Energy

Subsidiaries

- CS Capital (Private) Limited
  100% Owned
- Solution de Energy (Private) Limited
  100% Owned

Strategic Invesment

- Shakarganj Limited
- Shakarganj Food Products Limited
- Crescent Textile Mills Limited

VISION, MISSION AND, CORE VALUES

Our Mission, Vision and Core Values help communicate the purpose of the organization across stakeholder groups, inform strategy development and provide the basis for setting measurable goals and objectives in alignment with the corporate strategy.

VISION

To lead with purpose and create sustainable value for all stakeholders based on a legacy of excellence.

MISSION

We build Pakistan's resilience by delivering infrastructure, industrial and capital solutions, that power long-term growth, create stakeholder value and uplift communities.

Our mission is driven by:

- A Pursuit of Excellence;
- Capital Stewardship;
- Leading with Integrity;
- Empowerment that Multiplies Impact

CORE VALUES

Our core values are at the heart of our business – they define who we are, how we work, what we believe in, what we stand for, how we act and how we expect to be treated as part of Crescent Steel.

INTEGRITY

Consistently doing the right thing

Being ethically unyielding and honest in the way we conduct business.

OWNERSHIP

Acting with stewardship

Building a better, stronger and more dynamic organization.

CUSTOMER FOCUS

Leveraging relationships for out-performance

Delivering value through responsiveness to internal and external customers.

CONTINUOUS IMPROVEMENT

Continuous improvement gives us a competitive advantage

Fostering collaboration, innovation and, creativity as individuals and as teams.

COMMUNITY CARE

Social responsibility is at the heart of our business

Facilitating social equity in communities where we operate.

Capitals Engaged

Financial Capital The financial assets available to Crescent Steel	
Owner's Equity	Rs.8,407 million
Investments	Rs.3,558 million
Investment in Solution de Energy	Rs.200 million
Net Worth	Rs.8,407million
Total Debt	Rs.1,874.1 million
Investment property at Bhone Industrial land	19.11 acre
Investment property at Ferozepur, Lahore	5.1 Acre
Investment property at Port Qasim, Karachi	8,093.7 sq meter

Manufactured Capital The raw materials, plant and machinery and infrastructure required to manufacture goods	
4 Manufacturing Facilities	**Capacity**
2HSAW Steel Pipe manufacturing lines	200,000 Tonnes (Notional) Core Raw Material: Hot Rolled Coils
Coating Plant	600,000 square meters (Notional) of various line pipe coatings and Cement Mortar Lining System Core Raw Material: Epoxy, HDPE, Cement, Sand
Yarn Spinning Unit	19,680 spindles Core Raw Material: Cotton & polyester
Power Plant	15MW (Co-generation, thermal generation power plant) 16.5MW (condensing and extraction turbine) Core Raw Material: Bagasse

Intellectual Capital Organisational knowledge, licenses, systems, brand equity	
Systems and Processes	Strong management systems, detailed procedures and a strong Internal Audit function
Tacit Knowledge and Knowledge Sharing	Strong knowledge base, legacy staff, sharing personal and professional experiences
Brand Value and Reputation	Customer focus, reliability and product quality
Company Culture and Values	Workplace environment, strong performance culture, open door policy, high levels of employee engagement and focus on core values in day to day work
Corporate Governance	Transparency, focus on corporate governance beyond regulatory requirements
Strategies	Ability to position ourselves in industry, strong management team

Human Capital The Knowledge, skills and expertise of our people.		
Number of Employees	406 (128 in management and 278 shop floor personnel)	
Strong Leadership	Highly qualified management team	
Highly Skilled Engineers Technical Staff	Technically strong team at manufacturing sites	
Positive Employee Relations	- High performance culture - Regular communication - Open door policy - Annual Employee Opinion Survey	- Annual engagement sessions with community partners - Reward programs - Competitive pay and benefits
Complex Supply Chain	- Strong supplier relationship management - Sourcing technically complex API grade steel and managing inland logisitics - Quality Assurance and customer focus	

Social and Relationship Capital Crescent Steel's relationships with stakeholder groups		
Contribution through Community Partners	1. The Citizens Foundation 2. Habib University 3. National University of Sciences and Technology (NUST) 4. Indus Valley School of Arts and Architecture (IVS) 5. Deaf Reach 6. Patients Aid Foundation 7. The Health Foundation 8. Indus Hospital 9. NIBD Welfare Society 10. Shaukat Khanum Memorial Cancer Hospital and Research Centre	11. Sindh Institute of Urology and Transplantation 12. Layton Rahmatullah Benevolent Trust 13. World Wide Fund for Nature – Pakistan 14. SOS Village 15. Akhuwat Islamic Microfinance 16. Citizens Police Liaison Committee 17. The Robin Hood Army 18. Habib Public School 19. Young Presidents Organization 20. Make-A-Wish Foundation 21. Pasha Farms 22. Karachi Down Syndrome Program 23. NOWPDP
Strong Customer and Industry Partnership	- Annual Voice of Customer Survey - Regular engagement with EDB (Engineering Development Board of Pakistan) - NSAC and other industry bodies - Strong partnership with EFP(Employers' Federation of Pakistan)	
Engagement with Govt and Regulators	- Full compliance towards all legal and regulatory asks - Strong engagement with SECP - Engagement with relevant ministries and governement bodies when needed	

Natural Capital Natural resources used in the value chain	
Energy and Fuel through Convential and Renewable Resources	1. National Grid 2. Bagasse 3. Gas 4. Steam 5. Solar
Energy Efficiency	- Energy efficient machinery, motors and electronics (including inverter HVAC and LED lighting) - Natural lighting interventions for conservation
Water	1. Water treatment before discharge 2. Reusing water where possible 3. Sources include groundwater and municipal supply

OUR BUSINESS MODEL

Crescent Steel Competitive Advantage

Business Context

External Variables Impacting Value

- Inflation, interest rates, and currency fluctuations in Pakistan directly affect input costs and profitability
- Economic slowdowns or instability reduce demand for infrastructure and steel products.
- Increasing pressure for sustainability and ESG compliance
- Volatility in the Pakistan Stock Exchange (PSX)
- CPEC associated energy and infrastructure projects
- National water and energy infrastructure projects and, infrastructure development in general
- Fluctuation in global commodities markets, especially steel (raw material)and Political instability

Our Material Risks

- Rupee devaluation
- High inflation and high interest rate environment
- Policy hurdles in critical raw material imports
- Increase in raw material costs and other input costs
- Disruptions in planned infrastructure projects
- Geo political instability

Marketing and Sales

Relationship Management and Sales

Participation in Tenders

Market

Demand Planning

Development and Needs Assessment

Procurement

Raw Material Imports

Inbound Logistics

Relationship Management

Demand Planning

OUR PROFIT BLUEPRINT

REVENUES

- Sales of bare and coated line pipes
- * Coating of customer supplied line pipes
- *Manufacturing pipes with customer supplied HRC
- *Sales of cotton and synthetic yarns
- Sale of power and steam
- Portfolio gains on trading, dividend income, and returns from strategic investments
- Rental income and gains real estate appreciation

COSTS

- Procurement of raw materials, consumables, machinery, spares and parts
- Purchase and maintenance of equipment and facilities
- Investments in management and employees
- Costs of financial capital
- Negative exchange rate impacts
- Taxation
- Supplier and support services costs
- Regulatory and compliance costs

Revenue -30% to Rs. 6.38bn – Cost of Sales -25% to Rs. 4.86bn = Gross profit -42% to PKR 1.52bn + Income from investments – net -12% to PKR 0.53bn – Distribution cost -37% to PKR 0.04bn – Administrative expenses 23% to PKR 0.66bn – Other operating expenses 7% to PKR 0.30bn + Other income -29% to PKR 0.08bn = Operating profit before finance costs -54% to PKR 1.14bn – Finance costs -42% to PKR 0.29bn

Our business operates five divisions in four distinct industry segments. The flagship unit manufactures and coats steel line pipes primarily for Oil and Gas transmission and as a result sales in this segment are subject to volatility in line with the pace of development projects - our buisnesses in other areas provide us buffer to periods of low business in our flagship operations.

Our Products and Outputs

Spiral Welded Line Pipes, Line Pipe Coating and Cement Mortar Lining
Sectors Served
Oil, gas, (transmission) energy, water and sanitation

Quality Assurance Laboratory
Outputs:
Quality Reduced turnaround times

Bio Energy/ Renewable Energy & Steam
Sectors Served:
Manufacturing units

Steel Ancillary Waste
Sectors served:
Engineering, Steel Product manufacturers, metal recycling and consumption

PV and PC Yarn
Sectors served:
Textile Manufactures

Manufacturing and Processing

- Production
- Quality Control
- Quality Assurance

Distribution

- Inspection
- Outbound Logistics

Capitals Engaged | Impacts and Outcomes

Financial Capital

Delivering sustainable returns
- 10 Year ROE: 4.5%
- 3,368million wealth distributed
- Turnover: Rs. 6,380.7 million
- Supplier payments: Rs. 4,699.4 million
- Finance Costs: Rs. 289.0 million

Manufactured Capital

Generating long-term returns through investments in plant, machinery and equipment to maintain and enhance capacity and quality of output

- Bare Pipes produced: 82,286 tonnes at capacity utilisation of 41.1% and 204 KM of quality line pipes delivered to customers
- Coating application: 339,831 sq meters at a capacity utilisation of 56.6%
- 542 units of various machinery and related fabrication

Natural Capital

Protecting the environment through reduced impacts
Our manufacturing operations produce air and other pollutants including waste which may lead to negative environmental impacts. Similarly, energy is consumed in the sourcing, manufacturing and delivery of goods

- We seek to reduce our impacts and have:
- Installed energy-efficient machinery and equipment
- Reused 181.56 M litres of water
- Generated 50,740 GJ of own source power
- Planted 6,700 + trees and mangrove saplings
- Installed 1001.58 KWh of solar power capacity

Human Capital

21"% female representation across our corporate offices

- Paid Rs 695m in salaries and wages,23.4% of PBT

- Provided 1,871 hours of training to enhance workforce skills

- A thriving culture for our people

- Generating value through skilled, motivated and well cared for employees; ensuring fair labor practices

- A safe working environemnt and conducive human resource management and compensation policies.

- Investing in targeted training and developemnt for technical and mangement personnel

Social and Relationship Capital

Creating value for the communities we operate in through investments in education, health and the environment
- Spent Rs 114.47 m in donations to causes we support
- 23,000 ml blood donated
- 1,339 hours of volunteering time contributed by employees
- 23 community partners engaged during the year
- Continued to support an educated Pakistan by supporting 2,885 TCF students and providing 12 higher education scholarships for TCF grads and children of our employees.

Maintaining positive and productive relationships with employees, suppliers, shareholders and other stakeholders
- Employee Satisfaction Score: 3.81
- Customer Satisfaction Score: 95%
- Key Suppliers Evaluated: 100%

Intellectual Capital

Investments in innovative systems and resources; ensuring effective resource allocation i.e. placing the right roles by levergaing management systems and corporate culture

VALUE PROPOSITIONS

CUSTOMER AND SUPPLIERS

- Reliable partner for quality line pipes and line pipe coatings for the oil, gas and water transportation and, contruction segments
- Supply of quality polyester cotton yarn to weaving and knitting units
- Income stream and strong partnerships with suppliers
- Supply of energy and steam to businesses
- Active investor in Pakistan

EMPLOYEES

- Comprehensive compensation and benefit plans
- Employee development
- Innovate and grow
- Employee Engagement

SHAREHOLDERS

- Consistently deliver value
- Reasonable returns from well managed operations, through acquisitions and organic growth

SOCIETY

- Contributing towards development through the supply of quality line pipes for energy and water infrastructure projects.
- Contributing to an educated and skilled Pakistan
- Supporting healthcare access
- Advocating for environmental protection, conservation and climate action

+ Share of profit in equity accounted investees - net of taxation -213% to PKR 0.47bn = Profit before taxation -84% to PKR 0.37bn − Taxation -72% to PKR -0.32bn = Profit for the year -96% to PKR 0.06bn + Loss from discontinued operation 18% to PKR -0.10 bn = Net (loss) / profit for the year-104% to PKR -0.04 bn

OUR BUSINESSES

The success and growth of our business benefits all along the value chain—the government, our suppliers, our customers and their customers, service providers, utilities, infrastructure owners, investors, and more.

Incorporated in 1983 as a steel line pipe manufacturer, Crescent Steel has grown into a diversified conglomerate, listed on the Pakistan Stock Exchange, with business units across four key sectors: engineering, textiles, capital markets, and power. Our operations are spread across five campuses in Sindh and Punjab, with headquarters in Karachi and a registered and liaison office in Lahore.

Steel Division

The Steel Division operates three plants across two campuses, a Pipe Manufacturing and Coating Plant in Nooriabad, Sindh and, a Machinery Fabrication Plant (Shakarganj Engineering) in Dalowal, Punjab. The pipe plant operates two Spiral Pipe (SP) production lines, specializing in large-diameter spiral submerged arc welded steel line pipes. The Coating Plant applies flow-efficient and anti-corrosion, external and internal pipe coatings on steel line pipes. The unit is also capable of applying weight coatings. Shakarganj Engineering fabricates machinery and equipment for the Sugar, Cement, Power and Engineering industries, including our own manufacturing units.

Line Pipe Manufacturing

The Spiral Pipe (SP) Plant has the capability of manufacturing high-quality steel pipes in the diameter range of 8 inches –120 inches (219 mm – 3,048 mm) with wall thickness up to 25 mm and material grades up to API 5L X-100. The unit's pipe production capacity is 200,000 MT per annum.

The notional annual capacity for production based on a single shift of eight hours is 66,700 MT of bare pipe per annum. Both SP lines are capable of operating for 24 hours at an annual plant capacity of 200,000 MT per annum. The notional pipe size is taken as a diameter size of 30 inches with 1⁄2 inch thickness for SP-1600 and a diameter of 40 inches with 5⁄8 inch thickness for SP-2003.

The actual production achieved during the year was 41,175.3MT (FY24: 59,453.3 MT) of line pipes in varied sizes and thicknesses, in 862 extended shifts and total production of 6,898 hours. Actual production is equivalent to 80,286.1MT[FY24: 97,542.9 MT] when translated to the notional pipe sizes or a capacity utilisation of 40.1% on a notional basis.

In the manufacturing process Hot-rolled coils (HRC) are processed and converted into Submerged Arc Welded Helical Seam Line Pipes. If required, internal and/or external coatings of high-density polyethene are applied and line pipes are supplied primarily to public utility companies for use in the national oil and gas transmission network and, to other customers.

Supply Chain Bare Line Pipes

HR Coils and consumables are imported from steel manufacturers and inspected for specs and quality parameters.

Crescent Steel procures and processes HR Coils that pass quality testing, to manufacture steel line pipes.

Bare steel line pipes are tested for quality and are either dispatched to customers or processed for coating.

Steel line pipes are primarily used in transmission pipelines in the oil, gas, and water sectors. These line pipes are also used in construction, usually as piles at ports and jetties.

Line Pipe Coatings

Crescent Steel is one of the first in the country to introduce anti-corrosion and flow efficiency internal and external pipe coatings with a state-of-the-art external coating line in 1992.

External coatings include Multi-Layer Polyolefin and Polypropylene Coating, Single layer Fusion Bonded Epoxy Coating, Tape Coating, and Liquid Epoxy Coating while internal coatings include Anti- Corrosion Epoxy Coatings, Flow Efficiency Coating (FEC) and Cement Lining.

We carry the capability to coat steel line pipes ranging from 4 inches – 84 inches (114 mm – 2,134 mm), tape coatings on pipe diameters above 60 inches (1,524 mm) and internal epoxy coatings on diameters ranging from 8 inches – 60 inches (219 mm – 1,524 mm).

The annual notional capacity of the plant works out to 600,000 square meters based on 14-inch diameter pipes operating single Ten-hour shifts. We coated 98,072 meters [FY24: 230,275 meters] of pipes in varying sizes. 319,711 (339,831 notional) square meters surface area [FY24: 553,906 square meters surface area] was achieved during the year over 1,766 hours of production, translating into a capacity utilisation of 56.6%.

Installed Cement Mortar Lining Setup

Our new Cement Mortar Lining (CML) setup is now up and running—marking a big step forward in how we maintain and protect our water pipelines. This system applies to an even layer of cement mortar inside pipes, helping to prevent corrosion, improve flow efficiency, and extend the life of our infrastructure.

With automated application tools, high-capacity mixers, and controlled curing chambers, the setup is built for consistent performance and long-term reliability. It also supports our sustainability efforts by reducing the use of chemicals and lowering maintenance needs over time. This new system is to boost the durability of our pipeline network, cut down on operational costs, and support future growth.

Supply Chain Internal and External Pipe Coatings

Crescent Steel receives bare pipes from clients/Crescent Steel's line pipe manufacturing unit.

External and/or internal coating is applied to bare pipes and pipes are tested for quality.

Coated pipes help improve flow efficiency, reduce material and energy use, enhance durability, and help manage future costs better.

Engineering Unit

The Engineering Unit established in 2005 and located in Dalowal, Punjab was acquired by Crescent Steel in 2009.

The workshop fabricates machinery and spare parts on design specifications it owns, or as provided by the customers, for various local industries especially in the food and cement sectors. The raw material, mainly metal sheets, is procured and converted into industrial equipment.

This unit was leveraged in the commissioning of our steel melting, billet manufacturing unit, and supplied key infrastructure and equipment to the plant including the fabricated components of the continuous casting machine, overhead cranes, vibro-feeders, and furnace hoods. Most recently, the unit has fabricated and supplied key components to our line pipe coating and manufacturing units enabling us to augment capacity for higher diameter sizes. The following table shows the product range of our engineering unit:

Cane Shredders	Juice Heaters, Vapour Juice Heaters	Centrifugal Machines
Batch and Continuous Vacuum Pans	Crystallizer "U" shape & Vertical	Hydraulic Tilting Trolleys for Cane Harvesting
Stainless Steel Spray Clusters for Spray Pond	Stainless Steel Deep Bed Filters	High-Pressure Boilers
Perforated Plates and Vibro Screens for Paper Plants	High Voltage Transformer Tanks	Fabrication and Erection of Steel Structure of Hood Duct Line with Chimney for Air Pollution Control
Fabrication and Erection of Steel Structure of Hood Duct Line with Chimney for Air Pollution Control	Fabrication and Erection of Steel Structure of Continuous Casting Machine with Ladle and Tundish	Fabrication of Furnaces for Pipe Coating Plants Diabolo Rollers with structure for Pipe Plant.
Compact Imported Type Vibratory Scrap Feeders for Steel Plants	Fabrication and Erection of Steel Furnace with Structure and Chimney having 275 Feet Height for Glass Factory.	Evaporators with Stainless Steel Multi jet Condensers

Supply Chain
Industrial Equipment

Metal sheets and other raw material is procured

The engineering unit workshop fabricates and mills industrial machinery and equipment as per design specifications

Fabricated equipment is used by customers in the sugar, cement, and other industries.

Crescent Cotton Products

Crescent Cotton Products, acquired in 2000, is the textile division of the Company, located in Jaranwala, Punjab. The unit is registered with the Ministry of Textile Industry Pakistan and is a member of the All Pakistan Textile Mills Association (APTMA).

Specializing in producing high-quality cotton/synthetic and blended carded yarn equipped with Slub, Siro and Compact attachments CCP operates 19,680 spindles and has a production capacity of 385 bags per day.

The unit is equipped with modern high-tech European and Japanese machinery ensuring high-quality yarn processing, in counts from 10s to 31s.

The plant capacity converted to 20s count polyester cotton yarn based on three 8-hour shifts per day, for 1,092 shifts is 9,197,007 kilogram.

The Supply chain for cotton apparel is complex. Farmers grow and harvest cotton. Raw cotton is sold by farmers to the ginning industry where cotton lint is separated from seeds and trash. Ginned Cotton is sold through agents in the local and international markets to spinning mills. We obtain cotton lint in bulk from cotton agents and convert it to yarn based on global standards and purchase synthetic polyester staple fibre (PSF) from local and foreign producers. The fibre is produced through a continuous polymerization process and is available in different cut lengths from 32 mm to 51 mm, procured as per requirements. Viscose is imported from different countries including Indonesia, China, and India or purchased from local producers and stockists.

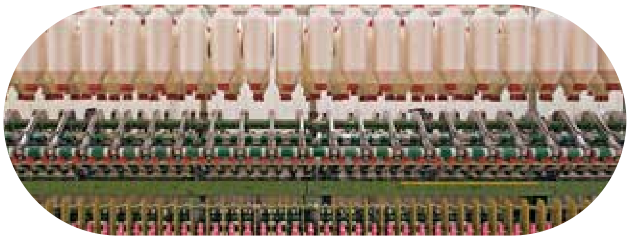
The yarn we produce at Crescent Cotton Products is sold to fabric Manufacturers who weave or knit the yarn into the fabric and sell it for further processing to garment manufacturers. The unit remained inoperative during FY25.

Supply Chain Cotton Yarn

Farmers grow and harvest cotton crop. Raw cotton balls are picked and sold to ginners

Ginners separate lint from seeds and other materials

Middle market of lint cotton (agents / intermediaries)



Crescent Cotton Products procures cotton and synthetic fiber from local agents/manufacturers and international suppliers. The cotton and synthetic fiber is mixed and spun into various counts

Yarn is sold to weaving and knitting units that convert yarn into fabric

Fabric is dyed or printed for finishing

Crescent Cotton Products purchases fabric for onward exports to garment manufacturers

Garment manufacturers design and manufacture the fabric into finished product.

Retailers / whole sellers sell garments.

Consumers use final product.

CS Energy – Energy Division

The primary function of this unit is to generate and supply electricity for own source consumption and to customers and distribution companies, as permitted. Initially equipped with a 15 MW co-generation, thermal generation power plant at Bhone, Punjab, the unit commenced commercial operations in December 2014. The unit also employs a 16.5 MW condensing and extraction turbine to process steam during off-season periods. The thermal co-gen plant uses bagasse in the combustion process to produce power and process steam. Bagasse, a by-product of sugar cane processing, is an alternate and renewable source of power. CS Energy purchases bagasse and uses it as a fuel to generate electricity and steam. The condensing turbine processes surplus steam to generate energy.

The primary function of the unit is to produce, distribute, sell, and supply electricity to the billet manufacturing unit and to Shakarganj Limited. The unit remained inoperative during FY25.

Sugar mills procure and process sugarcane

Bagasse is produced as a by-product

CS Energy buys bagasse and produces electricity and steam

Supply Chain Energy

Sugarcane grown and harvested by local farmers

Sugar mills procure and process sugarcane

Solar Energy Investments

Solution de Energy is a wholly owned subsidiary of Crescent Steel.

The principal activity of the Company is to build, own, operate and maintain a 100MW solar power project in Solar Power Park, being established by the Government of Punjab in the Cholistan desert.

The project aims to generate, accumulate, distribute, sell and supply electricity/power to Pakistan Electric Power Company (PEPCO) / Distribution Companies (DISCOS) under the agreement with the Government of Pakistan or to any other consumer as permitted.

The Company has been granted an electricity generation license from National Electric Power Regulatory Authority (NEPRA) for its 100MW Solar Power Plant.

APPROACH TO MATERIALITY AND MATERIAL MATTERS

Methodology

We review our materiality assessment every year alongside our business strategy review, to refresh sustainability-related risks and opportunities and to determine our material sustainability focus areas.

Our materiality process considers Crescent Steel's actual and potential impacts on the economy, environment and people. We also consider the potential impacts on our business and operations. We draw on stakeholder engagement events and surveys, and internal assessments. Key to the materiality process is taking into account the views of Crescent Steel stakeholders, such as investors, lenders, customers and employees, local communities, government, non-governmental organizations, and suppliers.

We engage with our stakeholders in various ways throughout the year to listen, learn from and respond to their needs and expectations. We summarize our stakeholder engagement for FY25 on page 107.

This engagement informs the materiality process. We survey key stakeholder groups each year, including employees, investors and customers and align the feedback to rank the list of material topics. We have plans to refine our assessment and reporting in this area going forward.

Our list of material sustainability focus areas is reviewed by our risk team and senior management and provides the basis for the content of this report. Information on our overarching sustainability approach and processes is available in the respective sections of this report: Economic Performance, Natural Capital, Human Capital, Occupational Health and Safety, Product Stewardship, Supply Chain and Material Consumption.

We use the Global Reporting Initiative (GRI) Universal Standards 2021framework to inform our definition of sustainability and materiality and to identify issues material to our business. We welcome the introduction of ESG governance recommendations through the Securities and Exchange Commission of Pakistan and are preparing to cover this through the Board's Governance and Nomination Committee. We also plan to seek professional consultation on relevant IFRS standards and other sustainability reporting frameworks. The plan is to incorporate these to our reporting suite from FY26.

We rank the list of sustainability issues which have been derived in terms of relevance and significance to Crescent Steel and its stakeholder groups (ranking for stakeholder groups is based on management's best estimates and is informed by stakeholder engagement activities, both formal and informal), assess Crescent Steel's performance and strategy plan on these issues and, estimate the impact of non-performance in these areas.

As a Company operating multiple business units across four distinct sectors, impact is financially linked to Company sales. Consolidated scores on each aspect form a materiality matrix. The matrix provides an initial understanding of issues of primary importance today and those that Crescent Steel considers an opportunity and a responsibility in the future.

Materiality Identification Process

Our value creation strategy aims to benefit all stakeholders by promptly identifying and prioritizing risks and opportunities, while defining a clear approach to managing our contributions and impacts.

Identify and Create a List of Potential Issues

Step 1

Identify issues that could impact our capital, influence our ability to generate, maintain, or diminish value, and affect the economy, environment, and society. This includes assessing potential risks and opportunities related to environmental sustainability, social responsibility, and economic contributions.

Prioritize Important Issues Based On Stakeholder Perspective and Impact on Business

Step 2

Stakeholder feedback is key to informing our materiality review process.

Material Issues Review

Step 3

Align material issues to business context, risks and opportunities and deemed impact. Rank material topics and develop plan to mitigate risks and leverage opportunities.

Material Issues Approval by Management

Step 4

At present our material topics are reviewed and approved by senior management, however, from FY26, we plan to have these reviewed and approved by the Board Governance and Nomination Committee.

Review and Identification

We last reviewed our materiality assessment formally in FY25 alongside our business strategy review; the exercise evaluates changing economic, environmental, and social impacts to new business risks and stakeholder expectations.

We have prioritized the following material sustainability issues for 2026-2028.

MATERIAL FOCUS AREAS 2025-2027

Economic

	Economic Performance	Sustainable Value Chain	Local Communities
Material Issue	- Revenue generation through sales - Profit protection - Distribution of wealth - Economic value creation	- Reliable and competitive value chains - Capacity of local suppliers - Meeting customer needs and entering new markets - Customer Experience - Quality	- inclusive growth and development - Promote a culture that rewards merit and encourages academic and personal effort - access to education for Pakistani students - Innovation / tech value addition
Impact	- Contribution to national exchequer - Shareholder returns - Import Substitution - Infrastructure Development - Employment and benefits - Charitable contributions	- Strengthens local suppliers which in turn narrows lead times - Expands supplier capacity - Enhances local economic growth and resilience - Market development	- Education support programs and contributions - Volunteer activities - Contribution to sports and the arts
Indicators	- Economic value generated and distributed	- % of local suppliers - No. of supplier audits/evaluations - Value addition/Import Substitution - Customer Satisfaction Index Rejection rates	- No. of students benefiting from education support - Blood Donations - No. of awareness programs - No of tertiary scholars

Environmental

	Climate Change	Water	Consumption
Material Issue	- Energy consumption/Energy efficiency - Emissions - Monitoring and Reporting	- Water management practices	- Materials consumed and reused
Impact	- Emissions intensity over the years - Energy efficiency at our operations and the use of renewable energy sources - Reporting practices	- Reuse and recycling - Proper treatment and disposal	- Recycling rates at our facilities - Material efficiency - Waste/Treatment and disposal
Indicators	- CO_2 emissions intensity - Energy intensity - % of renewables use - Investments in energy efficiency	- % of water reused in manufacturing process - Water withdrawal - % of water treated before discharge	- Steel sold for reuse - Material efficiency

People

	Health and Safety	Ethical and Transparent Operations	Culture of Excellence
Material Issue	- Safety culture - Working environment - Reporting practices - Standards benchmarking/compliance	- transparency and integrity - ethical behavior - compliance with the law	- Career development - Diversity and inclusion - Analytics - AI knowledge/Tech skills - Training and development - Strategic alignment
Impact	- Workplace injuries and fatalities	- Board oversight - Code of Conduct and Ethics - Risk Committee	- Identification of Hi-Potentials - Succession readiness - Quality
Indicators	- Injury rates - Audit performance - No. of drills/post drill evaluation - No. of incident reports	- No of meetings - Availability of risk register and materiality assessment	- Ability to replace key positions - Hi-Po retention - Average age of managers - Investment in people

CORPORATE STRATEGY

The Business Strategy Committee reviews and updates the Company's rolling three-year Corporate Strategic Plan in line with changes in the internal and external operating environment. This ensures that our core strategic direction remains relevant to evolving market conditions and is aligned with our long term vision for the Company.

The Company's Corporate Strategic Plan is developed in the context of:

- **The Present:** Managing core functions at peak performance.
- **The Past:** Abandon ideas, practices and attitudes that have inhibited performance.
- **The Future:** Convert breakthrough ideas into a new way of doing business, or new business.

The outgoing FY has marked a significant change in the composition of the Company – operations at the Hadeed Division, were discontinued and the sale of machinery and equipment was finalized; the Cotton and Energy Divisions of the Company remained non-operative in the FY, and the outlook on the resumption of operations at these divisions is bleak; the Company divested from its strategic holding in Altern Energy Limited, a major a driver of income generated over the past few FYs.

This shift and the evolving dynamics of the external environment, with rising global protectionism, domestic political and security instability, macro-economic fragility, and fast paced technological advancements, necessitate that the Company diversifies its operations through growth and acquisition, while navigating a complex and regressive regulatory regime governing its operations.

FY25 is a pivotal transition year for the Company – a bridge from our previous strategy cycle into a renewed strategic direction. During the year we consolidated the gains from the outgoing Corporate Strategic Plan and prepared the organization for its next phase of growth. As a part of this process, we retired the ACT-H3 strategic theme (Agility, Creativity and Tenacity to be achieved through Heads, Hearts and Hands) and introduced a new framework, **"FORGE-5"**, to steer Corporate Strategy for FY26-28. This transition ensures that our core strategic direction remains relevant and forward looking, anchored in our corporate vision, mission and Core Values.

The dynamics of business have shifted with data, insight, research and optimization as critical factors in setting apart businesses, driving fiscal discipline and operationalizing good governance. The access and propagation of tools and resources enabling better insight into performance, benchmarking and evaluation make it necessary for these elements to be ingrained in everything we do, and every decision we make as an organization.

FORGE-5, provides a framework to plan and operate.

Optimization that feeds the foresight to innovate, the resilience to weather shocks, the governance to earn trust, and empowers people and communities enabling them to thrive.

Element	Essence
F – Foresight	"Anticipate, innovate and adapt" • Anticipate market, technology and policy shifts. • Turn data into actionable insight for disciplined growth. Strategic Intent: Data driven insight – to anticipate market shifts, be strategically agile and to adapt to evolving dynamics.
O – Optimize	"Relentless efficiency and flawless execution" • Stay ahead of the curve by operating through a lens of value addition, driving superior performance across all functions of the Company. • Use data and lean thinking to deliver performance faster, cheaper and safer. Strategic intent: Operational excellence – deliver superior quality, speed and cost leadership. Transform efficiency into repeatable, data driven habits – as opposed to a one-off cost cutting exercise. Developing an Enterprise habit of cutting out waste in all its forms – time, complexity, risk – across all functions so that capital, talent and data flow to their highest-value utilization.

Element	Essence
R – Resilience	"Growth that endures shocks, funds innovation and compounds value." • Strengthening the core while investing in diversified revenue streams. • Develop relevant and effective metrics for performance measurement and monitoring. • Developing a culture of Risk Management across the organization and active risk mitigations. <u>Strategic Intent:</u> Develop engines of growth to absorb shocks, unlock opportunity and finance the future. Ensure portfolio balance, operational flexibility and build in crisis governance. Ensure active succession planning and mitigation of human capital risks. Develop strategies to migrate systems and processes on to digital platforms and build in value added automation where possible to reduce reliance on human intervention.
G – Governance	"Disciplined Control – uncompromising integrity, compliance and monitoring." • Stay ahead of the curve on voluntary and mandatory compliance. • Actively leverage data and insight to benchmark performance of all functions to test financial controls. • Strengthen internal and external audits and ensure transparency across the board. <u>Strategic Intent:</u> Ethical framework, risk and assurance controls, transparent reporting, improved board effectiveness.
E – Empower	Uplift Communities – invest in developing People and reinforce socio-economic resilience of our employees and in the communities where we operate. <u>Strategic Intent:</u> Talent acceleration, inclusive culture, community partnerships and recognized stewardship.

FORGE-5 represents the five pillars of our corporate strategic plan, capturing our commitment to **Forging Ahead for Tomorrow** – scaling up and strengthening our core businesses (Steel Division and IID) through data led insights, lean optimization, uncompromising governance and people-centered impacts.

The Company remains focused on adding engines of growth through resilient diversification – while the focus remains on engineering sector businesses, the Company shall actively assess the feasibility of businesses in terms of acquisitions or green-field ventures in the energy, Agri-tech, technology, and other high value sectors, with the objective of developing export-based revenues over the next three years. The Company shall continue to invest in fundamentally strong businesses.

We aim to actively pursue the following business objectives as part of medium-term strategic actions:

- **Enhance Shareholder Value through Improved Performance and Returns**

  Deliver Sustainable growth by targeting an average RoE of >15%, exiting from underperforming assets and maintaining disciplined capital deployment.

- **Drive Growth and Diversification**

  Organic expansion, strategic partnerships, and acquisitions with a focus on engineering segment operations while exploring new business opportunities through our investments/portfolio management division – focusing on exports and high growth segments.

- **Maintain International Quality, Safety and Sustainability Standards**

  Ensure product excellence and manage environmental and social impacts responsibly across all operations.

- **Build High Performing Teams and Develop Leadership Pipeline**

  Develop high performing teams, recruit and retain hi-po talent and reinforce the middle management layer to ensure succession and agility.

- **Leverage Information and Digital Capital for Efficiency**

  Establish data as a critical asset, digitize and automate workflows, and apply AI and advanced tools to improve processes and decision-making.

- **Advance Corporate Citizenship and Social Impact**

  Build social capital through responsible corporate practices, embedding sustainability into our businesses and maximizing stakeholder value beyond financial returns.

To meet these medium-term business objectives, we will actively pursue the following short-term business targets:

1. **Profitable Growth & Capital Discipline**
   - Achieve 33% revenue growth till FY27 through diversified growth in core business lines.
   - Maintain an average of greater than 15% RoE by balancing capital deployment with divestments of underperforming assets.
   - Exit or repurpose businesses that do not meet long-term value thresholds.
   - Review available capital for allocation to core/ new businesses.

2. **Operational Excellence and Innovation**
   - Maintain and improve international benchmarks on quality, safety, and compliance across all operations.
   - Drive efficiency through automation, ERP integration, and process delayering to improve throughput and reduce waste.
   - Leverage generative AI and business intelligence for product, process, and decision innovation.
   - Develop improved oversight and maintain a cockpit of metrics to monitor performance in real time.

3. **People & Culture Excellence**
   - Build a performance-driven, values-led culture anchored in accountability, excellence, ownership, and innovation.
   - Strengthen the middle order and develop future-ready leadership pipelines.
   - Position Crescent Steel as an employer of choice by investing in upskilling, internal mobility, and engagement.

4. **Responsible Growth and Stewardship**
   - Voluntary reporting aligned with IFRS S1/S2 by FY27 – develop ESG dashboards and materiality reviews annually.
   - Distribute at least 5% of Profit before Tax to targeted programs with a focus on education (raising the floor and the ceiling).
   - Assess value creation beyond financial metrics – develop a Value Creation Index for review annually, by the end of FY26.
   - Improve governance and compliance across all operations and functions: make risk management an enterprise habit; annual review by Q2FY26.

FY25 Objectives and Resource Allocation Plans

The strategic objectives of the company are closely linked to its vision, mission and objectives as follows:

Vision Connection

These objectives are crafted to achieve the long-term vision of the Company, ensuring all actions contribute towards the future state the Company aspires to reach.

Mission Alignment

These objectives are designed to fulfill the Company's mission by focusing on core values and goals that define the Company's purpose and direction.

Objective Integration

These objectives are integrated with the Company's overall objectives after detailed analysis and consideration which includes numerous factors such as market conditions, economic affairs of local and international markets, prevailing industry norms, operations, available resources, financial capacity, liquidity, historical experiences and customer demand.

Key Resources and Capabilities Providing CSAPL Sustainable Competitive Advantage

Crescent Steel & Allied Products Limited (CSAPL) is a leading Pakistani steel manufacturing company. Following are some of the key resources and capabilities, which provide CSAPL sustainable competitive advantage:

API Monogram Authorization: CSAPL is one of two large diameter submerged arc welded helical seam (SAWH) steel pipe manufacturers licensed American Petroleum Institute (API) to apply API monogram on CSAPL's gas, oil and water line pipes.

Diverse Product Range and Integrated Lining Facilities: CSAPL offers a very wide range of diameters (from 8inches to 120inches); thicknesses (from 4mm to 25.4mm) and material grades (up to X-100), that enables it to satisfy needs of almost all segments of steel line pipes consumers in Pakistan, not limited to gas, oil, water, piling, construction etc. The Company has the only operating integrated steel pipe manufacturing and internal and external coatings facility in the country.

Quality Assurance: The company adheres to international quality standards API Q1, ISO 9001 and ISO 45001, ensuring high-grade products.

State-of-the-Art Facilities: CSAPL has modern manufacturing facilities, equipped with advanced technology.

Experienced Management: The company benefits from experienced leadership and a skilled workforce.

Customer-Centric Approach: The company prioritizes customer satisfaction through tailored solutions.

Resource Allocation Plan

Resources	Resource Allocation Plans
Financial Capital	- Financial allocation strategy is driven by a steadfast commitment to maximizing returns through strategic investments in growth projects. - Our approach prioritizes long-term sustainability, aligning with our vision to create enduring value for our stakeholders through prudent financial management and targeted resource allocation. - Allocate capital for infrastructure development, including upgrading manufacturing facilities and implementing advanced technologies.
Human Capital	- Invest in talent acquisition and development programs to attract and retain skilled manpower. - Our merit-based performance reviews ensure that excellence is rewarded, fostering a culture of continuous improvement and high achievement. - Improve Talent Management and Succession Planning.
Manufactured Capital	- Expand and upgrade manufacturing facilities to enhance production capacity and efficiency. - Prioritize asset maintenance, recognizing its critical importance to our business operations and overall safety. - Ensure the reliability and efficiency of our infrastructure, supporting our commitment to sustaining operational excellence.
Social and Relationship Capital	- We approach CSR in four perspectives: our economic, legal, ethical, and philanthropic or discretionary responsibilities to our stakeholders. - CSR policy allocates between 2% to 5% of our annual profits before tax towards donations for select social causes we support.
Intellectual Capital	- Develop digital literacy and data management training programs. - Utilize generative artificial intelligence for business and process innovations. - Foster a culture of innovation, knowledge sharing, and collaboration to leverage the intellectual capital within Crescent Steel.
Natural Capital	- A strong commitment to natural capital management is integral to our operations, emphasizing the importance of Health, Safety and Environment (HSE) practices. - Reduce carbon footprint through green initiatives in line with sustainability objectives. - Implement initiatives to reduce waste and improve energy efficiency in operations.

Effects Of Key Factors On Company Strategy and Resource Allocation

Key Factors	Effects on Company Strategy	Effects on Resource Allocation
Technological changes	- **Innovation Focus** Continuous investment in research and development (R&D) is essential to keep pace with rapid technological advancements and stay ahead of industry trends. Our priority is adopting and integrating emerging technologies to improve both our product offerings and operational efficiency.". - **Digital Transformation** Our digital transformation strategy is driven by technological advancements, incorporating advanced data analytics, automation, and digital tools to enhance decision-making and streamline processes.	- **Capital Investment** We dedicate significant financial resources to technology upgrades, R&D, and digital tools, including investments in advanced manufacturing technologies and IT infrastructure. - **Talent Acquisition** To foster technological advancements, we invest in recruiting skilled professionals who specialize in emerging technologies and digital tools. - **Training and Development** We invest resources in upskilling our workforce on new technologies and systems to ensure effective implementation and utilization.
Sustainability reporting and challenges	- **Enhanced Transparency** We have integrated sustainability objectives into our broader strategic framework. - **Regulatory Compliance:** Tackling sustainability challenges ensures compliance with evolving regulations and standards, shaping both our operational practices and product development strategies.	- **Investment in Sustainable Practices** We invest capital in implementing sustainable practices, including energy-efficient technologies, waste reduction initiatives, and green energy investments. - **Reporting** Resources are allocated to monitor performance, ensure compliance, and communicate our sustainability initiatives to stakeholders.

Key Factors	Effects on Company Strategy	Effects on Resource Allocation
Initiatives Taken by the Company in promoting and enabling innovation	- **Innovation Leadership** Our commitment to innovation strengthens our competitive advantage and fuels strategic initiatives aimed at developing new products and enhancing existing ones. We cultivate a culture of creativity and continuous improvement. - **Strategic Partnerships** We collaborate with technology providers, research institutions, and industry experts to foster innovation and gain access to cutting-edge technologies.	- **R&D Funding** Innovation tends to allocate more resources towards R&D, fostering a culture of continuous improvement and adaptability. This approach helps organizations stay competitive and responsive to market changes. - **Collaboration Investments** We engage in strategic partnerships and collaborations to leverage external expertise and resources that drive innovation. - **Talent and Infrastructure** Resources are dedicated to enhancing innovation capabilities, which includes hiring skilled personnel and developing infrastructure that supports creative processes and technology development.
Resource shortages	- **Operational Adjustments** Resource shortages, whether in raw materials or skilled labor, necessitate adjustments to our operational strategies. These adjustments may include diversifying suppliers, optimizing inventory management, or modifying production schedules. - **Cost Management** Resource shortages affect our cost structures, prompting the implementation of cost-saving measures and efficiency enhancements to reduce financial impacts.	- **Supply Chain Management** • Establish relationships with multiple suppliers to avoid dependency on a single source. • Maintain higher inventory levels of critical materials to buffer against shortages. • Use digital tools for better visibility and predictive analytics to anticipate and mitigate disruptions. • Work closely with suppliers to improve communication and coordination. - **Skilled labour shortages** • Invest in upskilling and reskilling current employees • Adapt recruiting practices to attract a diverse talent pool. • Implement technology to automate tasks and improve efficiency. • Focus on retaining existing talent through competitive benefits and a positive work environment - **Efficiency Improvements** Funds and operational assets are allocated to process enhancements and technology upgrades to improve efficiency and lower resource usage.

Relationship between Entity's Results and Management's Objectives

Financial and non-financial results are the reflection of the achievement of management's objective which are placed strategically to increase the long-term wealth of each stakeholder. The said results are rigorously evaluated against the respective strategic objectives to confirm the achievement. The KPIs used will continue to be relevant in the future.

Significant Changes in Objectives and Strategies from Previous Period

Based on dynamic business environment, strategic objectives and their implementation strategies are developed and executed professionally. Building upon the Company's stated objectives to divest from, turnaround underperforming businesses and assets, the operations at our steel billet manufacturing unit were discontinued in FY25 and plant, machinery and equipment of the unit was sold including the prefabricated building which housed the plant. The property was retained and reclassified as investment property. Furthermore, the Company also exited from its strategic holding in Altern Energy Limited as the Central Power Purchasing Agreement between its subsidiary Rousch Power Limited and the Government of Pakistan was retired. There has been a significant change in the composition of the Company resulting in a refreshed strategic road map and revised objectives aligned with the long term vision of the Company, as already explained in this section of the report.

SWOT ANALYSIS

Our strengths, weaknesses, opportunities and threats to analyze and respond to them; and to set our strategic goals by exploiting our strengths and opportunities and mitigating our weaknesses and threats.

S
Strengths

- Resilience, integrity, reliability, and legacy.
- Financial Control and Corporate Governance.
- Culture of Ownership.
- Relationship capital partners, across the value chain.
- Brand Equity.
- Quality focused approach.
- Operations management excellence
- Strong balance sheet footing.

W
Weaknesses

- Capacity utilization constraints – limited customer base and project-based sales.
- New business development.
- Financing constraints.
- Data analytics and digitalization
- Talent acquisition and retention
- Idling Assets
- Real-estate management

O
Opportunities

- Conducive policy rate.
- Global geo-political instability.
- Construction sector incentivized.
- Gas policy rationalized.
- Wider tax net.
- Positioning in the Water Sector for Pipe Supply.
- Incentives for new energy vehicles.
- Tariff policy.

T
Threats

- Higher input costs.
- Global geo-political instability.
- IMF reforms compliance.
- Low PSDP allocations.
- Reduction in captive power usage.
- Higher demand for polymer pipes.
- New entrants.
- Tariff policy.

P E S

Political	Economic	Social
	Factor	
• **IMF-backed policy continuity but political volatility risks reform delays.** • **Major infrastructure allocations in federal and provincial budgets (especially Punjab and Sindh).** • **Rising expectations for transparent procurement, especially in public-sector projects.**	• GDP growth projected at ~2.5–3.5%; inflation easing but external debt pressures remain high. • Interest rate cuts improve financing conditions; stable PKR supports input planning. • Fragile fiscal space; higher taxation and reduced exemptions impacting cost structures.	• Large youth population + high migration = talent churn and training needs. • Community expectations are rising local employment, ethical operations, social impact. • Housing, water, and disaster-recovery demand accelerating infrastructure needs.
	Organizational Response	
• **The current government has displayed a consistent commitment to IMF-mandated reforms, despite these being politically challenging. These reforms remain essential for macroeconomic stability, influencing interest rates, exchange rates and development expenditure and increasing fiscal revenue.**	• GDP growth expected at ~4% in FY26 – a positive trajectory, based on consistent implementation of reforms.	• Pakistan's population (estimated ~240 million) provides a large workforce and customer base, but the ongoing economic stress has spurred a talent exodus. In 2024, a record number of skilled Pakistanis emigrated – especially to Gulf countries – for better opportunities. This "brain drain" presents a challenge for industrial employers in retaining talent. • The surge in overseas workers has led to a boom in remittances which bolsters household incomes and can indirectly stimulate demand.
• **Political focus on development spend – given the dynamics of public sector development programs over the past two fiscal years – shall create opportunities, both at the Federal and Provincial level.** • **Punjab and Sindh are both expected to announce large development spending programs, in line with the FY25 budgets – including allocations to transport, water and sanitation projects.**	• A stabilizing economy with lower inflation and interest rates is positive for industrial activity and construction and may boost demand for the Company's engineering segment businesses.	• Pakistan's populace is battling with a serious cost of living crisis with high inflation and low employment. In response, significant public-sector salary increases and pension hikes, along with raising the minimum wage. Such measures aim to ease public hardship but also increase the cost base for businesses – higher labor and compliance costs, as wage floors rise and expectations on employee welfare increase.
• **We recognize the growing demand for transparency, accountability, and integrity in public-sector procurement. As a responsible corporate entity, Crescent Steel is committed to aligning its procurement practices with global best standards and regulatory expectations.**	• The FY24-25 federal budget was expansive (Rs 18 trillion) with an ambitious 40% higher tax target (Rs 12.97 trillion), including 48% more direct taxes and removal of certain exemptions to broaden the base. New taxes (e.g. raising GST to 18% on some items like textiles and mobile phones, and higher capital gains tax on real estate) were introduced.	• Social awareness around workplace safety, community development, and product quality is growing in Pakistan. Critical infrastructure materials have a direct social impact, improving living standards. Successfully executing such projects can enhance the Company's social license to operate.

T L E

Technological	Legal	Environmental
Factor		
• **National push for ERP, digital taxation, and manufacturing automation.** • **Lag in SME and public-sector digitization poses friction in project execution.** • **Industry 4.0 adoption (IoT, process control, analytics) still at early stages.**	• Expanded tax base; super tax, GST on services, and capital gains revisions affect margins. • Stronger corporate governance mandates (SECP, PSX); risk of penalties for lapses. • Legal clarity around SOE reforms, procurement laws, and ESG compliance emerging.	• Climate resilience top priority post-floods; major investments in water and irrigation. • Growing pressure to decarbonize; green energy and efficiency retrofits are needed. • Regulatory enforcement on emissions and effluents intensifying.
Organizational Response		
• **Pakistan historically lags in automation and advanced technology adoption, due to import dependency and high CAPEX costs. This presents both a challenge and opportunity. Modernizing plant equipment will greatly improve productivity and cost-efficiency but requires significant investment.**	• Compliance costs for tax filings have increased as authorities push for digitized reporting and withholding requirements on transactions Listed and transparent companies may benefit from stricter enforcement that squeezes the informal competitors who evade taxes. Short-term cash flow could be impacted by higher advance tax and withholding deductions.	• The extreme weather events of recent years have underscored Pakistan's vulnerability to climate change – a factor directly impacting supply chains and markets. Additionally, climate change impacts on seasonal crops have directly impacted the Company's textile division which remained unviable due to shortage of quality local cotton.
• **Better process control systems, ERP upgrades, and adoption of AI in a meaningful way is the way forward for competitive performance by the Company – and to grow to compete in the international marketplace.**	• Crescent Steel is fully aware of regulatory developments and ensures adherence through well-established governance frameworks	• Pakistan aims to generate 60% of power from renewables by 2030, and has introduced policies for wheeling electricity, net metering, and solar adoption in agriculture. This presents an opportunity to use green energy and produce equipment for green projects.
• **Cybersecurity is another consideration as companies digitize – ensuring that data is protected from cyber threats will be part of technology risk management.**	• Crescent enters into large contracts for pipeline supply (e.g. with public utilities or contractors). These contracts are governed by procurement laws (PPRA rules for government contracts) – legal disputes can arise if there are delays or quality issues. Ensuring clarity in contracts and fulfilling all legal obligations (like warranty periods for pipes) is crucial to avoid litigation or blacklisting.	• The ESG reporting trend is notable. Stakeholders (banks, investors, international clients) increasingly demand such disclosures, and strong ESG credentials can be a competitive advantage. Crescent Steel is also committed to implement the ESG reporting. • The environmental factor is twofold: mitigating environmental footprints to meet rising standards and simultaneously leverage capabilities to contribute to climate resilience projects.

CHALLENGES AND INITIATIVES

Challenges

On the domestic front, a range of challenges—including government dysfunction, extreme weather events, and low industrial output—have heavily disrupted business operations and hindered productivity. Global dynamics including inflationary pressures in Europe, slower growth in China and a general slowdown in industrial growth, have impacted the ability of businesses to plan and respond to evolving trends. This has been pronounced by the ongoing Russia-Ukraine conflict and geopolitical tensions, which are increasing across the globe. The onslaught of unchallenged Israeli aggression in the Middle East poses a risk to supply chains, especially freight through the region. Technology is rapidly evolving, and is making it difficult for businesses to compete globally as the costs and lead times of implementation are high.

Despite evolving pressures, which have affected our business to varying degrees, we have strengthened our performance in key areas and remain dedicated to our corporate strategy, with the goal of delivering long-term, sustainable value to our stakeholders.

Supply Chain

Global inflationary pressure and geopolitical challenges continue to impact supply chains; higher energy costs across Europe because of the continuing Russia-Ukraine conflict have triggered an increase in costs of importing consumables and spares/equipment as well as lead times.

Commodity prices and exchange rates have largely been stable; however freight costs and availability on routes to Pakistan, specifically for bulk cargo has impacted lead times and availability, which has increased carrying costs, and in some instances has led to delays in production. The State Bank of Pakistan continues to manage foreign currency exposure, which while much more flexible than last year, has caused delays in processing and has reduced supplier confidence in Pakistani banks. Domestic suppliers were equally affected by import curbs, currency devaluation and low demand and this led to increased pricing as well as significantly longer lead times.

Currency Devaluation and FX Volatility

The Company imports most of its inventory in the form of raw materials, consumables, and spares; therefore, we are exposed to fluctuations in foreign currencies. The economic environment, while currently stable as the country has been steered in accordance with lender guidelines, remains on a tight rope, balancing reforms with political pressures. Any change in the established policy direction, may result in another foreign exchange crisis.

The Company's centralized treasury function closely monitors and manages exposure to foreign currency risk and uses various mechanisms, such as locking forward contracts, recommending transactions in other currencies (such as the Chinese Yuan for supplies from China) where possible. There are frequent cross functional assessments of the economic situation as well as forecasts on critical commodities, to enable informed decision making.

Tariff Anomalies and Tariff Structure Certainty

Tariff rates typically increase with the degree of processing of a product and are meant to incentivize import substitution and discourage commercial imports that are draining foreign exchange.

Our line pipe unit competes for business against mostly foreign bidders, and excessive duties on critical raw materials and consumables impacts our ability to remain competitive; in order to ensure a level playing field and to develop the local engineering sector, it is necessary that tariffs are rationalized with cascading duties. While anomalies in the tariff structure of Hot Rolled Coils (HRC) and Steel Line Pipes have been rationalized, foreign suppliers with predatory pricing, export rebates and artificially depressed cost levels are able to price local line pipe manufacturers out of market. Therefore, countervailing duties and regulatory duties must be reviewed and imposed only on products that are manufactured in sufficient quantity locally; policies

on import substitution should have a clear objective to support local value addition.

The absence of an import substitution policy or effective cascading tariff structures hinders investment and innovation. The tariff concessions available to importers of value-added steel products for projects under the Fifth Schedule of the Customs Act is concerning, as it favours imports of steel line pipes, steel billets and steel reinforced bars for various projects of national importance, at the expense of the domestic industry.

Import Compression Regulations

To control the outflow of FX, the State Bank of Pakistan has restricted commercial banks from processing import transactions. In FY23 various policies were enacted to curb imports; cash margin restrictions, import priority protocols, prior approvals for imports of plant, machinery, equipment and spares, extreme and regressive scrutiny requirements for imports from select origins, and others. While most of these policies were phased out, the SBP continued to curb imports through instructions to commercial banks and by setting arbitrary limits on the value of FX transactions a bank could process within a specified period. Regressive trade based money laundering (TBML) regulations also hinder supply chain depth and reduce vendor confidence in dealing with Pakistan based businesses and banks. These unofficial and arbitrary measures have remained in place and operating and settling letters of credit or advance payments for imports of critical materials remain a significant and serious challenge. Due to these curbs many European, North American and Japanese suppliers have refused to supply to Pakistan or demand advance payments, which are not possible. Many businesses, including our own, have suffered due to the absence of critical materials and equipment on account of these curbs. Furthermore, such policies have amplified black market transactions and smuggling; counter to the objective of these policies.

Regional Competition

Regional players in the local line pipe industry, specifically Chinese manufacturers have a competitive edge and easily beat local prices on the back of export rebates and depressed input costs. Local manufacturers on the other hand face rising input costs in addition to the tariff anomalies mentioned above. Furthermore, evaluation frameworks and draconian procedures in public sector procurement are skewed to favour foreign bidders – local manufacturers are unable to compete effectively without significant erosion to margins.

Capital Management and Liquidity

The working capital and financing needs of the Company are managed through a robust treasury management system which ensures effective cash flow management while safeguarding against any related risks. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Cyclical Nature of Steel Pipe Industry

Cyclicality in sales is a significant challenge particularly for large diameter pipe manufacturers. Given the reliance of large diameter pipe manufacturers on public sector and pipeline augmentation projects of gas utility companies. This was particularly felt as the order pipeline for line pipes dried up completely on the back of cuts in government spending and a review of the national energy infrastructure strategy. Additionally, domestic water infrastructure development projects and construction projects are highly price sensitive and have an opaque procurement process; it remains a challenge to penetrate these segments.

Spinning Operations

Higher input costs, especially raw material and energy have made it difficult to remain competitive with other export-oriented countries in the region. This is compounded by the additional advantage available to regional counterparts in the form of export rebates and other incentives. Lack of availability of quality raw cotton locally has increased reliance on imports and has increased our inventory management costs as well as financial exposure.

Human Capital

With the serious cost of living crisis in Pakistan, attracting and retaining high performing talent has become a major challenge. The cost of human capital for the Company has increased by 29.3%, year on year due to unprecedented inflationary pressure during FY23 & first half of FY24, businesses across the country will have to continue to increase salaries and wages even as revenue stagnates, and margins erode. This is further compounded by people from all walks of life emigrating for better opportunities; over the past one and half year over 1.2 million Pakistanis emigrated for work.

Technology

Rapidly evolving technology in composite materials have increased the viability of materials such as polyethylene and glass reinforced plastic as an alternate to steel. As the strength of these materials have increased, and considering that they already offer a much longer service life, and a significantly easier and cheaper method of installation as pipelines, our customers have gradually begun to shift at least low pressure pipelines to such composite materials. Globally, especially in water pipeline networks, GRP and PE pipes are widely used; in gas distribution systems PE pipes are now the new norm domestically.

Manufacturing and information systems technology is changing even faster, and while Advanced Intelligence based equipment and processes provide higher efficiency and productivity, these solutions have excessive costs and high lead times, which makes implementation challenging, to remain competitive.

Initiatives

Innovation, machinery optimization and process improvement initiatives are of great value to us at Crescent Steel. We remain persistent in our quest to increase efficiency and productivity by investing in technology to optimize and enhance our equipment, infrastructure and by updating our procedures and framework. We firmly believe that consistent and meaningful innovation leads to increased productivity, enhanced uptime, better quality products, good service, and environmental conservation.

Steel Division

To meet customer demand for large diameter heavy wall thickness pipes, we have upgraded our manufacturing facilities with the latest technology, with an emphasis on employee training, to meet the product quality requirements as defined by the customer and the American Petroleum Institute (API). To cater to demand for large diameter line pipes, specifically for the Water transmission sector, we have upgraded our finishing and coating lines. Furthermore, to minimize energy costs, especially in idling periods, we have a grid-tied Solar Power System and plan to enhance our capacity to up to 1 mWh in FY25, to offset our energy costs and have planned capacity enhancements.

We leverage our long-standing relationships with leading suppliers to minimize disruptions at our facilities. Through dynamic sourcing and logistics strategies we strive to ensure quality and mitigate costs wherever possible; we have a high reliance on Chinese supplies to take advantage of favorable Free Trade Agreement Tariffs, shorter lead times, and to manage foreign exchange exposure. We use our long-standing relationships with our key suppliers to gather credible data and leverage the best possible deals. We are proud of our relationship capital with our foreign and local suppliers; this enables us to buy at the right time, from the right place, at the right price.

We remain connected with relevant stakeholders, including the Engineering Development Board (EDB), the Ministry of Industries and Production, the Ministry of Petroleum and the Tariff anomaly committee to share our reservations and proposals on the need to introduce effective cascading duties and import substitution policies.

Cotton Division

We are investing in modern technology to meet the challenges of the future and enhancing spindle capacity to minimize the cost of production by lowering per spindle shift cost. In order to maximize our income we have rented out space within our facility that was not utilized by us, including warehouse space; we are also evaluating options for a high capacity solar power system with net metering, and opportunities in the value added textile sector.

Information Systems

The function continues to provide up to 99% uptime for all critical systems and at the same time keep focused on business continuity and disaster management. We have introduced applications and platforms to enable remote working, streamline and upgrade our approvals mechanism, and to enhance the visibility of business intelligence, through programs such as Microsoft Teams, Adobe Sign and through the upgrade of our Enterprise Resource Management (ERP) system to the latest available on-site version. The manual process of Organizations Talent Review (OTR) which traditionally involved a lot of paperwork and precious work hours, is now digitalized and available on the app with a click of a button. Infrastructure robustness was also enhanced with improved network management and security measures. Sustainability Reporting continued to improve during the year. Retention of skilled resources remains a challenge and we expect this to persist. Mitigation of this threat is being managed through induction of new resources and continuous training programs.

RISK AND OPPORTUNITY REPORT

The Company's Board of Directors holds the responsibility for establishing and overseeing an effective risk management framework. The Board, supported by the Board Risk Management Committee, oversees the entire risk management process. They are also tasked with developing and monitoring the company's risk management policy, which defines the organization's risk tolerance and provides guidance on managing identified risks.

We believe that taking risks is essential for driving business growth, fostering innovation, and delivering value. Given the complexity and challenges of our operating environment, the Company is exposed to various internal and external risks that may impact our success and profitability. However, we approach risk with a clear understanding of our appetite and tolerance levels.

In making business decisions, we carefully evaluate the potential risks alongside the opportunities. By taking calculated risks, we aim to capitalize on opportunities that align with our long-term vision and support sustainable growth.

Risk Management Policy

CSAPL is committed to implement an organizational philosophy that ensures risk management is an integral part of corporate objectives, plans and management systems.

Compliance with legislative requirements underpin the risk management policy.

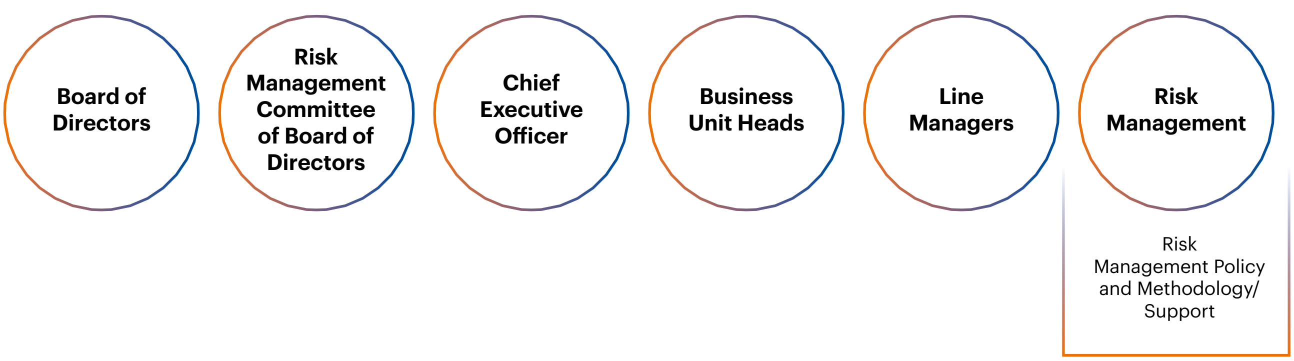
Risk management objectives are as follows:

- To ensure risk management is adopted throughout the Company as a prudent management practice.
- To ensure that all employees are made aware of the need to manage risk and to promote a culture of participation in that process.
- To protect the Company from adverse incidents, to reduce its exposure to loss and to mitigate and control loss should it occur.
- To ensure the ongoing unimpeded capacity of the Company to fulfil its mission, perform its key functions, meet its objectives and serve its customers.
- To reduce the costs of risk to both the Company and its stakeholders.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

Risk and Opportunity Framework

Crescent Steel's well-defined risk management framework establishes clear ownership of risks, evaluates their significance, and assesses the adequacy of controls implemented to mitigate them. This framework prioritizes risks that may impact the achievement of strategic, operational, financial, and compliance objectives based on their likelihood and potential impact, with appropriate remedial actions devised accordingly.

By promoting greater accountability, this framework enables the identification of opportunities and effective risk management at all levels of the organization.



Risk and Opportunity Management Process

As part of our annual strategic planning cycle, we actively identify opportunities by analyzing internal and external factors that may positively or negatively influence business development. These factors can be social, economic, or environmental in nature. The core phase of our strategic planning typically occurs prior to the start of the new fiscal year, ensuring we are well-positioned to seize opportunities and address potential challenges.

Operational Risk Identification, Management, and Reporting: Bottom-Up Approach

1. **Business Process Owners**

   Identifies risks, maintains risk registers, and devises mitigation plans. Priorities the implementation of action plans based on risk exposure.

2. **Internal Audit**

   Provides assurance on the exposure of risks, assesses the adequacy of internal controls and provides recommendations for enhancing the level of controls needed to mitigate the risks.

3. **Executive Management Team**

   Reviews the Company wide risks, assesses the extent of its exposure and finalizes the action plans for implementation.

4. **Board Risk Management Committee (RMC)**

   Reviews the effectiveness of the ERM framework and assesses the significance of risks and their mitigation plans. Interim updates are provided to RMC on emerging/new risks and the implementation status of mitigation plans.

5. **Board of Directors**

   Overall responsibility for overseeing the risk management processes.

Robust Assessment of Principal Risks

The Board of Directors have carried out a robust assessment of the principal risks faced by the Company, including those that would threaten the business model, future performance, solvency and liquidity. RMC oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Crescent Steel. The Audit Committee is assisted in its oversight role by the Internal Audit department. Internal Audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. The Human Resource and Remuneration Committee focuses on risks in its area of oversight. This includes succession planning with a view to ensure availability of talented functionaries in each area of critical company operations as well as assessment of compensation programs to ensure that they do not escalate corporate risk.

Principal risks facing the business and mitigating strategies are covered separately in this report.

Major business risks and their mitigation

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Macro-Economic Situation and Political Instability			
In recent years, a significant portion of our revenue has been driven by the Steel Division, primarily through the sale of line pipes to state-owned utilities. These companies award contracts through a tendering process. However, political instability and fiscal constraints can slow the progress of energy and water infrastructure projects, which may negatively impact our revenue growth. **Assessment:** Likelihood: Magnitude: Impact: High Timeline: Short to Medium–term	External / Strategic - Financial	Financial Capital Manufactured Capital Social and Relationship Capital	The Company has established a strong and resilient corporate structure capable of absorbing external shocks, as evidenced in past years when revenues from the Steel Division were minimal. We continuously monitor the economic and legal implications of government policies and political developments on both the Company and the steel industry at large. In addition, our Investments Division offers a unique opportunity to hedge against potential downturns in core business areas by investing in high-performing sectors, providing a crucial liquidity buffer during challenging periods.
Currency Risk			
Exchange rate fluctuations or local currency devaluation may affect our financial results, primarily due to our reliance on imported raw materials. **Assessment:** Likelihood: Magnitude: Impact: High Timeline: Short–term	External /Financial	Financial Capital	The Company imports a significant portion of its raw materials and, where feasible, secures forward cover on these imports. However, due to restrictions imposed by the State Bank of Pakistan (SBP), forward cover may not always be available, increasing the Company's exposure to currency fluctuations. The Company also regularly updates its pricing models to reflect changes in exchange rates. The Company's centralized treasury function closely monitors and manages the exposure to foreign currency risk. The Company uses various available means, including dollar-based bidding for international tenders.
Interest Rate Risks			
A fluctuation in interest rates will affect the Company's cost and profitability. **Assessment:** Likelihood: Magnitude: Impact: Medium Timeline: Short to Medium–term	External /Financial	Financial Capital	The company avails financing/place deposits at competitive rates from varying financial institutions. Also, borrowings/deposits are based on floating rates to minimize interest rate risks.

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Raw Material Sourcing / Pricing			
As the majority of our core business is tendered for, there is a lag between bidding for the works and sourcing the required raw material for the order. The lack of locally available raw material exposes us to a 60 – 90 day raw material price risk as raw material sourcing is only secured once a tender has been awarded. In periods of high price volatility this exposure can lead to an erosion of margins or having to fulfill orders at losses. **Assessment:** Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium to High Timeline: Short term	External / Operational – Commercial / Financial	Financial Capital Manufactured Capital	The Company regularly monitors major raw material price trends to stay informed of market fluctuations. We leverage our purchasing power and maintain long-term relationships with suppliers to secure raw materials, ensuring timely delivery under the best possible terms and minimizing the lag between order receipt and procurement. To mitigate the impact of higher landed costs, we actively evaluate various sourcing options and continuously expand our supplier base. This approach helps ensure uninterrupted procurement and reduces lead times. Additionally, the Company employs various strategies to minimize potential losses resulting from adverse price movements.
Policy Induced Import Restriction			
The majority of our raw materials are imported and with the import reduction measures by Government to manage foreign exchange reserves of the Country, we are exposed to risk of sourcing required raw materials for the orders and potential late delivery penalties. **Assessment:** Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium to High Timeline: Short–term	External /Operational - Commercial	Financial Capital Manufactured Capital	We actively engage with the Ministry of Industries and Production, the State Bank of Pakistan, and the Engineering Development Board to express our concerns regarding business continuity challenges arising from policy-induced measures. To minimize our dependency on imports, the Company prioritizes local sourcing whenever feasible. Additionally, we explore available options for discussions with customers to mitigate late delivery penalties that may arise from situations beyond our control, including invoking force majeure clauses when applicable.
Dependence On Suppliers / Customers			
Failing to identify alternative suppliers for key raw materials poses a risk to our business operations, particularly in our core segments. Additionally, reliance on a limited number of customers, especially within the Steel Division, increases the potential for business interruptions and financial losses. **Assessment:** Likelihood: ●●●●● Magnitude: ●●●●● Impact: Medium Timeline: Long–term	Internal – External /Operational - Commercial	Financial Capital Manufactured Capital Social and Relationship Capital	The Company actively seeks competitive suppliers for all its raw materials in both local and international markets. The Company constantly seeks to increase its customer base and product offering to maintain and grow its revenues.

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Investment Risk			
Adverse stock market developments may affect the profitability and valuation of assets. **Assessment:** Likelihood: ●●●●○ Magnitude: ●●●●● Impact: High Timeline: Short to Medium–term	External /Strategic -Financial	Financial Capital	The Company has significant investments in marketable securities. To reduce this risk to an acceptably low level, it follows a diversified investment policy and actively manages its portfolio to match the required risk profiles.
Credit Risk			
Credit risk refers to the potential financial loss the Company may incur if a customer or counterparty to a financial instrument does not fulfill their contractual obligations. This risk primarily arises from trade receivables, bank balances, security deposits, accrued mark-up, and investments in debt securities. **Assessment:** Likelihood: ●●●○○ Magnitude: ●●●○○ Impact: Medium Timeline: Medium to long–term	Internal /Financial	Financial Capital	To manage credit risk exposure related to trade receivables, management conducts credit assessments by evaluating the customer's financial position, past experience, and other relevant factors. Sales tenders and credit terms are approved by the tender approval committee. When deemed necessary, advance payments are required from certain customers, while sales to major clients are safeguarded through letters of credit.
Health, Safety and Environment			
Risks related to health, safety and environment can adversely affect our operations. These can be associated with personal health and safety, product quality and safety and environmental efficiency. An unfavourable incident can have a major impact on our Company and communities and may cause reputational damage and business disruption. **Assessment:** Likelihood: ●●○○○ Magnitude: ●●○○○ Impact: Low Timeline: Long–term	Internal –External / Reputational /Regulatory /Health and Safety	Human Capital Social and Relationship Capital Natural Capital	Our business operations are run in compliance with international Quality, Health, Safety and Environmental standards. Moreover, we consistently make efforts to minimize our environmental impact by energy conservation and other measures with community partners.
Cost and Availability of Funds			
A depletion in the steady availability of funds, can negatively impact liquidity and the Company's overall financial health. This risk is further intensified by assets and funds pledged to secure long-term Performance Bond Guarantees, which remain in effect for several years, thereby limiting access to available funds. **Assessment:** Likelihood: ●●●○○ Magnitude: ●●●○○ Impact: Medium Timeline: Short term	External /Financial	Financial Capital	The Company continuously evaluates its financial (funded and non-funded) needs against its borrowing capacity. When financing requirements exceed this capacity, the Company explores alternative funding options, including engaging shareholders to support business and operational needs. A substantial portion of the Company's working capital is met through short-term financing. To mitigate these risks effectively, the Company has secured adequate financing facilities to cover its requirements. Additionally, the Company manages its held-for-trading investment portfolio to address working capital needs, if necessary. Borrowing is primarily based on floating rates to reduce the impact of interest rate volatility.

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Internal Controls			
In the absence of effective internal controls, the Company may be exposed to financial irregularities and resultant losses. **Assessment:** Likelihood: Magnitude: Impact: Low Timeline: Medium to long-term	Internal/ Financial - Compliance	Financial Capital Social and Relationship Capital	The Company has established a robust internal control system that is continuously monitored by the Internal Audit Function and other oversight procedures. Monitoring of these internal controls is an ongoing effort aimed at strengthening the system and implementing improvements. The controls in place address various areas, including asset protection, compliance with laws and regulations, and the accuracy and reliability of records and financial reporting.
Regulatory Compliance			
Non-compliance with laws and regulations may result in penalties, reputational damage and business interruptions. **Assessment:** Likelihood: Magnitude: Impact: Medium Timeline: Long-term	Internal /Reputational / Finance -Compliance	Financial Capital Social and Relationship Capital	The Company closely monitors changes in the regulatory environment and adapts to all significant changes in a timely manner to prevent any breach of law. External experts are also engaged for consultations. Apart from external compliance we put emphasis on compliance with our 'Code of Conduct' and 'Governing Principles' which are in line with best practices.
Increase in Competition Through Leveraging of Technological Changes			
Competitors may recognize and adopt significant technological advancements, enabling them to substitute products, enhance production efficiency, and reduce costs. If the company fails to implement similar advancements, it could struggle to remain competitive. **Assessment:** Likelihood: Magnitude: Impact: Low Timeline: Medium to long-term	External /Strategic	Financial Capital Intellectual Capital	The Company's management prioritizes automation and technological advancements. Through corporate agility and strong market awareness, the Company stays informed about product trends, demand shifts, and advancements in manufacturing processes. This ensures the Company not only meets but strives to surpass the quality and service performance of its competitors. In addition, the Company continuously enhances its product and service offerings while expanding its capacity to meet increasing demands and address specific product requirements. Significant investments have been made in modernizing production facilities, leveraging the latest technologies to optimize costs and output.
Retention of Employees in Critical Position			
Failure to attract and retain the right people may adversely affect the achievement of the Company's growth plans. **Assessment:** Likelihood: Magnitude: Impact: Low Timeline: Medium to long-term	Internal /Strategic	Human Capital Financial Capital Social and Relationship Capital Intellectual Capital	The Company is dedicated to training and developing its intellectual capital, aiming to create meaningful opportunities that promote a thriving work environment and a high-performance culture. Additionally, the Company has implemented a formal succession planning process supported by competitive compensation packages.

Major Business Risks	Source / Type	Capital Affected	Mitigating Factors / Actions In Place
Information System Risk			
The increasing reliance on IT infrastructure for day-to-day operations exposes businesses to significant vulnerabilities. Any disruption—whether due to system failure, software malfunction, or external threats—can severely impact operational continuity. Moreover, the growing sophistication of cybersecurity threats such as ransomware, phishing, and data breaches poses a serious risk to the confidentiality, integrity, and availability of critical business data. These threats can lead to financial loss, reputational damage, and regulatory non-compliance. **Assessment:** Likelihood: ●●○○○ Magnitude: ●●●○○ Impact: Medium Timeline: Medium to long–term	External / Strategic	Financial Capital Intellectual Capital	The Company has enhanced its cybersecurity infrastructure and conducts vulnerability assessments to identify and remediate risks promptly. Automated data backups are maintained, and disaster recovery plans are documented and tested periodically to ensure recoverability. Employees receive ongoing cybersecurity training including phishing awareness, to strengthen the human firewall. Third-party risks are rigorously managed through due diligence and contractual security requirements. Formal incident response procedures are in place and tested annually to ensure swift and effective action in the event of a security incident.
Sustainability-related Risk			
Non-compliance with sustainability related regulation may result in the heavy penalties and ultimately eroding the Company's reputation. **Assessment:** Likelihood: ●●●○○ Magnitude: ●●●●○ Impact: Medium Timeline: Short to long-term	External / Reputational / Finance -Compliance	Financial Capital Social and Relationship Capital	The Company has established formal policies and processes to ensure compliance with regulatory requirements concerning sustainability and ESG (Environmental, Social, and Governance) practices. Additionally, it has implemented a comprehensive risk management framework to identify, assess, and address sustainability-related risks. Furthermore, the Company has developed specific metrics to monitor progress towards achieving its sustainability goals.
Non-competitive staff for implementing the sustainability-related laws and regulations. **Assessment:** Likelihood: ●●●●○ Magnitude: ●●●●○ Impact: High Timeline: Short to long-term	Internal / Reputational / Finance -Compliance / Strategic	Human Capital	The Company actively supports its employees' career development and ensures they remain up-to-date with all new and updated legal and regulatory requirements through both external and internal training. This strategy ultimately provides the Company with a competitive advantage by maintaining a knowledgeable and skilled workforce

Opportunities:

In the short term, we aim to leverage our organizational strengths, while in the long term, we focus on modernization by creating new business opportunities that align with the Company's vision.

We are committed to building supply chain resilience by strengthening existing supplier relationships and exploring new sources from previously untapped regions. Additionally, we aim to enhance the capabilities of local suppliers to ensure future sustainability.

We are the only functioning large dia pipe manufacturer in Pakistan with a notional capacity of 200,000 metric tons annually (66,667 metric tons annually per shift). With this strategic edge, the Company actively participates in gas infrastructure and water sector pipe projects to fully utilize its potential. With the expected upcoming gas infrastructure and waterworks projects, we are fully poised to capture this opportunity and grow in this area.

We are dedicated to meeting the development needs of the country and are committed to exploring all possible avenues to accelerate the Company's growth and enhance shareholder wealth.

LIQUIDITY AND CASH FLOW MANAGEMENT

Liquidity Position

The Company's liquid assets, primarily made up of short-term investments and nominal cash and bank balances, totaled Rs. 1,612.0 million at the end of FY25.

Strategy to Overcome Liquidity Problems

The Company continues to adopt a proactive and structured approach to liquidity management, ensuring that adequate financial resources are available to meet short-term and long-term obligations. During FY25, liquidity challenges due to working capital need are effectively managed through strategic financing and disciplined treasury operations.

A comprehensive treasury management framework is in place to monitor cash flow requirements on a daily, weekly, and monthly basis. This includes detailed short and medium term projections that support informed decision-making and ensure timely availability of funds. The Company's liquidity risk management strategy is designed to maintain sufficient cash reserves and access to committed credit facilities, enabling it to meet liabilities as they fall due under both normal and adverse conditions.

Operational liquidity is supported by maintaining optimal levels of working capital, actively managing receivables and payables, and investing idle cash, resulting in favorable returns ultimately increasing the value of idle cash. The Company also prioritizes maintaining healthy liquidity ratios and avoiding over-

reliance on external debt. In FY25, the current ratio stood at 1.6x and the quick ratio to 1.1x, indicating a strong balance sheet position despite the decline in cash and cash equivalents.

Liquidity Generation

The Company's liquidity generation policy is focused on maintaining a balanced reliance on internally generated funds and selective external financing. In FY25, internal sources such as dividend income and investment proceeds remained central to meeting liquidity needs, despite a decline in operating cash flows due to elevated working capital requirements and higher tax payments.

Dividend income amounting to Rs. 802.6 million and net investing cash inflows of Rs. 471.8 million helped offset the operating cash outflow of Rs. 1,403.0 million. To support short-term liquidity, the company strategically utilized Rs. 785.6 million from short-term borrowings, in line with its preference for flexible and cost-efficient funding over long-term debt.

Investments and Placement of Funds

The company continues to maintain a diversified investment portfolio comprising blue-chip equities, mutual funds, and term deposits. These investments are aimed at maximizing returns while maintaining liquidity ratios and minimizing risk. Regular performance reviews ensure alignment with market conditions and liquidity objectives.

Repayments of Debts

Total borrowings, including short-term loans and current maturities of long-term debt, increased to Rs. 2,474.2 million from Rs. 1,312.0 million in FY24, in order to meet working capital requirements. The company repaid Rs. 120.2 million in long-term loans and Rs. 88.3 million in lease obligations.

All debt obligations due during the year were repaid on time, and the Company continues to maintain a strong credit profile with no history of defaults. A sizeable unused borrowing capacity remains available to meet future funding needs.

Capital Structure and Assessment of Its Adequacy

As of June 30, 2025, Company reported total equity of Rs. 8,751.7 million, consisting of Rs. 776.3 million in share capital and Rs. 7,975.4 million in reserves. The long-term debt-to-equity ratio improved to 3:97 from 5:95 in FY24, indicating lower dependence on long-term borrowings. Meanwhile, the gearing ratio increased to 21.5% from 11.6%, mainly due to an increase in short-term liabilities. Despite this change, the Company's equity and reserve levels continue to support its financial position, meeting internal benchmarks and ensuring sufficient liquidity.

Business Rationale for Major Capital Expenditure

We create value for our stakeholders through business diversification and continued investment in manufacturing facilities. During FY25, the Company focused on optimizing production infrastructure and refining its cost structure to enhance operational efficiency. Capital expenditure initiatives were aligned with Company's strategic objective of expanding into diversified business segments, thereby increasing operating leverage and strengthening profitability. These investments are expected to contribute to sustainable growth through improved revenue and profit streams. The Company maintained a disciplined approach to managing working capital and capital outflows, ensuring consistent cash generation to support reinvestment. The capital expenditure plan for the year was reviewed and formally approved by the Board of Directors.

THE CAPITALS

And Value Creation

We are committed to creating a sustainable value chain by optimizing the outputs from all the capitals integrated into our business processes.

At Crescent, our approach is rooted in value creation. We believe this path strengthens our financial health and sharpens our competitive edge. By strategically leveraging the capital available to us, we aim to deliver sustainable performance and generate long-term value for all stakeholders.

Beyond economic returns, our value creation model encompasses the full spectrum of our inputs, outputs, and impacts across the value chain, including our customers, suppliers, employees, communities, and the environment. This holistic perspective ensures that our growth is inclusive, responsible, and aligned with our commitment to sustainability.

Our Approach to Value Creation

Value creation is the lens through which we view every aspect of our operations. This strategic track not only strengthens our financial performance but also enhances our long-term competitiveness. By effectively utilizing the six capitals—financial, manufactured, intellectual, human, social & relationship, and natural—we strive to deliver sustainable outcomes that benefit all our stakeholders.

Our integrated approach goes beyond economic value. It captures the full scope of our inputs, outputs, and impacts across the value chain, including our relationships with customers, suppliers, employees, communities, and the environment.

The Capitals

Guided by the International Integrated Reporting Framework, we use the following forms of capitals to assess our position in industry, map the value creation in our business cycle and, the sustainability of our business operations.

Financial Capital

Generating Funds

We generate our financial capital through our ongoing business operations and strategic financing from lending partners. This capital supports our working capital requirements and enables us to pursue growth initiatives and invest in other forms of capital.

Manufactured Capital

Leveraging Infrastructure to ensure Quality Delivery

We continuously invest in our production facilities, corporate offices, and operational processes to enhance efficiency, ensure workplace safety, and uphold product quality and reliability—while fostering responsible growth.

Human Capital

Our Differentiator Strengthening Skill

We invest in skills development, collective knowledge, training, and organizational health to drive performance excellence. Our operating ethos centers on ensuring employee safety, promoting health and well-being, providing fair compensation, and continuously enhancing competencies.

Social and Relationship Capital

Our Legacy as a Responsible Corporate Citizen

We believe in building long-term, high-impact relationships with our stakeholders, while minimizing the footprint of our operations in the communities we serve. We uphold full compliance with all applicable regulations, foster fairness and transparency in our practices, and actively invest in meaningful causes aligned with our values.

Intellectual Capital

Knowledge-Based Intangibles that Make us Competitive

We cultivate a strong, values-driven culture that promotes continuous learning and recognizes performance. Our robust management and information systems are reinforced by regular stakeholder feedback, enabling us to adapt and align with evolving needs. Comprehensive internal controls and monitoring mechanisms ensure the effectiveness and relevance of our management systems.

Natural Capital

Voluntary Commitment for Environmental Stewardship

We utilize raw materials, water, and energy responsibly, while actively monitoring our consumption and greenhouse gas (GHG) emissions. Our operations are designed to minimize environmental impacts, including emissions, wastewater, and effluent discharge. Beyond compliance, we advocate for environmental stewardship and promote a culture of care and protection for the planet.

Capital Utilization (Aligned With GRI Standards)

At Crescent, our business strategy is centered on long-term value creation, in line with the Global Reporting Initiative (GRI) Standards. We manage and leverage the six capitals—financial, manufactured, intellectual, human, social & relationship, and natural—to deliver sustainable performance and generate shared value across our ecosystem.

Our approach contributes to:

- **GRI 201: Economic Performance**

  We report on direct economic value generated and distributed, including revenues, operating costs, employee wages, and community investments.

  Total economic value generated in FY2025: PKR 7.6 billion.

- **GRI 203: Indirect Economic Impacts**

  Our operations support local supply chains, create employment, and contribute to regional development.

  Number of local suppliers engaged: 291;

- **GRI 102-40 to 102-44: Stakeholder Engagement**

  We maintain active dialogue with key stakeholders—customers, suppliers, employees, communities, and regulators—to ensure our decisions reflect their expectations.

  Corporate briefing held: One .

- **GRI 305: Emissions & GRI 306: Waste**

  We monitor and report our environmental footprint, including GHG emissions and waste management practices.

  Scope 1 & 2 emissions: 2,837 and 1,161tonnes CO_2e ; Waste recycled: 1,675 metric MT

Our Approach to Business - Creating Value

As a diversified conglomerate operating across four core sectors—engineering, textiles, capital markets, and power—we are committed to delivering high-quality, value-added products. We foster equal employment opportunities and strive to generate sustainable economic and social value through responsible business practices and inclusive growth.

Drivers for Sustainable Value Creation

Our priorities lie at the intersection of business and society—where we can generate the greatest impact and long-term value. With a structurally robust business model, we focus on operational excellence and value creation by:

- Maintaining industry leadership through innovation in production and processes
- Leveraging the technical expertise of our people and the diversity of our business portfolio
- Upholding a strong corporate culture rooted in employee wellbeing, environmental stewardship, and institutional learning
- Driving continuous improvement through best practice benchmarking, knowledge sharing, and advanced technology

As responsible corporate citizens, we are committed to delivering consistent returns and maintaining a healthy balance sheet. This reinforces our credibility, strengthens access to capital, and to markets.

Creating value for sustainable development

As a responsible corporate citizen, we map contribution to the following SDGs, with particular focus on SDG 4, 8 and 12.

OUR CONTRIBUTION TO THE UNITED NATIONS

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

PKR **3,369**
million in wealth distribution to Stakeholders

3 GOOD HEALTH AND WELL-BEING

23,000 ml
of blood donated

Health Insurance Policies
PKR **6.7** million
Premium and Strength **654**

Life Assurance Policies
PKR **1.0** million
Premium and Strength **406**

4 QUALITY EDUCATION

PKR **98.12**
million to support **2,885** TCF students

PKR **2.99**
million for Employee development

5 GENDER EQUALITY

21%
female representation across our corporate offices

6 CLEAN WATER AND SANITATION

181.56
million Liters of water reused

7 AFFORDABLE AND CLEAN ENERGY

52,551 GJ
Total Energy Consumption

3,171 GJ
Renewable Solar Power Produced

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

PKR **7,669**
million Revenue

PKR **2,970**
million in Wealth Generated
162
KM Pipe for national energy infrastructure
42
KM pipe for the Water project

11 SUSTAINABLE CITIES AND COMMUNITIES

Driving forward with our Company Sponsored Vehicles program – **8** cars and **17** motorcycles allotted to eligible employees
Keeping our employees moving – company-arranged transportation for our factory employees

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

43,000
Plastic bags Sold for recycling/ reuse

plastic bags and **10** cartons were sold for recycling

14 LIFE BELOW WATER

6,700
mangroves which have reduced our carbon footprint by
152.48 tonnes

15 LIFE ON LAND

9,482
Trees

1,000 mangrove saplings planted.
(Total 6,700)
Minimize our yearly carbon footprint by
152.5 metric tonnes

MAPPING WITH SUSTAINABLE DEVELOPMENT GOALS (SDGS)

We support the United Nations Sustainable Development Goals (SDGs) in their mission to create a better and more sustainable world for everyone.

From the commencement of our operations in 1987 our commitment has always been to deliver quality products efficiently and economically minimizing the negative impacts of our operations, contributing to the communities where we operate, providing fair and consistent returns to shareholders and a desirable workplace for our employees where they are assessed and rewarded with fairness.

While our contributions span a range of UN SDGs, our primary focus remains on SDGs 4 (Quality Education), 8 (Decent Work and Economic Growth), and 12 (Responsible Consumption and Production).

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2025
1 NO POVERTY End poverty in all its forms everywhere	To promote social entrepreneurship and tertiary education to enhance the employability of our people and of Pakistanis at large. Empowering through education. Contributing to social safety nets such as education for all, healthcare access and relief.	Donated Rs. 102,224,000 to community partners in education, namely TCF, IVS, NUST, Deaf Reach and Habib University. Donated Rs. 4,234,400 to community partners in health for free healthcare access. Provided hardship support to our employees through the Benevolent Fund of Rs. 337,052. Collaborated with NUST to promote social entrepreneurship by sponsoring their initiative – Finding Innovative and Creative Solutions for Society (FICS). Collaborated with IVS to foster innovation and address local community needs by sponsoring their Critical Futures Creative Labs initiative.
2 ZERO HUNGER End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Contribute towards food security and distribution programs/centers.	Our employees volunteered for iftar distribution drives organized by The Robin Hood Army. Through the drive, we were able to feed approximately 281 individuals at old age homes and orphanages. Our employees volunteered for ration distribution drives organized in collaboration with WWF. Through the drive, ration was distributed to 220 households in Kakapir and Somar Goth (fishermen communities). Surplus food from the Head Office Mess is regularly shared with underprivileged communities in the surrounding area. Over the course of the year, nearly 1,167 food packs were distributed as part of this initiative.
3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	Promote a healthy Pakistan by catering to the basic healthcare needs of the people through awareness campaigns and initiatives while contributing financial support leading to a hepatitis-free Pakistan.	Sponsored Hepatitis B and C vaccinations in collaboration with The Health Foundation. Donated 20,000 ml of blood through the Indus Hospital Blood Drive held during the year. Our employees from the Jaranwala factory donated a total of 3,000 ml of blood to the Social Security Hospital, Jaranwala Supported Indus Hospital in acquiring a Slow Suction Machine and a Patient Support Monitor. Supported Patients' Aid Foundation in acquiring new equipment for the Gynae ward. Supported NIBD Welfare Society for Baby Afia's Chemotherapy and Bone Marrow Transplant In collaboration with Ms. Samina Alvi's breast cancer awareness team, we organized an informative session on breast cancer and mental health. A similar session was also organized my Patients' Aid Foundation.

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2025
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Our mandate is to build an educated Pakistan through a focus on primary education. We selectively support programs for tertiary education, especially when those resources may be absorbed into our businesses.	Contributed Rs. 67,000,000 as operational support for 15 school units built by us. The contribution helped educate 2,650 students. Contributed Rs. 27,300,000 towards the construction of a TCF primary campus in Ibrahim Hyderi, Ali Akhbar Shah Goth, Korangi, Karachi, with a planned capacity of 180 children per shift. Sponsored Mr. Tabark Rehman's Run for Education campaign, with the proceeds directed towards operating expenses for CSAPL Campus VIII's primary afternoon shift, benefiting 151 students. Sponsored the Cycle for Change event, with all contributions directed towards TCF's education initiatives. Provided career counselling to TCF students during Crescent Cares Week. Manage a scholarship scheme for children of employees with 6 active scholars. Continue to provide tertiary scholarships to 5 TCF alumni, including 2 students at Habib University, supported through the Crescent Steel Scholarship Fund. Continue to provide tertiary scholarship to 1 student at IVS, supported through the Crescent Steel Scholarship Fund.
Achieve gender equality and empower all women and girls	We are committed to providing equal opportunities and are gender-blind in our recruitment. We ensure that the workplace is rewarding, safe and comfortable for all employees and go beyond the norm to provide flexibility to female employees as required.	In 2025, 21% of our employees across our corporate offices were females. 11% of the Executive Management Team and 4% of the management roles were filled by women. We have a dedicated space for mothers even though we do not have the depth that would require a full-scale day-care center with only one new mother in the Head Office. We offer equal pay and positively discriminate in favour of female employees, going beyond the norm to offer flexibility in work schedules and paid time off.
Ensure availability and sustainable management of water and sanitation for all	We aim to conserve, reuse and recycle water at every opportunity.	We reused 385.4% of water consumed in 2025 across all our campuses.
Ensure access to affordable, reliable, sustainable and modern energy for all	To manage our energy consumption, reduce our dependency on the national grid and mitigate the risk of recurring power outages.	We remain committed to conserving energy through various initiatives and actively promote a culture of energy efficiency within the organization. At our steel plant in Nooriabad, a total of 582.4 kW of solar power was initially installed, with an additional 419.18 kW recently added—bringing the total installed capacity to 1,001.58 kW.

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2025
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We aim to provide equal growth opportunities to our people and encourage them to innovate, discuss and present new ideas.	We employ a staff of 406 people across our locations and strive to provide the right resources and an environment that supports their growth and development needs. We continue to retain standard certifications (ISO 14001:2015 and ISO 45001:2018) and encourage a strong safety-first culture with a mission-zero goal alignment We hold sessions to inform employees about better financial planning, savings and more. The average pay increase to eligible employees for FY24 stood at 18.89%, while variable payouts to management averaged 28.16% of annual gross salary. During the year, 7% of our total payroll comprised of overtime payments to workers.
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	We support sustainability advancement and transformational change across our business and strive to leverage best in class technology to make operations efficient and agile. We work with industry partners, trade bodies and universities and strive to contribute to meaningful dialogue on industry innovation.	All our emissions and discharges are compliant and within the prescribed limits set by the National Environmental Quality Standards (NEQS). As a part of our continued commitment to our stakeholders, we work hard to mitigate the environmental impact of our operations.
Reduce inequality within and among countries	We provide equal opportunities to grow and encourage innovation, discuss, and suggest new ideas.	Our businesses continue to provide equal-opportunity employment to hundreds of citizens across Pakistan. Our priority towards society and people are effectively integrated with our business offering and how we work on a day-to-day basis. In 2025, minority employees comprised 6% of the total workforce, with representation at the Head Office reaching 11% Supported SOS Village by providing for monthly medical expenses for the children in their care. Supported Akhuwat Microfinance Bank via a revolving fund for microfinance loans, where repayments are reinvested to enable future lending. In its initial phase, the fund has facilitated the disbursement of 102 loans.
Make cities and human settlements inclusive, safe, resilient and sustainable.	We strive to make a meaningful impact in the communities where we operate.	The line pipes we supply are used in hydrocarbon transmission to businesses and households across the country. We successfully supplied 204 km of high-quality line pipes on time, including 162 km for national energy infrastructure projects and 42 km for the Greater Karachi Bulk Water Supply project. We also ensure that we hire people from localities near our operations, as far as reasonably possible and in line with business requirements. Over the last year, 87% of new entrants represent rural communities and 76% of our total workforce is from rural Pakistan. Provided operational support to TCF for running 10 CSAPL sponsored TCF campuses.

Sustainable Development Goals	Our (Goals)/Strategy	How We Have Contributed Over Fiscal Year 2025
Ensure sustainable consumption and production patterns	To minimize wastage resulting by reducing material consumption as far as reasonably possible.	Our products contribute significantly towards import substitution and towards a sustainable energy and water infrastructure for Pakistan. 35% of the natural gas transmission infrastructure has been produced by us. We seek to ensure that as far as possible we practice reuse, where reuse is not possible, we ensure proper disposal of waste matter in accordance with local regulations imposed on us and international best practices. Disposal methods include landfilling, recycling, and incineration. A total of 43,000 plastic bags and 10 cartons were sold for recycling, while 14.7 metric tonnes of debris, kitchen waste, and other non-hazardous materials were properly disposed of. At our Nooriabad plant, the company has implemented multiple energy and resource efficiency measures, including skylight installations saving up to 25,000 kWh annually, water recycling reducing consumption by 10 GPH, and a 419.18 kW solar system cutting 765,000 kWh and 320 MT of CO_2 emissions per year. Additional initiatives such as LED lighting and inverter air-conditioning are contributing up to 40% and 20% energy savings, respectively. All lights bulbs in Head Office are LED. Cutting off logistic requirements by 50 resulting in reduction in consumption and emissions Integration of sustainability reporting with annual reporting cycle.
Conserve and sustainably use the oceans, seas and marine resources for sustainable development	We strive to conserve natural resources by partnering with WWF.	Mangrove forests serve as a valuable nursery for fish and other invertebrates. To date, we have planted 6,700 mangroves which have reduced our carbon footprint by 152.5 tonnes.
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	We strive to support marine conservation and environmental advocacy activities.	During the year, we planted 9,482 trees. Over the years our plantation size has increased to over 66,300+ trees. These trees will help reduce our carbon footprint by 393 tonnes annually. Continued sponsorship of Mr. Saad Munawar in the Seven Summits project. One of his objectives for this project is to save the environment.
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	We strive to promote sustainable business practices throughout our value chain.	Through our business, we increase stability, improve economic prospects, and contribute socially and economically towards the community. Close collaboration with Citizens-Police Liaison Committee (CPLC) in our efforts towards a peaceful and safe society.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BOARD OF DIRECTORS

Ahmad Waqar

76

Masters in English Literature, MBA (Finance)

Joined Board: January 30, 2012

Chairman (Non-Executive Director)

MAJOR ENGAGEMENTS
Past:

Principal Advisor to Chairman, Petroleum Exploration Limited (PEL),

Public Sector:

Chairman FBR
Secretary, Investment Division,
Secretary, Ministry of Petroleum and Natural Resources,
Secretary, Privatization Commission.
Additional Secretary In-charge, Ministry of Privatization.
Deputy Secretary, Cabinet Division

Chairman:

Saindak Metals (Private) Limited,
Pakistan Mineral Development Corporation,
Government Holdings (Private) Limited.

Director/Member (Nominee – Government of Pakistan):

State Bank of Pakistan,
United Bank Limited,
Habib Bank Limited,
Pak-Kuwait Investment Company,
Pakistan Telecommunication Company Limited,
Pakistan International Airlines,
Hydrocarbon Development Institute of Pakistan,
Pakistan Electronic Media Regulatory Authority,
Private Power Infrastructure Board,
Overseas Pakistanis Foundation,
Ufone.

Ahsan M. Saleem

72

Masters in Economics

Joined Board: August 1, 1983

Chief Executive Officer and Managing Director

Other current engagements:

1. Co-Founder and Chairman, The Citizens Foundation,
2. Director, Pakistan Centre for Philanthropy
3. Trustee, Commecs Educational Trust

Nausheen Ahmad

65

L.L.M, L.L.B & a Degree in Philosophy of Religion

Joined Board: January 29, 2024

Director (Non-Executive, Independent),

Other Current Engagements

Director

Meezan Bank Limited
International Steels Limited
Jubilee General Insurance Company Limited
Engro Powergen Qadirpur Limited
Descon Engineering Limited
1Link (Pvt) Ltd
Founder, Dispute Resolution Forum, Institute of Business Administration
Visiting Faculty, Institute of Business Management & Karachi School of Business & Leadership

Member

The Pay and Pension Commission, Government of Pakistan

Past Engagements

First Women Bank Limited
Pakistan Stock Exchange
Altern Energy Limited

Nihal Cassim

50

MBA (Finance & MIS)

Joined Board: January 29, 2024

Director (Non-Executive, Independent),

Other Current Engagements

Chairman
The Organic Meat Company Limited

Director:

Pakistan Stock Exchange
National Clearing Company of Pakistan Limited
International Steels Limited
National Institutional Facilitation Technologies (Private) Limited
Ubiquity Trading Limited
Jinnah Foundation (Trustee)

Past Engagements

Vice President:
Small-cap Investment Banking for First Associates (now Blackmont Capital, a CI Financial Company)

Director:
Pakistan Oilfields Limited
Ferozsons Laboratories Limited
Image Systems Marketing (Private) Limited
NIFT Khazana e-Trust (Private) Limited
Mutual Fund Association of Pakistan

BOARD OF DIRECTORS

Muhammad Kamran Saleem

53

M.Com., LL.B., LL.M., ACA (Eng. And Wales), FCA (Pak.), FCMA, FCIS, PGD

Joined Board: January 30, 2021

Director (Non-Executive, Independent)

Other Current Engagements

Chief Executive Officer/Managing Director:
Pak Qatar Investment (Private) Limited
AK Advisors LLP

Executive Director and Company Secretary:
Pak Qatar Takaful Group

Chairman/Convener:
FPCCI's Standing Committee on Takaful & Window Operations

Director:
Pak Elektron Limited,
Pak Qatar Asset Management Company Limited
Pak Qatar Family Takaful Limited
Pak Qatar General Takaful Limited
MPQ Developers (Private) Limited
Sharq Trading and Merchandising (Private) Limited

Member:
Sindh High Court Bar Association
Sindh Bar Council
Karachi Bar Association
Karachi Tax Bar Association
Karachi Press Club
Karachi Chamber of Commerce & Industry

Nadeem Maqbool

66

A.B Eco.

Joined Board: March 25, 2020

Director (Non-Executive, Independent)

Other Current Engagements

Chairman
Crescent Fiber Limited

Chief Executive Officer:
Suraj Cotton Mills Limited
Premier Insurance Limited

Director:
Premier Financial Services (Pvt.) Ltd.

Past Engagements
Director/Chairman:
Karachi Cotton Association
National Textile Foundation
All Pakistan Textile Mills Association - APTMA

Trustee:
Old Grammarian Society

Ahmad Shafi

47

Bachelors in Commerce, American University

Bachelor In Commerce (Marketing), Concordia University

Joined Board: January 29, 2024

Director (Non-Executive)

Other Current engagements:
Chief Executive Officer, Crescent Textile Mills Limited

S.M. Ehtishamullah

86

Fellow Chartered Accountant

Joined Board: January 30, 2000

Director (Non-Executive)

Past engagements:

Director:
Agriauto Industries Limited,
Al-Ghazi Tractors Limited,
Crescent Leasing Corporation Limited,
Hinopak Motors Limited

CORPORATE GOVERNANCE

Crescent Steel conducts its business in a responsible manner and with honesty, integrity and in line with best practices. We also have the same expectations from all those with whom we have relationships. We insist on doing what is right, which sets the tone of our actions and underpins the functioning of our employees. We also insist that all transactions be open, transparent and within the legal framework culminating in responsible financial reporting.

OUR GOVERNING PRINCIPLES

At Crescent Steel, we uphold the highest standards of safety, governance, environmental stewardship, and ethical business conduct; we strive to ensure that every individual and partner associated with our company embodies these values

As a responsible corporate Crescent Steel conducts business with honesty, transparency and integrity and expects the same from all partners and stakeholders.

Our Core Values - Integrity, Ownership, Customer Focus, Continuous Improvement and Community Care —are embedded in every decision we make.

Crescent Steel complies with the Pakistan Code of Corporate Governance and other applicable regulations of the Securities and Exchange Commission as well as the listing regulations of the Pakistan Stock Exchange.

Anti-Bribery/Corruption and Facilitation Payments

Crescent Steel does not use bribery as an instrument for any business or financial gain and prohibits the offer, payment, solicitation or acceptance of bribes, improper benefits, and facilitation payments in any form. This includes the use of third parties, including agents and representatives. Crescent Steel also has adequate controls on giving and receiving gifts and gratuities to and from customers, suppliers, public officials, or relatives or associates of public officials. The giving or receiving of gifts or hospitality is prohibited in all circumstances that may be regarded as compromising personal judgement or the judgement of others, or conflicts in any way with Crescent Steel's purpose, values, and behaviors.

Service to Society

We are committed to being active as responsible corporate citizens. We believe in "giving something back" by addressing gaps in targeted areas including education, healthcare, public safety, environmental protection, and stewardship – with a particular focus on education. As such a majority of our giving is allocated to primary and secondary schooling for less privileged children.

We believe that individual entities when working together can create powerful synergies and help to improve quality of life in the areas where they operate. We actively strive to promote issues of education, health, and environment.

Health, Safety and Environment

At Crescent Steel, compliance with workplace health and safety standards is of critical importance across all our locations. We are committed to actively managing health and safety risks associated with our business and are working towards improving our procedures to reduce, remove or control the risk of fire, accidents or injuries to employees and visitors. All activities at all our campuses are required to conform to international standards for health and safety certified by ISO 45001 and ISO 14001.

We also ensure that our products are shipped in a safe manner complying with all safety standards and legal requirements.

Shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to the shareholders in the annual report, interim quarterly reports and through information portal of Pakistan Stock Exchange as and when required. The Board encourages shareholder participation at the Annual General Meetings to ensure a high level of accountability. The Company's financial statements are available on the Company's website and an officer is designated to answer all shareholders' enquiries.

Equal Opportunity, Diversity, and Anti-Harassment

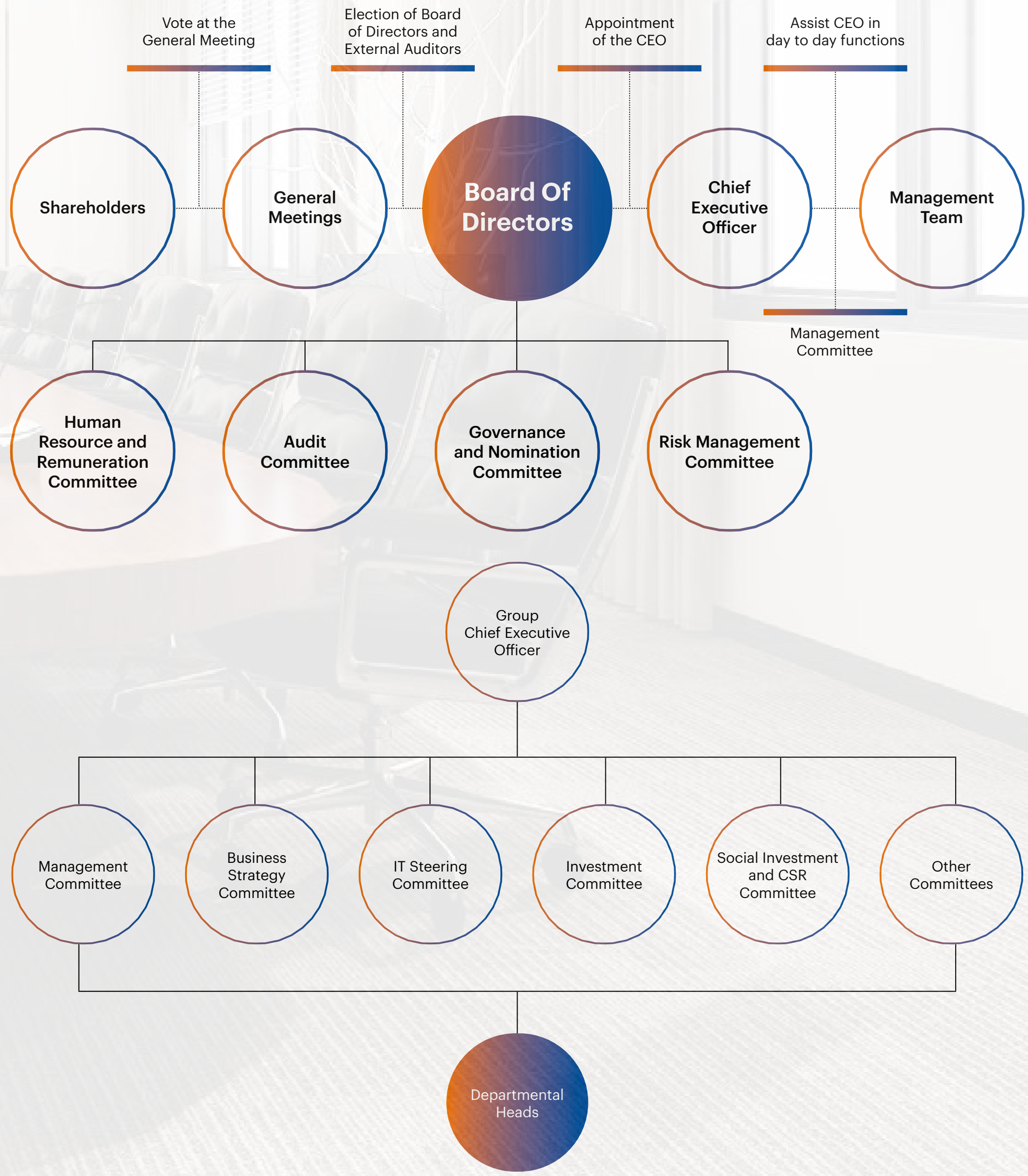
At Crescent Steel, we are committed to building a work environment where every individual is valued, respected, and empowered to contribute to their full potential. We believe diversity is a strength that fuels innovation, and inclusion is fundamental to building a culture of collaboration and shared success.

We provide equal opportunity in all aspects of employment, ensuring that decisions related to hiring, promotion, and career development are based on merit. We strive to create a workplace where differences in gender, ethnicity, age, disability, and background are embraced, and everyone feels a sense of belonging.

Our zero-tolerance policy towards any form of harassment or discrimination ensures that all employees can work in a safe and respectful environment, free from intimidation, harassment, or bias.

The Company has clear procedures in place for reporting incidents of harassment, and all reports are handled with strict confidentiality and thorough investigation. We believe that a respectful and safe workplace is essential to our business success and is integral to our commitment to our employees and stakeholders.

Our Governance Structure



Functioning of the Board

The Company has a unitary board structure consisting of eight directors (including the CEO) of which four are independent. Crescent Steel gives due consideration to the qualifications and expertise of individuals when deciding on the Board's composition. This ensures that a vast range of expertise and experience is represented on the Board in the best interest of stakeholders and the Company.

The Board has formulated policies which it reviews on a periodic basis including risk management, procurement of fixed assets, goods and services, investments, borrowings, donations, charitable giving and contributions, whistle blowing, delegation of financial authority, transactions with related parties and transfer pricing, provision for slow moving stores and spares and impairment of assets, Board charter etc. and such policies are implemented and monitored through delegation of duties to four standing committees of the Board: The Audit, Risk Management, Human Resource and Remuneration, and Governance and Nomination Committees.

Role of the Board of Directors

The Board has fiduciary responsibility for the proper direction and control of the activities of the Company. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and transparent reporting to shareholders. The Board accepts its primary responsibility for the overall control architecture of the Company; however, it recognizes that the internal control system must be cost effective, and that no cost-effective system will preclude all errors or irregularities.

The system is based on written procedures, policies, guidelines, an organogram that provides an appropriate division of responsibility, a program of internal audit, manning of all key functions by qualified personnel and constant skills development.

Remuneration of Board of Directors and Chairman

All directors of the Company are Non-Executive except for the Chief Executive Officer (CEO). The CEO is paid a fixed salary as determined by the Board; the performance of CEO is evaluated against approved criteria by the HR & R Committee and recommended to the Board for approval. All the other directors are paid the Director's fee for attending Board meetings which is also fixed considering applicable laws and regulations. The Chairman of the Board is paid honorarium for his services to the Company as approved by the Board.

Code of Conduct

The Board has adopted a code of conduct for its members, executives, and staff, specifying the business standards and ethical considerations in conducting its business. The code includes:

- Corporate governance
- Relationship with employees, customers, and regulators
- Confidentiality of information
- Trading in Company's shares
- Environmental responsibilities

Board Committees

The Board has constituted the following committees:

- Audit Committee
- Risk Management Committee
- Human Resource and Remuneration Committee
- Governance and Nomination Committee

All board committees operate under an approved charter. Through its committees, the Board provides proactive oversight in key areas of business and the performance of the Company. The Board regularly reviews the respective charters of these committees.

Audit Committee

The Committee comprises of four members who all are Non - Executive Directors, including two Independent Directors, as Chairman and two members.

The terms of reference of the Audit Committee include the following:

- To provide the Board of Directors ("the Board") with an independent and objective evaluation of the operations, policies, procedures and controls implemented within the Company.
- To provide supplemental assistance and resources to the internal audit department of the Company in order for them to provide the Management and the Board of the Company with an independent, objective evaluation of their operations, policies, procedures and controls.
- To provide the Board with an oversight of the internal audit department in the Company to assure that an effective internal audit function is in place, which includes a risk based annual and long range audit plan, a reporting mechanism and a quality control plan.
- To provide assistance to the Board in fulfilling their oversight responsibility relating to integrity of the financial statements and financial reporting.
- To review and evaluate procedures established to comply with laws and regulations and to monitor compliance thereof.
- To assess the Company's risk management process including risk related to Financial Statements and Financial Reporting.
- To recommend the appointment of Internal and External Auditor for the Board's approval.

Risk Management Committee

The Committee comprises three members who all are Non-Executive Directors, including two Independent Directors. The Committee has been constituted to address and improve risk oversight and risk management within the Company.

The terms of reference of the Risk Management Committee include the following:

- Oversee and recommend the risk management policies and procedures of the Company.
- Review and recommend changes as needed to ensure that the Company has in place at all times a Risk Management policy which addresses the strategic, operational, financial and compliance risks.
- Implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Company's business risks.
- Set reporting guidelines for management to report to the Committee on the effectiveness of the Company's management of its business risks.
- Review the Company and its subsidiaries' risk profiles and evaluate the measures taken to mitigate the business risks (Risk Register).

Human Resource and Remuneration Committee

The Committee comprises of four members who are all Non-Executive Directors, including two Independent Directors. The Committee has been constituted to address and improve the area of Human Resource Development. The main aim of the committee is to assist the Board and guide the Management in the formulation of market driven HR policies regarding performance management, HR staffing, compensation and benefits, that are compliant with the laws and regulations.

The terms of reference of the Human Resource and Remuneration Committee include the following:

- Recommending human resource management policies to the Board.
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits) of the CEO, CFO, Company Secretary and Head of Internal Audit.
- Ensure a proper system of succession planning for top management is in place and the adequacy of the same in the rest of the organization.
- Review the organizational structure and recommend changes, if any, to increase the effectiveness and efficiency of reporting lines and the division of authority and responsibility.
- Review the effectiveness of the recruitment and recommend changes, if any.
- Guide management in development/revision of all employees benefits, policies and rewards.
- Oversee employee development by monitoring HR aspects of organizational learning and development.
- Ensure that the performance management system is achieving its objectives of fairly rewarding employees' performance and is in line with company objectives.

Governance and Nomination Committee;

The Committee comprises two Non-Executive Directors (One Independent) and Executive Director (CEO) of the Board. The role of the Committee is to assist the Board in the discharge of its function as well as compliance with the Company's governing principles. The Committee takes a leadership role in shaping the Company's governing principles in order to keep them in line with International best practices.

The terms of reference of the Governance and Nomination Committee include the following:

- Monitoring compliance with the Code of Corporate Governance (SECP's and Company's Governing Principles) other than those areas which fall under the oversight of the Audit Committee.
- Advising Directors on Governance principles periodically and changes in the requirements of the Code of Corporate Governance whenever required.
- Reviewing that the key functions of the Company and assignment/responsibilities of main functionaries are consistent with the business objectives.
- Advising the CEO on the adequacy of available skills and expertise for achieving the business objectives.
- Examining the need for additional Board Committees and recommending changes/modifications in the structure/functions of the existing Board Committees.
- Evaluating the performance of the Board and its committees.
- Providing governance and oversight of the identification, assessment, and management of sustainability risks and opportunities, including environmental, social, and governance (ESG) considerations.
- Monitoring the development and implementation of policies that foster a safe, inclusive, and equitable workplace for all employees.
- Reviewing and providing guidance on the company's approach to addressing principal and emerging sustainability risks, including climate-related risks, and the financial and operational impacts of these risks. Ensure management implements appropriate mitigation strategies.
- Reviewing on Annual Basis Register of persons who have access to inside information and monitor compliance with Access to Inside Information Regulations, 2016.

Attendance in Meetings	Board		Audit Committee		Human Resource and Remuneration Committee*		Governance and Evaluation Committee*		Risk Management Committee	
	Required	Attended	Required	Attended	Required	Attended	Required	Attended	Required	Attended
Non- Executive Directors										
Mr. Ahmad Waqar	6	6	-	-	2	2	1	1	-	-
Mr. Ahmad Shafi	6	6	4	3	2	2	-	-	-	-
Mr. Muhammad Kamran Saleem	6	4	-	-	-	-	1	1	-	-
Mr. Nadeem Maqbool	6	6	4	4	2	2	-	-	-	-
Ms. Nausheen Ahmad	6	6	-	-	2	2	1	1	-	-
Mr. Nihal Cassim	6	4	4	2	-	-	-	-	-	-
Mr. S. M Ehtishamullah	6	6	4	4	-	-	-	-	-	-
Chief Executive Officer										
Mr. Ahsan M. Saleem	6	6	-	-	-	-	1	1	-	-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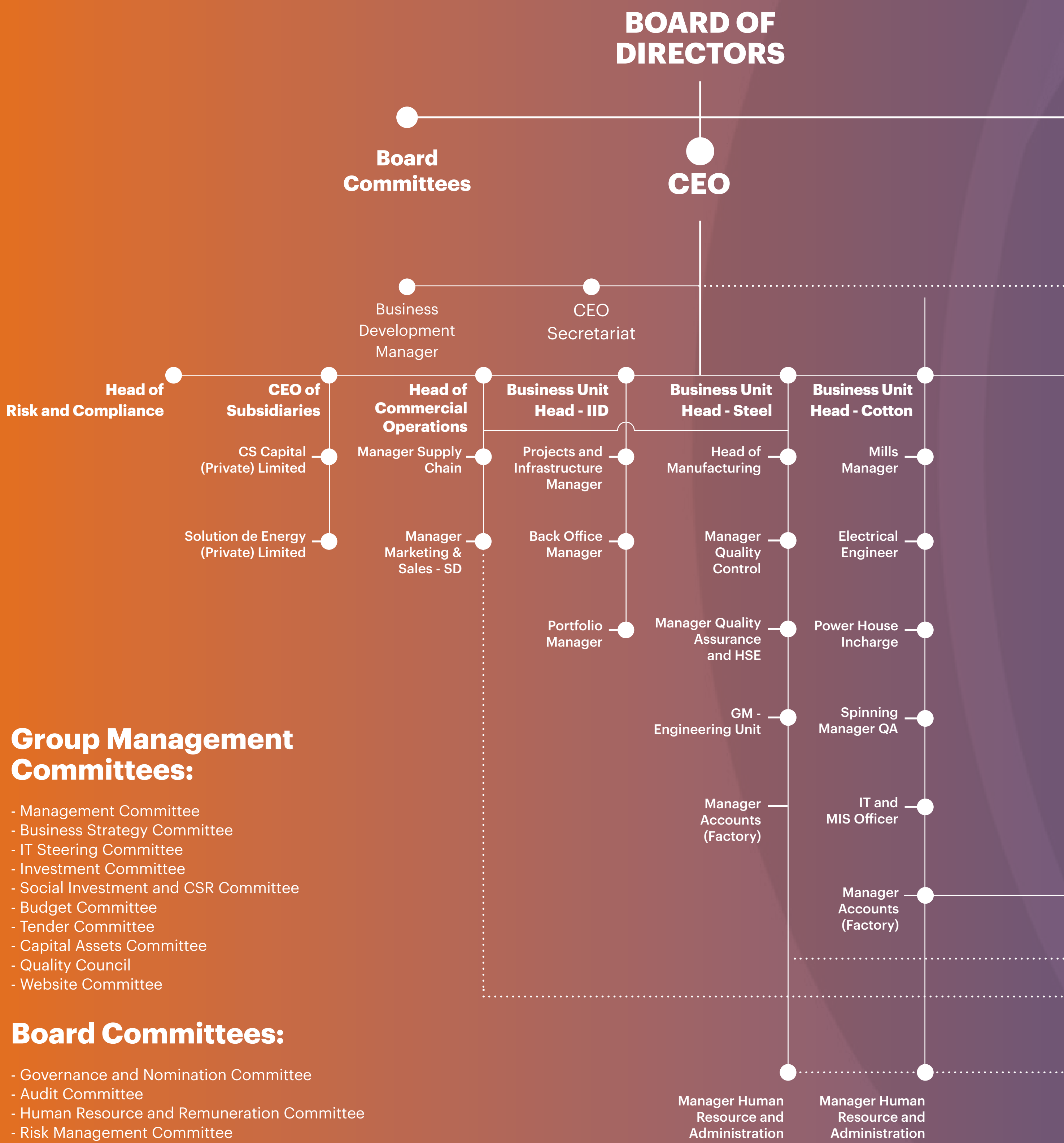
MANAGEMENT STRUCTURE OF THE COMPANY

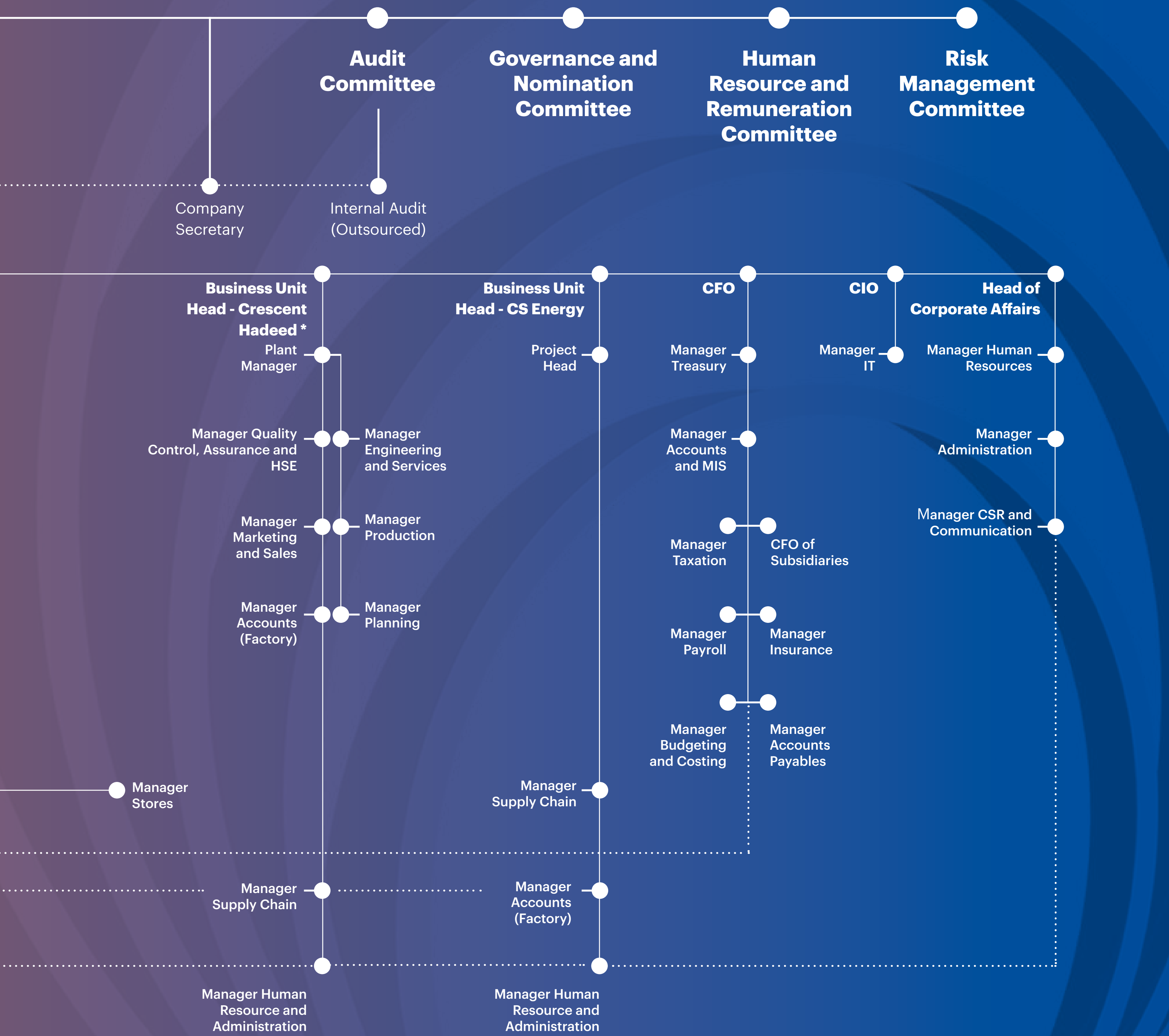


Group Management Committees:

- Management Committee
- Business Strategy Committee
- IT Steering Committee
- Investment Committee
- Social Investment and CSR Committee
- Budget Committee
- Tender Committee
- Capital Assets Committee
- Quality Council
- Website Committee

Board Committees:

- Governance and Nomination Committee
- Audit Committee
- Human Resource and Remuneration Committee
- Risk Management Committee



* Operations at the Hadeed division have been discontinued and only skeleton staff for the unit remains in continued employment with the Company.

MANAGEMENT COMMITTEES

Management Committee

Ahsan M. Saleem	Chairperson
Abdullah A. Saleem	Member
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Mushtaque Ahmad	Member

The Committee devises long-term policies and vision for the Company with the sole objective of providing the best returns to shareholders by optimally allocating existing resources. The Committee is also responsible for reviewing the Company's operations on a regular basis, establishing and ensuring adequacy of internal controls and, monitoring compliance of key policies. The Management Committee meets on a quarterly basis. Terms of reference of the committee include the following:

- To prepare, approve and keep an updated long-term plan,
- Provide guidelines to the Business Strategy Committee for medium and short-term tactics,
- Discuss new ideas, new business lines, new product lines, new markets, and / or refer new opportunities and feasible ideas to another committee for refinement,
- Analyze current market situation with a view to maintain sustainable competitive advantage,
- To discuss in detail the plans of the Group and accordingly adjust the policies of the Company to avoid any conflict, and
- Analyze group investment opportunities and refer to the investment committee, if required.

Business Strategy Committee

Ahsan M. Saleem	Chairperson
Abdullah A. Saleem	Member
Abdul Rouf	Member
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Mushtaque Ahmad	Member
Azeem Sarwar	Secretary

The Committee is responsible for formulation of business strategy, review of risks and their mitigation plan. Further, the Committee is also responsible for staying abreast of developments and trends in the Industry to assist the Board in planning for future capital-intensive investments and growth of the Company.

The Committee meets at least twice a year. The terms of reference include the following:

- To prepare, approve and recommend to the Board a framework for business strategy,
- Develop and approve medium term plan(s) to meet interim objectives and milestones for any long-term project approved by the Executive Committee,
- Review the progress of different new projects of the Company,
- Approve short term goals, both qualitative and quantitative, for different segments of the Company,
- Review periodically the targets achieved and revise the operational targets, if required,
- Review allocation of resources to different segments such as investments, core business, etc., and
- Gather information of the competitors' business and prepare an updated SWOT analysis of the Company, to be submitted to the Executive Committee.

IT Steering Committee

Ahsan M. Saleem	Chairperson
Abdullah A. Saleem	Member
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Owais Ahmed	Member
Osama Mansoor	Secretary

The Committee monitors the implementation of IT Strategy on a regular basis. It ensures that Crescent Steel stays current with the evolving new technologies and Information System Processes. The Committee prepares a long-term IT plan, which includes fostering an IT Culture at all levels. Terms of reference of the committee include the following:

- To guide the IT Department and Management in preparing the IT Strategy of the Company in a cost-effective manner,
- Monitor the implementation of the IT Strategy on a regular basis,
- Ensure that Crescent Steel stays current with the evolving new technologies and the latest Information System Processes as applicable to the business and growth of the company,
- Provide the basis for preparing long-term IT plans while not losing sight of the immediate goals and objectives,
- Facilitate the promotion of an IT Culture in the Company at all levels. This has been done by traditional training interventions including company-wide workshops at all levels, and
- Assist the Board to ensure that the IT vision provided by the Board is manifested in the IT Strategy and its subsequent implementation.

Investment Committee

Ahsan M. Saleem	Chairperson
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member

The Committee helps in maintaining a balanced portfolio of investments and maximize returns while keeping risk at a desirable low level. Terms of reference of the committee include the following:

- To determine the sector wise weight of the portfolio based on market conditions,
- Assess and monitor the risk associated with the portfolio, and
- Review the performance of the investments and take decisions relating to scrip wise entry and exit.

Social Investment and CSR Committee

Abdullah A. Saleem	Chairperson
Hajerah A. Saleem	Member
Muhammad Saad Thaniana	Member
Mushtaque Ahmad	Member
Sarah Zubair	Secretary

The Committee reviews the distribution of charitable contribution in line with Company's policy for donations, charities and contributions. Terms of reference of the committee include the following:

- To review and recommend any changes to the Company's policy relating to Corporate Social Responsibility for the approval of BOD,
- Review and recommend the distribution of charitable contribution in line with the Corporate Social Responsibility policy,
- Review and monitor CSR activities, and
- Measure social investments to evaluate their impact.

Other Committees

In addition to the above committees, the Company has also constituted the following committees which work in their respective domains as per approved terms of reference:

- **Budget Committee**
- **Tender Committee**
- **Quality Council**
- **Capital Assets Committee**
- **Website Committee**

REVIEW REPORT BY THE CHAIRMAN

I am pleased to present this report to the shareholders of Crescent Steel and Allied Products Limited on the overall performance of the Board and its effectiveness in achieving the Company's objectives.

This Annual Report provides information on our financial performance and non-financial metrics during the year.

Board Performance

Crescent Steel has implemented a strong governance framework that supports effective and prudent management which is regarded as instrumental in achieving long-term success.

The Board strives to ensure that the management remains agile in responding to the constantly evolving operating environment especially when faced with crisis and long-term challenges. The Board actively analyses the Company's operating environment and provides meaningful guidance and advice to support the management to deal with and overcome difficult situations and evolving global and national challenges.

The Board of Directors approves the Company's strategic plan and ensures alignment with its long-term vision. The Board maintains a clear outlook on the Company's evolution over the next three to five years, staying informed about financial performance and goal achievement. The Board provides timely oversight and direction, monitors management performance and focuses on key risk areas.

As Chairman, I will continue to lead the Board, promote a culture of openness and constructive debate where all perspectives are considered, and ensure the Board engages with a diverse range of senior management. I remain committed to ensuring the Company adheres to all relevant codes and regulations, while guiding the management team in making decisions that create value for the shareholders in the short, medium, and long term.

The Board of Directors has reviewed the Annual Report and Financial Statements, and are pleased to confirm that in its view, the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and comprehensive.

The Board of directors met six times during the year to review the overall performance, appraise financial results, corporate strategy and annual budget, and the overall effectiveness of the role played by the Board in achieving the company's objectives. Meeting agendas and supporting papers were received in a timely manner for the Board meetings.

Evaluation of the Board and its Committees

After the end of each fiscal year, the Board evaluates its effectiveness and performance through a self-assessment process collated by the Governance and Nomination Committee. Since 2013, the Board has regularly performed these evaluations. A self-assessment of the Board performance is carried out after the annual meeting of the Board. This assessment was not carried out for FY24 as the new Board was elected on January 31, 2024 and the Board's performance was not assessed because of the short span of its functioning. This exercise is, however, scheduled after the Annual meeting of the Board on July 31, 2025.

The overall assessment is based on an evaluation of the following integral components:

- Vision, mission and values
- Engagement in strategic planning
- Formulation of policies
- Monitoring the organization's business activities
- Adequacy of financial resources management
- Providing effective fiscal oversight
- Acting as a responsible employer
- Relationship between Board and Staff
- Organization's public image and our societal impact
- Review of the CEO's performance
- Board structure and dynamics

Board Composition and Diversity

The Company has a diverse and competent Board of Directors having adequate number of independent and non-executive directors, including a female director which holds to the Company's vision and mission with the ultimate goal of serving the interests of stakeholders.

Our persistent dedication to the Company's core values; Integrity, Ownership, Customer Focus, Continuous Improvement, and Community Care, cultivates a positive and productive work environment for employees. We are committed to attracting top talent from diverse backgrounds to drive growth and innovation. Across the organization, there is a shared effort to take pride in our work, grounded in the belief that the Company will always maintain its trustworthiness and uncompromising standards.

Board Committees and their contribution

The Board and its committees have diligently fulfilled their duties and responsibilities, playing a key role in guiding the Company in strategic matters. The terms of reference (TORs) for these committees have been set by the Board in line with best corporate practices and the requirements of the Code of Corporate Governance. These TORs are regularly reviewed to ensure compliance with laws and regulations, as well as to maintain high standards of corporate governance. The Governance and Nomination Committee evaluated the skills and experience of Board members and provided recommendations regarding the composition of other Board committees, which were duly considered by the Board.

The Board has tasked the Governance and Nomination Committee to oversee additional responsibilities of sustainability related matters. The sub-committee shall monitor and review sustainability related risks and opportunities of the Company, ensure Diversity, Equity and Inclusion (DE&I) practices at various board committees, oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures.

The Company outsourced Internal Audit function that employs a risk-based audit approach. Internal Audit reports are quarterly submitted to the Board Audit Committee, where areas for improvement are discussed and monitored to ensure continuous development (enhancement). The Audit Committee is chaired by Mr. Nihal Cassim, an independent director.

The Human Resource and Remuneration Committee (HR&R) has ensured that the Human Resource policies (i.e. performance management, staffing, compensation and benefits) are market driven and aligned with the Company's performance, shareholders' interests and long-term success of the Company. The HR&R Committee reviewed and recommended remunerations for key positions as required by the Code of Corporate Governance (COCG). The HR&R Committee also reviewed the CEO's self-assessment document and conducted a joint evaluation for onward review by the Board.

The Risk Management Committee has been constituted to assist the Board in identifying various risks associated with the Company's businesses and its operations and developing appropriate strategies for the same. No formal meeting of Risk Management Committee could be held as the Management was tasked to structure an ERM Framework and complete the risk register for all processes within the organization.

Governance and Control Environment

The Board acknowledges the importance of robust corporate governance and has implemented a strong framework to ensure effective and prudent business management in order to achieve the Company's long-term success. This framework also ensures accountability while safeguarding and enhancing stakeholder value.

To uphold these principles, the Board has adopted a code of conduct for its members, executive and staff, outlining business standards and ethical guidelines. This commitment is reflected through the establishment of a strong control environment, adherence to best corporate governance practices, and the promotion of ethical and fair behavior throughout Crescent Steel.

I believe that the strategic direction of the Company for the next three years is on a sound footing. The processes adopted in developing and reviewing the overall corporate strategy for the attainment of the Company's objectives are appropriate in the current circumstances where it ensures readiness for upcoming business opportunities.

In conclusion, on behalf of the Board, I wish to acknowledge the contribution of all our stakeholders, including shareholders, employees, customers, suppliers, lenders and others. I strongly believe in the strategic direction of the Company, and I am confident that our management will be able to successfully steer our businesses in the year ahead.

Ahmad Waqar
Chairman

July 31, 2025

DIRECTORS' REPORT

The Directors of the Company are pleased to submit their report, together with audited financial statements of the Company for the year ended June 30, 2025.

Operating Results

The financial results of the Company are summarized below:

(Rupees in '000)	**2025**	2024
Profit before taxation - continuing operations	2,007,215	2,610,541
Taxation charge	(564,943)	(920,072)
Net profit after taxation - continuing operations	1,442,272	1,690,469
Net loss from discontinued operation	(98,993)	(83,966)
Net profit for the year	1,343,279	1,606,503
Total other comprehensive income for the year	352,316	145,379
	1,695,595	1,751,882
Unappropriated profit brought forward	5,918,816	4,322,199
Available for appropriation	7,614,411	6,074,081
Appropriations:		
- First interim dividend 2024 @ 20%	-	(155,265)
- Final dividend 2024 @ 35%	(271,714)	-
- First interim dividend 2025 @ 20%	(155,265)	-
- Second interim dividend 2025 @ 30%	(232,898)	-
	6,954,534	5,918,816
Subsequent event:		
- Final dividend 2024 @ 35%	-	271,714
- Final dividend 2025 @ 25%	194,081	-
- Transfer to general reserves	6,635,453	-
Basic and diluted earnings per share	Rs. 17.30	Rs. 20.69
Basic and diluted - earnings per share from continuing operations	Rs. 18.58	Rs. 21.77

Statement on Corporate and Financial Reporting Framework

- These unconsolidated financial statements, prepared by the management of the Company, present fairly, its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of unconsolidated financial statements.
- The system of internal controls is sound in design and has been effectively implemented. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls shall continue as an ongoing process with the objective to strengthen controls and to improve the system.
- There are no significant doubts on the Company's ability to continue as a going concern.

- There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance, 2019.
- Details of significant changes in the Company's operations during the current year as compared to last year and significant plans and decisions for the future prospects of profits are stated in the Chief Executive's Review as endorsed by the Board of Directors.
- Key operating and financial data for last six years in summarized form is annexed.
- Information about taxes and levies is given in the notes to the financial statements.
- The number of employees as of June 30, 2025 is 406 (2024: 431).

Value of Investment of the following funds based on the latest audited/unaudited accounts are as follows:

Name of Fund	Value of Investment	Period of latest audited accounts
Provident Fund	Rs. 273.56 million	December 31, 2020
Gratuity Fund	Rs. 152.22 million	December 31, 2021
Pension Fund	Rs. 474.31 million	December 31, 2018
CCP Provident Fund	Rs. 41.59 million	June 30, 2024

- During the year six (6) meetings of the Board of Directors, four (4) meetings of the Audit Committee were held, twice (2) meeting of the Human Resource and Remuneration Committee and one (1) meeting of Governance and Nomination Committee were convened. Attendance of each director is attached separately.

Impact of Company's Business on the Environment and Corporate Social Responsibility

The Company considers social, environmental, and ethical matters in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we live and forms our customer base. Moreover, we strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who work with us as well as of the communities where we operate. The impact of Company's business on the environment and Corporate Social Responsibilities, including its approach to health and safety, human resources, social, environmental and other related issues are presented in the 'Sustainability Report', which forms a part of this Annual Report.

Pattern of Shareholding and Shares Traded

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

During the year, Mr. Ahsan M. Saleem (Chief Executive Officer) and Mr. Nadeem Maqbool (Independent Director) acquired 200,000 and 22,136 shares of the company respectively. Mr. Nadeem Maqbool also sold 733 share of company. This information was also disclosed to Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan in accordance with the requirements of PSX Rule Book and the Securities Act, 2015.

Directors

Details of the composition of the Board of Directors and their committees are provided in the Statement of Compliance with the Code of Corporate Governance.

No casual vacancies occurred on the Board during the current year. The present board including the Chief Executive Officer will hold office till 30 January 2027.

Executives

For the purposes of various clauses of the PSX Rule Book, the Board has defined, in addition to CEO, CFO, Head of Internal Audit and Company Secretary, functional heads of all departments of the Company shall be considered as "Executives". This has been reviewed and found satisfactory keeping in view the management structure of the Company.

Performance Evaluation of Board of Directors and its Committees

A self-assessment of the Board performance is carried out after the annual meeting of the Board. This assessment was not carried out for FY24 as the new Board was elected on January 31, 2024 and the Board's performance was not assessed because of the short span of its functioning. This exercise is, however, scheduled after the Annual meeting of the Board on July 31, 2025.

CEO's Performance Evaluation

During the year, the Human Resource and Remuneration Committee of the Board carried out the CEO's performance evaluation, which was approved by the Board.

The evaluation was reviewed against the following criteria:

- Leadership
- Policy and strategy
- People Management
- Business Processes/Excellence
- Governance and Compliance
- Financial Performance
- Impact on Society

Remuneration of Directors

The Chairman and other directors are entitled to remuneration in terms of Section 170 of the Companies Act, 2017. The scale of remunerations is determined by the Board as provided in the Articles of Association of the Company.

Details of remuneration paid to Chairman, Chief Executive and non-executive directors (including independent directors) are disclosed in note 47 to the enclosed unconsolidated financial statements.

Role of Chairman and Chief Executive Officer

The Chairman and the Chief Executive Officer have separate and distinct roles. The Chairman has all the powers vested under the Code of Corporate Governance and presides over the Board meetings. The principal role of the Chairman is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board and is a direct liaison between the Board and the management of the Company through the Chief Executive Officer. The Chairman is independent from management and free from any interest and any business or other relationship which could conflict with the Chairman's independent judgement.

The Chief Executive Officer performs his duties in accordance with the related laws. The Board recommends and oversees implementation of the business strategies, and is responsible for overall control, operations and perpetuation of the enterprise.

Unconsolidated Financial Statements

As required under regulation 25 of Code of Corporate Governance 2019, the Chief Executive Officer and Chief Financial Officer presented the unconsolidated financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors. The Board, after consideration, based on the recommendations of the Audit Committee, approved and authorized the Financial Statements for issuance and circulation.

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which this Statement of Financial position relates and the date of Directors' Report.

Auditors

The auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, are due to retire in the forthcoming Annual General Meeting of the Company and being eligible, have offered themselves for reappointment. The Audit Committee and the Board have recommended their appointment as external auditors for the next financial year, for shareholders' consideration and approval at the upcoming annual general meeting.

Outlook

The gas sector plan to issue tenders for new pipeline routes and replacement pipelines in H2FY26, of assorted pipe diameters and grades. Bidding, evaluations, and awards shall continue through to H2FY26 with executions expected in H1FY27. We are confident that we are well positioned to tap these. The K-IV Augmentation project which is estimated at a value of PKR 22 billion, designed for the enhancement of the water transmission, treatment, and drainage infrastructure within Karachi shall be tendered in H2FY26 and that execution will commence from the second half of the next fiscal up to FY28.

I would like to thank all stakeholders for their patronage and looking for their continued support.

For and behalf of the Board of Directors.

Ahsan M. Saleem
Chief Executive Officer
July 31, 2025

Nadeem Maqbool
Director

چیف ایگزیکٹو آفیسر اپنے فرائض متعلقہ قوانین کے مطابق انجام دیتے ہیں۔ بورڈ کاروباری حکمت عملی کی سفارش اور عمل درآمد کی نگرانی کرتا ہے، اور کمپنی کے عمومی نظم، کاروباری افعال اور تسلسل کا ذمہ دار ہوتا ہے۔

غیر یکجا مالیاتی گوشوارے

کوڈ آف کارپوریٹ گورننس 2019 کی ریگولیشن 25 کے تحت، چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے اپنے دستخطوں کے ساتھ غیر یکجا مالیاتی گوشوارے بورڈ کے سامنے منظوری کے لیے پیش کیے۔ بورڈ نے آڈٹ کمیٹی کی سفارشات کی بنیاد پر غور کے بعد ان مالیاتی گوشواروں کو منظوری دے کر جاری کرنے کی اجازت دی۔

مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی اہم تبدیلی واقع نہیں ہوئی نہ ہی کوئی وعدہ کیا گیا۔

آڈیٹرز

آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ اجلاس عام میں ریٹائر ہو رہے ہیں اور دوبارہ تقرری کے اہل ہیں۔ آڈٹ کمیٹی اور بورڈ نے آئندہ مالی سال کے لیے انہیں بیرونی آڈیٹرز کے طور پر دوبارہ مقرر کرنے کی سفارش کی ہے، جس کی منظوری حصص یافتگان سے سالانہ اجلاس میں لی جائے گی۔

آئندہ کا منظرنامہ

گیس سیکٹر ششماہی 2026 میں نئی پائپ لائن روٹس اور پرانی لائنوں کی تبدیلی کے لیے مختلف اقسام اور درجات کی پائپ لائنز کے ٹینڈرز جاری کرے گا۔ بولی، جانچ اور ایوارڈز کا سلسلہ ششماہی 2026 تک جاری رہے گا اور ششماہی 2027 میں ان پر عملدرآمد متوقع ہے۔ ہمیں یقین ہے کہ ہم ان مواقع سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہیں۔

K-IV آگیومینٹیشن پروجیکٹ، جس کی تخمینی مالیت 22 ارب روپے ہے، کراچی میں پانی کی ترسیل، صفائی، اور نکاسی کے نظام کو بہتر بنانے کے لیے ڈیزائن کیا گیا ہے، ششماہی 2026 میں ٹینڈر کیا جائے گا اور اس پر عملدرآمد اگلے مالی سال کی دوسری ششماہی سے مالی سال 2028 تک جاری رہے گا۔

میں تمام شراکت داروں کا شکریہ ادا کرتا ہوں اور ان کے مسلسل تعاون کا خواہاں ہوں۔

برائے و منجانب بورڈ آف ڈائریکٹرز

احسان ایم سلیم
چیف ایگزیکٹو آفیسر

ندیم مقبول
ڈائریکٹر

31 جولائی 2025

ترتیبِ حصص داری اور حصص کی خرید و فروخت

ترتیبِ حصص داری اور اس سے متعلق اضافی معلومات علیحدہ طور پر منسلک ہیں۔

سال کے دوران، جناب احسن ایم سلیم (چیف ایگزیکٹو آفیسر) اور جناب ندیم مقبول (غیر جانبدار ڈائریکٹر) نے بالترتیب 200,000 اور 22,136 حصص حاصل کیے۔ جناب ندیم مقبول نے کمپنی کے 733 حصص فروخت بھی کیے۔ یہ معلومات پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو PSX رول بک اور سیکیورٹیز ایکٹ 2015 کے تقاضوں کے مطابق فراہم کی گئی تھیں۔

ڈائریکٹرز

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی تشکیل کی تفصیلات کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان میں فراہم کی گئی ہیں۔

زیرِ نظر مالی سال کے دوران بورڈ میں کوئی اتفاقیہ خالی آسامی پیدا نہیں ہوئی۔ موجودہ بورڈ بشمول چیف ایگزیکٹو آفیسر 30 جنوری 2027 تک اپنے عہدے پر فائز رہے گا۔

انتظامیہ

پاکستان اسٹاک ایکسچینج (PSX) رول بک کی مختلف شقوں کے لیے بورڈ نے یہ طے کیا ہے کہ سی ای او، سی ایف او، اندرونی آڈٹ کے سربراہ اور کمپنی سیکریٹری کے علاوہ کمپنی کے تمام ڈیپارٹمنٹس کے فعال سربراہوں کو بھی "انتظامیہ (Executives)" میں شمار کیا جائے گا۔ کمپنی کی مینجمنٹ اسٹرکچر کے تناظر میں اس فیصلے کا جائزہ لیا گیا اور اسے تسلی بخش پایا گیا۔

بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کی کارکردگی کا از خود جائزہ بورڈ کے سالانہ اجلاس کے بعد لیا جاتا ہے۔ مالی سال 2024 کے لیے یہ جائزہ نہیں لیا گیا کیونکہ نیا بورڈ 31 جنوری 2024 کو منتخب ہوا اور اس کی مدت مختصر ہونے کے باعث جائزہ لینا ممکن نہیں تھا۔ یہ عمل اب بورڈ کے سالانہ اجلاس کے بعد 31 جولائی 2025 کو طے شدہ ہے۔

سی ای او کی کارکردگی کا جائزہ

انسانی وسائل و اداجرتیوں کی کمیٹی نے سی ای او کی کارکردگی کا جائزہ لیا، جسے بورڈ نے منظور کیا۔

جائزہ کے لیے درج ذیل نکات کو معیار کے طور پر اپنایا گیا:

- قیادت
- پالیسی اور حکمتِ عملی
- افرادی قوت کا انتظام
- کاروباری عمل / بہترین کارکردگی
- نظم و نسق اور تعمیل
- مالی کارکردگی
- سماجی اثرات

ڈائریکٹرز کا معاوضہ

چیئرمین اور دیگر ڈائریکٹرز کو کمپنیز ایکٹ 2017 کی دفعہ 170 کے تحت معاوضے دیے جاتے ہیں۔ تنخواہوں کا تعین بورڈ کرتا ہے جیسا کہ کمپنی کے آئین میں درج ہے۔

چیئرمین، چیف ایگزیکٹو اور غیر انتظامی ڈائریکٹرز (بشمول غیر جانبدار ڈائریکٹرز) کو دی گئی تنخواہوں کی تفصیلات غیر یکجا مالیاتی گوشواروں کے نوٹ 47 میں دی گئی ہیں۔

چیئرمین اور چیف ایگزیکٹو آفیسر کا کردار

چیئرمین اور چیف ایگزیکٹو آفیسر کے کردار علیحدہ اور واضح ہیں۔ چیئرمین کوڈ آف کارپوریٹ گورننس کے تحت تمام اختیارات کے حامل ہیں اور بورڈ اجلاسوں کی صدارت کرتے ہیں۔ چیئرمین کا بنیادی کردار بورڈ کی قیادت کرنا اور اس کا انتظام سنبھالنا ہے۔ چیئرمین بورڈ کو جواب دہ ہیں اور سی ای او کے ذریعے کمپنی کی مینجمنٹ اور بورڈ کے درمیان رابطے کا ذریعہ ہوتے ہیں۔ چیئرمین مینجمنٹ سے آزاد ہیں اور ان کا کوئی ایسا مفاد یا تعلق نہیں جو ان کے آزادانہ فیصلے پر اثر انداز ہو سکے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق بیان

- کمپنی کی انتظامیہ کی جانب سے تیار کیے گئے زیرِ نظر غیر یکجا مالیاتی گوشوارے، کمپنی کی مالی حالت، اس کی کارکردگی، نقد رقوم کے بہاؤ اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی کی جانب سے مناسب کتب برائے حسابات کو برقرار رکھا گیا ہے۔
- مالیاتی گوشوارے تیار کرتے وقت موزوں اکاؤنٹنگ پالیسیوں کا تسلسل کے ساتھ اطلاق کیا گیا ہے، اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازے کی بنیاد پر کیے گئے ہیں۔
- غیر یکجا مالیاتی گوشوارے بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کے مطابق تیار کیے گئے ہیں، جیسا کہ پاکستان میں قابلِ اطلاق ہیں۔
- داخلی کنٹرول کا نظام مؤثر ڈیزائن کے ساتھ موجود ہے اور اس پر مؤثر طریقے سے عمل درآمد کیا گیا ہے۔ اس نظام کی مسلسل نگرانی اندرونی آڈٹ اور دیگر نگرانی کے طریقہ کار کے ذریعے کی جاتی ہے۔ داخلی کنٹرول کی نگرانی کا عمل ایک مسلسل عمل کے طور پر جاری رہے گا، تاکہ کنٹرول کو مزید مضبوط بنایا جا سکے اور نظام کو بہتر بنایا جا سکے۔
- کمپنی کی جانب سے مسلسل جاری رکھنے کی حیثیت (going concern) کے بارے میں کوئی اہم شبہات موجود نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقہ کار، جیسا کہ کوڈ آف کارپوریٹ گورننس 2019 میں درج ہے، سے کوئی خاص انحراف نہیں کیا گیا۔
- موجودہ سال کے دوران کمپنی کی کارروائیوں میں گزشتہ سال کے مقابلے میں ہونے والی اہم تبدیلیوں اور مستقبل میں منافع کے امکانات کے حوالے سے اہم منصوبوں اور فیصلوں کی تفصیلات چیف ایگزیکٹو کے جائزہ میں موجود ہیں، جس کی توثیق بورڈ آف ڈائریکٹرز نے کی ہے۔
- گزشتہ چھ سالوں کے کلیدی کاروباری اور مالیاتی اعداد و شمار کا خلاصہ منسلک کیا گیا ہے۔
- ٹیکسز اور محصولات سے متعلق معلومات مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔
- 30 جون 2025 تک ملازمین کی تعداد 407 ہے (2024: 433)۔
- درج ذیل فنڈز میں سرمایہ کاری کی مالیت، تازہ ترین آڈٹ شدہ / غیر آڈٹ شدہ حسابات کی بنیاد پر، درج ذیل ہے:

فنڈ کا نام	سرمایہ کاری کی قدر	جدید ترین آڈٹ شدہ اکاؤنٹس کی مدت
پراویڈنٹ فنڈ	روپے 273.556 ملین	31 دسمبر 2020
گریجویٹی فنڈ	روپے 152.223 ملین	31 دسمبر 2021
پنشن فنڈ	روپے 474.307 ملین	31 دسمبر 2018
سی پی پراویڈنٹ فنڈ	روپے 41.588 ملین	30 جون 2024

سال کے دوران، بورڈ آف ڈائریکٹرز کے چھ (6) اجلاس، آڈٹ کمیٹی کے چار (4) اجلاس، انسانی وسائل و معاوضہ کمیٹی کے دو (2) اجلاس اور گورننس و نامزدگی کی کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ ہر ڈائریکٹر کی حاضری کی تفصیل علیحدہ طور پر منسلک کی گئی ہے۔

کمپنی کے کاروبار کے ماحول پر اثرات اور کارپوریٹ سماجی ذمہ داریاں

کمپنی سماجی، ماحولیاتی اور اخلاقی معاملات کو مجموعی کاروباری ماحول کے تناظر میں دیکھتی ہے۔ کمپنی تمام شراکت داروں خاص طور پر اس کمیونٹی کے مفاد میں کام کرنے کے لیے پُرعزم ہے جس میں ہم رہتے ہیں اور جو ہمارے صارفین کی بنیاد بھی ہے۔ علاوہ ازیں، ہم صحت، حفاظت اور ماحولیات (HSE) میں اعلیٰ ترین معیار برقرار رکھنے پر مکمل یقین رکھتے ہیں تاکہ ہمارے ساتھ کام کرنے والے افراد اور ان کمیونٹیز کی بھلائی کو یقینی بنایا جا سکے جہاں ہم کام کرتے ہیں۔ کمپنی کے کاروبار کے ماحول پر اثرات اور کارپوریٹ سماجی ذمہ داری سے متعلق کمپنی کا نقطہ نظر، جس میں صحت، حفاظت، انسانی وسائل، سماجی، ماحولیاتی اور دیگر متعلقہ معاملات شامل ہیں، "سسٹین ایبلٹی رپورٹ" میں بیان کیے گئے ہیں، جو اس سالانہ رپورٹ کا حصہ ہے۔

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ مالی سال اختتامیہ 30 جون 2025 کی سالانہ رپورٹ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کر رہے ہیں۔

کاروباری نتائج

کمپنی کے مالی نتائج کا خلاصہ ذیل میں پیش خدمت ہے:

	2025	2024
	روپے 000' میں	
منافع قبل از ٹیکس - جاری کاروباری افعال	2,007,215	2,610,541
ٹیکس کی کٹوتی	(564,943)	(920,072)
صافی منافع بعد از ٹیکس - جاری کاروباری افعال	1,442,272	1,690,469
صافی نقصان معطل کاروباری افعال سے	(98,993)	(83,966)
صافی منافع برائے سال	1,343,279	1,606,503
دوران سال دیگر مجموعی جامع آمدن	352,316	145,379
	145,379	1,751,882
گزشتہ غیر تقسیم منافع	5,918,816	4,322,199
دستیاب برائے تقسیم	7,614,411	6,074,081
تقسیم:		
پہلا عبوری ڈیویڈنڈ 2024@20%	-	(155,265)
حتمی ڈیویڈنڈ 2024@35%	(271,714)	-
پہلا عبوری ڈیویڈنڈ 2025@30%	(155,265)	-
دوسرا عبوری ڈیویڈنڈ	(232,898)	-
	6,954,534	5,918,816
مابعد واقعات:		
حتمی ڈیویڈنڈ 2024@35%	-	271,714
حتمی ڈیویڈنڈ 2025@25%	194,081	-
عمومی ذخائر میں منتقلی	6,635,453	-
بنیادی و تحلیل شدہ آمدن فی حصص	Rs. 17.30	Rs. 20.69
بنیادی و تحلیل آمدن فی حصص از جاری کاروباری افعال	18.58	Rs. 21.77

MECHANISM FOR PROVIDING INFORMATION AND RECOMMENDATION TO THE BOARD

Information regarding any matter of concern or any recommendation is put forward by the CEO to the Board Chairman or to the respective committees of the Board.

Formal Reporting Line

The current operational structure of the Company consists of shared services such as Finance, Human Resources, Information Technology, Supply Chain, etc. and Corporate Divisions, each of which is headed by a Business Unit Head (BUH).

The BUHs act as CEOs for the respective units and are responsible for the day-to-day management and performance of their division. Board Committees have access to BUHs to obtain any information they require pertaining to their respective division.

Further information regarding any matter of concern or recommendation is also put forward by the CEO to the respective committees of the Board.

Employees

Our employees are encouraged to express their views and share their suggestions with the management and the Board. We have established several formal and informal avenues for our people through which they can share feedback and ideas regarding the business and the Company as a place of work. Physical suggestion boxes have been placed at all corporate offices and factory locations and a virtual suggestion box with direct access to the CEO is available on our internal SharePoint portal. In addition to this, we organize an annual Open House with the CEO where employees may drop in to meet the CEO one on one to express their concerns and share their feedback directly with him. These meetings are aimed at capturing free and firsthand suggestions that are useful in refining operations and in improving the work environment.

The formal mechanisms in place provide our people with avenues to share suggestions and raise grievances and concerns on matters relating to the Company. Suggestions and grievances are reviewed and monitored directly by the CEO or the Head of Corporate Affairs. In case the matter is of a significant nature, the same is addressed in the meetings of the Management Committee, the relevant Board Committee or Board of Directors.

The Company also has a Whistle Blowing Policy to enable employees to raise serious concerns to the management regarding the business or Company, anonymously, without fear of repercussions.

Shareholders

Every year the Annual General Meeting of shareholders is called in accordance with the requirements of the Companies Act, 2017. This meeting is attended by the CEO, Chairman, Board of Directors and the Company Secretary. The interactive session between the Company's management and shareholders allows the shareholders to ask questions on financial, economic, and social matters and provide recommendations. The CEO responds to all such queries and takes necessary actions accordingly.

Moreover, the Company has provided contact details of relevant personnel who should be contacted for general and specific queries on its website: https://crescent.com.pk/contact-us

Managing Conflict of Interest

The Company, in compliance with the Code of Corporate Governance, annually circulates and obtains a signed copy of the Code of Conduct from all its employees and directors. The Code of Conduct covers matters relating to conflict of interest. Further, the directors are annually reminded of the insider trading circular issued by the Securities and Exchange Commission of Pakistan to avoid dealing in shares while they are in possession of "insider information".

As per the provisions of the Companies Act, 2017, every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested director(s) do not participate in the discussion, nor do they vote on such matters.

All transactions with related parties are made under agreed terms / contractual arrangement basis and complete details are provided to the Board Audit Committee and then Board for their approval. Moreover, Independence form is circulated to all the directors to confirm their directorship in other entities in order to determine the relationship of related party with such entity based on common directorship. Further all the transactions with the related parties are fully disclosed in the annual financial statements of the Company.

Monitoring and Evaluation

We have consciously chosen not to introduce an independent monitoring process to evaluate performance on sustainability objectives because our sustainability objectives and corporate strategies are essentially the same. The way we manage our business helps to ensure performance on sustainability objectives is monitored through various systems already in place. These systems monitor performance at a Corporate, BUH, team and at an individual level.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee (the Committee) is comprised of four Non-Executive Directors, out of which two are independent directors. Further, two of the members of the committee qualify as financially literate. Details of the Directors are set out in the Board of Directors section of this report. The Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Internal Auditors and the External Auditors attended the Committee meetings by invitation. The Head of Internal Audit is the secretary of the Committee. Senior Management Officers are invited to attend the Committee's meetings as and when the business of the Committee requires their presence. The Committee meets with the Internal Auditors and the External Auditors with and without the presence of the CEO, CFO and Head of Internal Audit.

The Committee has concluded its annual review of the conduct and operations of the Company during the financial year ended June 30, 2025, and reports that:

- Four meetings of the Committee were held during the financial year ended June 30, 2025, in which 2 meetings were presided by the Chairman, Audit Committee and 2 meetings were presided by the non-executive director who qualifies as financial literate.
- The Committee reviewed the quarterly, half-yearly and annual financial statements of the Company and recommended them for approval of the Board. It has reviewed the preliminary announcement of results prior to their publication.
- The Board has issued a "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019" which was duly reviewed by the external auditors of the Company.
- Understanding and compliance with Company Code of Business Practice and Ethics has been affirmed by the members of the Board, the Management and employees of the Company, individually. Equitable treatment of shareholders has also been ensured.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of Unconsolidated and Consolidated financial statements of the Company and Group for the financial year ended June 30, 2025, which present fairly the state of affairs, results of operations, cash flows and change in equity of the Company and Group.
- The CEO and the CFO have endorsed the unconsolidated and consolidated financial statements of the company along with the Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of the internal control system of the Company.
- Accounting estimates are based on reasonable and prudent judgment.
- Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017, and the external reporting is consistent with Management processes and adequate for shareholder needs.
- The Committee has reviewed all the related party transactions and recommended the same for inclusion on notes to the financial statements and for approval of the Board.
- Annual Report contains fair, balanced and understandable information which is necessary for the shareholders to assess the Company's position and performance, business model and strategy.
- No cases of complaints regarding accounting, internal controls, audit matters or whistle blowing events were received by the Committee.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding the assets of the Company and the shareholder's wealth at all levels within the Company.
- The Committee ensured that their statutory obligations and requirements of best practices of governance have been met through a toolkit developed by the management.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of the Company, along with maintenance of confidentiality of all business information.

- Chairman, Audit Committee was available at the AGM to answer questions on the Committee's activities or any other matters that are within the scope of the Committee's responsibilities.
- Coordination was available between the External and Internal Auditors in order to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

Internal Audit

- The Committee has effectively monitored the internal control framework. The internal audit function has been outsourced to BDO Ebrahim and Co., Chartered Accountants who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- Internal auditors independently reviewed the risks and control processes operated by the management. The Internal Audit function has carried out its duties under the charter approved by the Committee. It carried out independent audits in accordance with an internal audit plan which was approved by the Committee before the start of the financial year.
- The internal audit plan provided a high degree of financial and business segment wise coverage and devoted significant effort to the review of the risk management framework surrounding the major business risks.
- Internal audit reports include recommendations to improve internal controls together with agreed management action plans to resolve the issues raised. Internal audit follows up the implementation of recommendations and reports progress to senior management and the Committee.
- The Committee has reviewed the findings of the internal audits completed during the year, taking appropriate actions or bringing the matters to the Board's attention where required.
- The effectiveness of the internal audit function was reviewed and discussed by the Committee on an annual basis. Based on the Committee's review of the performance of the internal audit function, the committee has recommended to the Board the appointment of BDO Ebrahim & Co., Chartered Accountants for the financial year 2025-26.

External Audit

- The statutory Auditors of the Company, A.F. Ferguson & Co., Chartered Accountants, have completed their Audit engagement of the "Unconsolidated Financial Statements", the "Consolidated Financial Statements" and the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019" for the financial year ended June 30, 2025.
- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured.
- The Committee has reviewed and discussed with the external auditors and management, all the key audit matters and other issues identified during the external audit along with the methods used to address the same. Moreover, during the year Management letter for year ended June 30, 2024, was received within 45 days of the date of the Auditors' Report on financial statements as required under the PSX Rule Book; and the Committee reviewed and discussed the Management letter with external auditors and the management.
- The performance, cost and independence of the external auditor is reviewed annually by the Committee.

Based on the Committee's review of the performance of external auditors, the Committee has recommended the Board reappointment of A. F. Ferguson & Co., Chartered Accountants, as statutory auditors for the year 2025-26 at the forthcoming Annual General Meeting.

By order of the Audit Committee

Nihal Cassim
Chairman, Audit Committee

July 31, 2025

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

Crescent Steel and Allied Products Limited

For the year ended June 30, 2025

Crescent Steel and Allied Products Limited (hereinafter referred to as "the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The Board is comprised of eight (8) Directors including the Chief Executive Officer (a deemed director, as per Section 188 of the Companies Act, 2017) as per the following:

Male Directors	7
Female Director	1

2. The composition of the Board is as follows:

Categories	Number of Directors	Names of Directors
Independent Directors	4	Mr. Muhammad Kamran Saleem Mr. Nadeem Maqbool Ms. Nausheen Ahmad Mr. Nihal Cassim
Non-Executive Directors	7	Mr. Ahmad Waqar Mr. Ahmad Shafi Mr. Muhammad Kamran Saleem Mr. Nadeem Maqbool Ms. Nausheen Ahmad Mr. Nihal Cassim Mr. S.M. Ehtishamullah
Female Director	1	Ms. Nausheen Ahmad
Executive Director	1	Mr. Ahsan M. Saleem

3. All directors have confirmed that they do not serve as a director on more than seven (7) listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies, along with their date of approval and / or updates are maintained by the Company;

6. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and the Regulations;

7. All meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;

9. Three (3) Directors of the Company have a minimum of 14 years of education and 15 years of experience as directors of a listed Company. Five (5) directors of the Company have completed certification under the DTP;

10. The Board has approved appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. Board committees are structured as follows:

Committees	Members
Audit Committee	Mr. Nihal Cassim (Chairman) Mr. Ahmad Shafi Mr. Nadeem Maqbool Mr. S. M. Ehtishamullah
HR and Remuneration Committee	Mr. Nadeem Maqbool (Chairman) Mr. Ahmad Shafi Mr. Ahmad Waqar Ms. Nausheen Ahmad
Governance and Nomination Committee	Mr. Ahmad Waqar (Chairman) Mr. Ahsan M. Saleem Mr. Kamran Saleem Ms. Nausheen Ahmad
Risk Management Committee	Mr. S. M. Ehtishamullah (Chairman) Mr. Muhammad Kamran Saleem Mr. Nihal Cassim

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

14. The number of meetings held for each committee during the year were as follows:

    Audit Committee meeting held four (4) times during the year once every quarter; prior to approval of interim and final results of the Company and as required by the Code.

    HR and Remuneration Committee held twice (2) during the year as required by the Code.

    Governance and Nomination Committee held once (1) during the year.

    No meeting of the Risk Management Committee was held during the year.

15. The Board has outsourced the internal audit function to qualified and experienced resources, conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that: they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company;

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

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

19. There is no non-compliance with other requirements of the Regulations.

Ahmad Waqar
Chairman

Ahsan M. Saleem
Chief Executive Officer

July 31, 2025

STAKEHOLDER ENGAGEMENT

Stakeholders play an essential role in Crescent Steel's continued success, especially in determining opportunities to collaborate towards common goals.

We seek to align corporate actions with stakeholder expectations. To achieve this, we collect feedback through both formal and informal channels.

Shareholders and investors provide financial capital to run the business; our employees drive and manage the business; our suppliers provide necessary products and services for our business and our customers are the source of revenue for our business. Similarly, financial institutions, regulators, auditors, and other strategic partners are essential stakeholders and managing their expectations is important for our future as a sustainable business.

We strive to identify opportunities and risks early on and offer various platforms for dialogue with stakeholders. These interactions typically occur at our Head Office in Karachi and other through other forums across Pakistan.

While engagement with our employees, suppliers, customers, shareholders, and investors is stronger, we recognise that we need to strengthen engagement with other stakeholders that include the communities where we operate and, government and regulatory authorities.

Stakeholders Needs and Expectations

Understanding and addressing the needs and expectations of our stakeholders is a sustainability imperative.

We work to strengthen our engagement across key stakeholder groups and maintain regular and honest communication with these stakeholder groups. Addressing the needs of these interconnected groups helps us ensure commercial success and strengthens our ability to deliver on sustainability priorities.

Here are some ways we engage with key stakeholder groups to meet their needs and expectations:

Stakeholder Needs and Expectations

Shareholders and Investors

Deliver sustainable value and build strong, timely communication to keep investors informed.

Engagement Frequency: Regular

Mode of Communication: Formal and Informal (Informal Engagement With Key Shareholders From a Relationship Perspective)

- Transparency (reporting and disclosures)
- Sustainable earnings
- Identification and management of risks
- Sustainable growth and stability
- Sound corporate governance
- Investor meetings, corporate briefings
- Participation in various investor and broker conferences

Customers

Deliver a high quality customer experience and be a reliable partner of choice.

Engagement Frequency: Regular

Mode of Communication: Formal and Informal

- Product and service availability
- Product and service quality and safety
- Competitive pricing
- Customer experience
- Partner and collaborate for win-win outcomes
- Measuring customer satisfaction and obtaining feedback

EMPLOYEES

Build a strong and resilient Company and enhance enterprise value to deliver growth for all.

Engagement Frequency: Regular

Mode of Communication: Informal and Formal

- Strong and well communicated compensation and benefit schemes
- Ergonomic and safe workplace environment
- Regular formal and informal feedback check ins
- Professional growth and development opportunities
- Competitive career development and fair performance management
- Employee Opinion Survey(s)
- Newsletters
- Regular communications

Suppliers

Delivering value together.

Engagement Frequency: Regular

Mode of Communication: Formal and Informal

- Timely payments
- Continued business
- Sustainable supply chain
- Working ethically and responsibly

Community

Grow responsibly, give back and help build resilient and strong communities

Engagement Frequency: Regular

Mode of Communication: Informal

- Infrastructure, health, and education support
- Employment opportunities
- Sharing economic benefits
- Managing our impact on the environment and local communities

Regulators and Government Bodies

Engagement Frequency: Regular

Mode of Communication: Formal

- Going beyond compliance
- Active participation with industry associations and regulatory bodies
- Engaging government on key issues
- Enhancing understanding
- Corporate governance

Engagement by Stakeholder Group

We have consulted[1] stakeholder groups and identified the following areas of importance:

Stakeholder Group	Areas Identified	Our Response
1. **Shareholders and Investors** Self-assessed through informal consultations	• Stable economic performance and returns. • Capital allocations • Effective management of the company's major business operations • Making sustainable decisions for enhanced enterprise value in the long run	• Periodic technological advancement of processes of plant and machinery at manufacturing sites to augment sustainable revenues while pursuing opportunities for business development through strategic annual objectives • Annual General Meetings • On time, quality reporting on financial and non-financial performance • On time material information circulations to investors through the Stock exchange • Formal investor briefings • Annual Corporate Briefing by the CEO/CFO
2. **Customers**	• Producing and delivering high quality, reliable products on time • Customer satisfaction; improving through product offerings and aiming to meet needs of customer base, including remaining in touch with needs and expectations. • Educating customers about new products such as Fusion Bonded Epoxy coatings etc. • Enabling better execution of national projects by engaging customers at design phase	• Enhancing production capacity and adhering to international standards and best practice • Customer satisfaction surveys • Ensuring quality control and remaining up to date with the latest market trends and requirements
3. **Employees**	• Our impact on communities • Working ethically • Resilience of our business • Career development opportunities • Safe workplace • Diversity and inclusion • Skillset enhancement • Strong organizational culture • High performance culture and fair remuneration • Our response during crisis	• Annual Employee Opinion Survey and Open House to gather feedback • Engagement surveys (HR Services, Event surveys etc.) • Employee Run Committees and initiatives • HSE briefing and emergency drills to observe safety measures • Female representation at corporate offices at 21% and minorities at 6% • Participation in employee engagement activities • 1,871 hours of training in FY25 [FY24: 1,954 hours] • Support for further education of employees and their children • Enabling mobility and capital formation through annual subsidized vehicle acquisition scheme • Awareness sessions around financial planning, wellbeing etc. • Awareness sessions on social issues relevant to the Pakistani community
4. **Suppliers**	• Growth through sharing information and expertise • Improvement of formal and informal mechanisms to assess supplier-business relationships • Improving HSE practices for a sustainable supply chain	• Regular evaluations of all suppliers for better business conduct • Environmental assessments ensure trust and quality between the business and its suppliers
5. **Local Community** Self-assessed through informal consultations	• The need for heavy investments in the education, health and societal sectors	• Supported various community partners such as TCF, Indus Hospital, Patient Aid Foundation, The Health Foundation and WWF • Provided scholarship support to 4 students bringing total scholars to 44, of which 15 are children of employees • Contributed 1,339 hours in time towards various causes. • 46 employees donated total of 23,000 ml of blood to the Indus Hospital Blood Centre and Social Security Hospital Jarawala. • Planted 1,000 mangroves at WWF wetland center

[1] Formal consultations only took place with employees, customers and suppliers; formal consultation with investors and the local community segment was not sought. The assessment is based on discussions with investors, the brokerage community and partner NGOs that we work with.

Internal Stakeholders

Employees and Contractors

We work hard to establish a safe, diverse and inclusive working environment for all our employees and third-party contractors working on our site. Safety and equal opportunity are not just a priority; they form an integral part of our approach to sustainability. We continue to focus on and monitor our safety performance and reinforce safe behaviors and our Mission Zero goal at all our offices and manufacturing sites. Our goal is to maintain a strong and vibrant organizational culture that supports the expertise of our people, enabling and developing high-performance teams. This is covered in more detail in the Human Capital section of this report (Page 120-139).

EXTERNAL STAKEHOLDERS

Customers

The company is recognized among Pakistan's leading engineering firms, specializing in the manufacture of large-diameter line pipes. Its primary objective is to support clients in enhancing the efficiency of oil, gas, and water transmission pipeline systems, while also advocating sustainable infrastructure development, with particular emphasis on port projects.

To keep pace with growing customer demand, we have more than doubled our manufacturing capacity. This strategic expansion, combined with our API licensing, enabled us to secure a toll manufacturing order for the K-IV project. Under this project, we will produce 147,705 metric tons of coated API PSL-2 line pipes in diameters of up to 84 inches, 68 inches, and 52 inches.

We maintain ongoing collaborations with key stakeholders to cultivate a market for flow-efficient and protective internal line pipe coatings. The rationale behind this initiative is compelling: internal coatings improve gas flow efficiency, leading to reduced energy consumption at a given flow capacity and the use of smaller pipe diameters, resulting in reduced material usage.

Customer satisfaction remains our top priority. We actively seek and value customer feedback and expectations, which drive us to continuously enhance our product offerings and address quality and service concerns. We employ a variety of communication channels to engage with our customers and gain insights into their needs and expectations.

Market Visits (Continuous)

Our marketing team frequently interacts with customers to ensure that we keep abreast of the latest development and market trends. We also work with supply chain and project teams to ensure we are aligned with customer needs and better able to manage expectations.

Customer Offering And Support Desk (Continuous)

The Quality Control Department also serves as a helpdesk ensuring that customized offerings are being delivered and any product related issues are addressed on time.

Customer Satisfaction Feedback (Continuous)

Feedback is sought to ensure that the products are according to the needs and specifications of customers. Surveys about our products are regularly conducted formally and informally. They help us in assessing our customer focus performance through feedback on product.

Suppliers

Our supply chain is integral to our sustainable procurement management strategy. We hold our supply chain partners to high standards that align with our principles and values. We actively support their growth by sharing information and expertise. Our relationships with key suppliers extend to collaboration in planning, logistics, and the introduction of new products and services.

While we prioritize local suppliers whenever possible, we also maintain robust ties with foreign suppliers for key raw materials essential to meeting customer demands. All our critical suppliers adhere to ISO certification standards, in line with our policy.

Our supply chain is categorized into two segments: critical and non-critical. Our supplier management system includes well-defined protocols for supplier induction, evaluation, and re-evaluation. These protocols underscore our commitment to sustainable and safe practices.

To ensure sustainability across our supply chain, we engage new suppliers through both formal and informal channels, assessing their business viability, conduct, as well as health, safety, and environmental practices. In cases where assessments reveal potential risks, we establish revised procurement protocols to address these concerns.

Suppliers Screened Using Environmental Criteria

We evaluate 100% of our suppliers through desktop research and our vendor questionnaire form with regular onsite visits and inspections for key raw material suppliers.

Significant Environmental Impacts In The Supply Chain

Our foreign suppliers are in different countries and are subject to environmental impact assessments. They are certified by ISO and other credible international certification companies.

SHAREHOLDERS AND INVESTORS

We take seriously the immense responsibilities associated with making complex choices and responsibly evaluate the impact of all our actions, as we try to meet the expectations of our stakeholders. We approach these challenges with confidence, knowing that our guiding principles and values enable sound decision-making today, and every day.

Our financial performance and outlook are discussed in detail in the Message from the Chief Executive Officer and in relevant sections of this report.

Some of the ways in which we engage our shareholders and investors include:

Annual and Extra Ordinary General Meetings

This meeting provides a platform for stakeholder engagement.

Quarterly, Half-Yearly and Annual Reports

Reports are uploaded on the website and are available in print on request.

Press Releases (As Required)

Updates of potential interests are published for our stakeholders via press release.

Investor Interactions (As Required)

We participate in various investor conferences and broker briefing sessions to interact with existing and potential investors.

Material Information (As Required)

Information is transmitted to Pakistan Stock Exchange Limited (PSX) on timely basis as per the requirement of PSX rule book.

Community

We adhere to self-assessment guidelines to measure the impacts of our community investments, conducting regular reviews.

Our evolving commitment to communities now encompasses increased engagement with people and our employees.

We actively contribute to various gas infrastructure and energy development projects, striving to share the substantial economic benefits. This includes providing employment opportunities and collaborating with local suppliers.

Recognizing the potential adverse impacts of our operations on communities, we work to minimize and offset them whenever possible. Details of our initiatives and contributions for fiscal year 2025 are available in the Social and Relationship Capital section of this report.

All our units have both formal and informal community engagement programs. Additionally, we prioritize hiring from local communities whenever feasible, aligning with business requirements. We acknowledge the need for improvement in gathering community feedback to better understand their needs.

Importantly, none of our operations have significant actual or potential negative impacts on local communities.

Regulators and Government Bodies

Regulators and government bodies are key drivers for future business sustainability, specifically in terms of the engineering sector businesses that we operate that need special trade protection as we compete against international suppliers.

Engineering Development Board, Board of Investment and Federal Board of Revenue

We remain engaged with the Engineering Development Board (EDB), the Ministry of Industries and Production, the Ministry of Petroleum, and the Tariff Anomaly Committee. We share our concerns and proposals for the implementation of effective cascading duties and import substitution policies. These measures can promote local industry growth, reduce production costs, ensure access to quality goods and services at reasonable prices, and protect domestic producers from unfair competition, ultimately safeguarding consumer interests

Engagement Activities

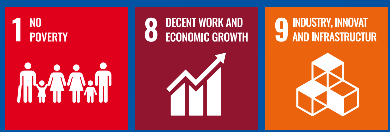
Various engagement activities were organized throughout the year. These include ongoing formal and informal office rituals, formal CSR activities with community partners and other internal events. Our people also volunteer to conduct impact assessment visits to select community partners. These activities also form a part of how we engage the people who work with us. These are covered in detail in this report.

Employee and Community Engagement

Stakeholders – Community and Employees

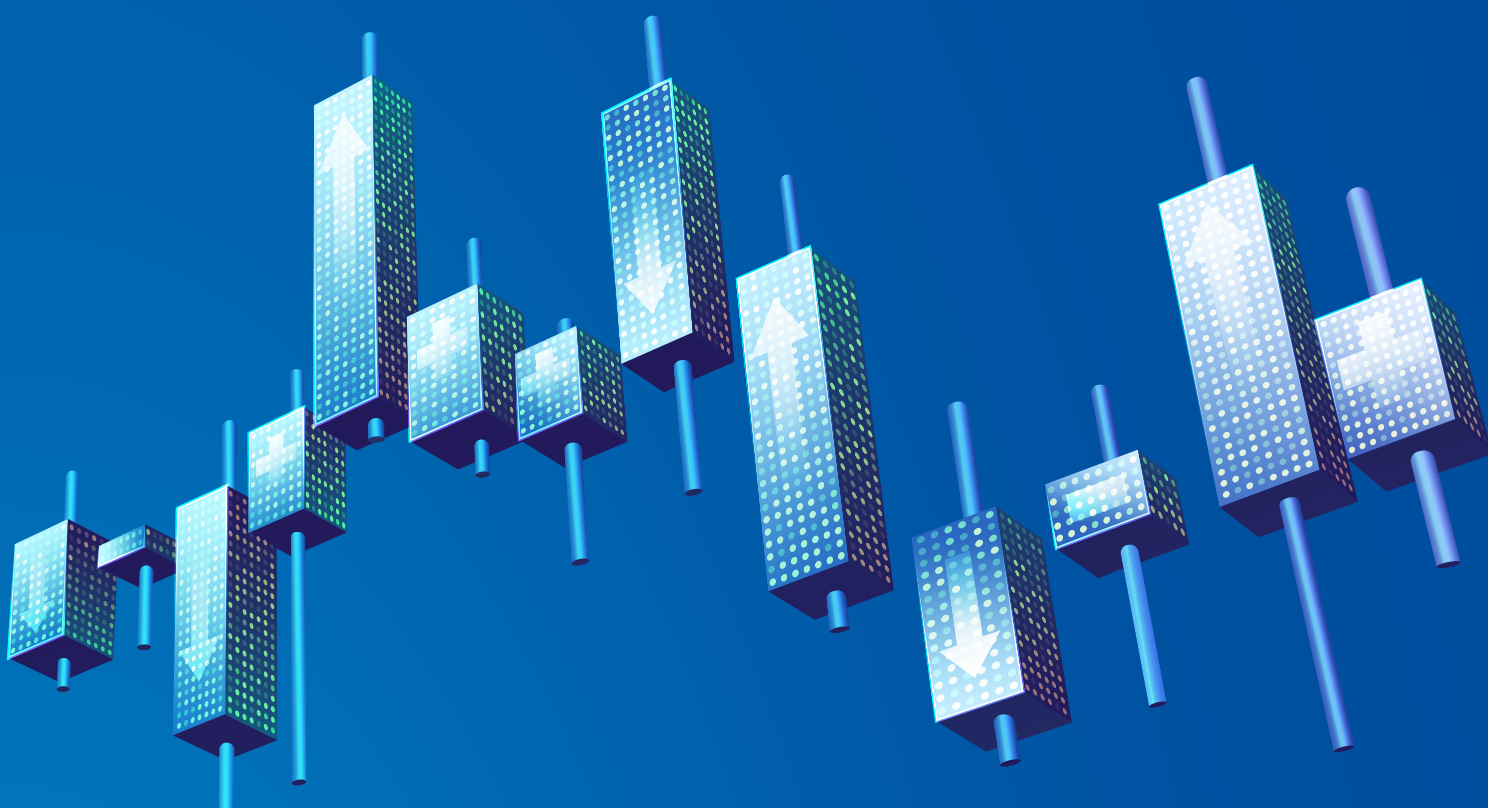
Activity	Month
Employee Wellbeing and Mental Health Awareness Week	October – November 2024
Session on Emotional Regulation by Dr. Fareeha Kanwal	October – November 2024
Art Therapy Session	October – November 2024
Cycling!	October – November 2024
Breast Cancer Awareness Session by Patients Aid Foundation	October – November 2024
One-to-One Brief Counseling Sessions by Dr. Fareeha Kanwal	October – November 2024
Fehm-o-Gumaan - An insightful session by Mr. Ateed Riaz	October – November 2024
Mangrove Plantation and Dolphin Watch at Sonmiani	December 2024
Crescent Cares Week	February 2025
Make-A-Wish Foundation	February 2025
Session on Crescent Matches	February 2025
Visit to Pasha Farms	February 2025
Session on Financial Literacy by Habib Metro Financial Services	February 2025
Gift Stall by KDSP	February 2025
Blood Drive - Indus Hospital	February 2025
Visit to Indus Hospital	February 2025
Session on Breast Cancer and Mental Health with Sabeen Barkat	February 2025
Gift Stall by NOWPDP	February 2025
Earth Hour	March 2025
Iftar Distribution Drive – The Robin Hood Army	March – April 2025
Earth Day	March 2025
Corporate Summer Camp	June 2025

ECONOMIC PERFORMANCE



Economic Value Creation

Our economic performance has a direct influence on the local community because we procure goods and services and provide employment to a diverse workforce in the production of our goods. We are motivated to undertake carefully considered risks to generate value across all stakeholder groups.

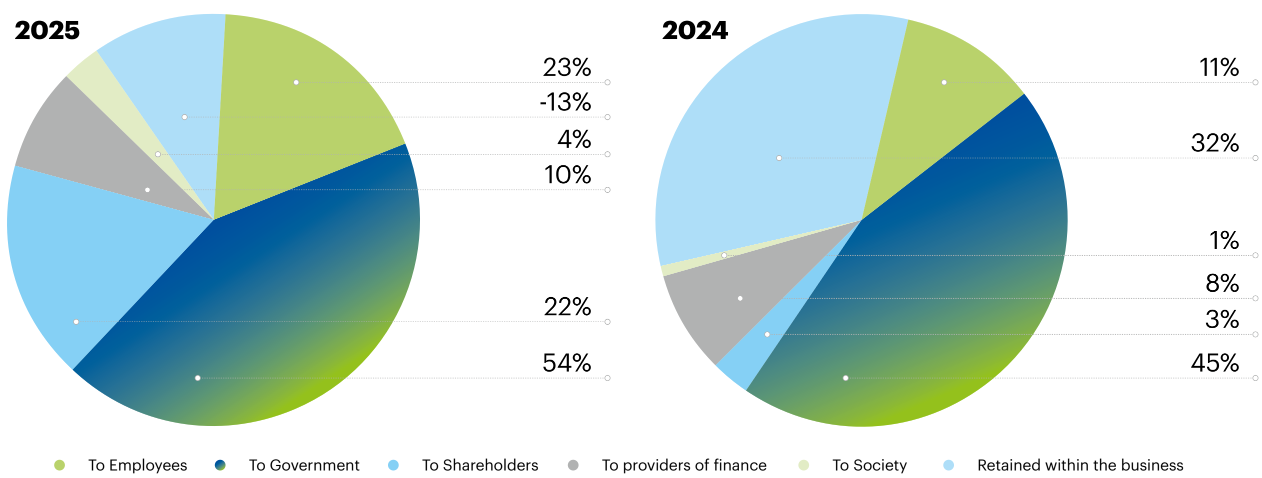


Economic Value Generated and Distributed

	2025	2024	2023	2022	2021
Economic value generated	(Rs. in millions)				
Total Revenues	7,668,972	11,886,198	6,045,371	8,241,184	9,430,855
Bought-in-material and services	(4,699,408)	(5,831,181)	(3,238,649)	(6,587,632)	(6,180,580)
Value generated	2,969,564	6,055,017	2,806,722	1,653,552	3,250,275
Economic value distributed					
Employees Salaries, wage, and other benefits	694,924	668,893	517,396	525,810	457,030
Value per Share	8.95	8.62	6.66	6.77	5.89
Government Income tax, sales tax, customs duties, WWF and WPPF	1,612,627	2,716,415	1,037,766	1,630,649	1,530,593
Value per Share	20.77	34.99	13.37	21.00	19.72
Shareholders	659,877	155,265	-	-	-
Value per Share	8.50	2.0	-	-	-
Provider of Finance Finance cost	288,950	497,442	364,779	251,742	213,407
Value per Share	3.72	6.41	4.70	32.43	27.49
Society Donations towards education, health, and the environment	112,359	92,483	27,488	59,014	12,013
Value per Share	1.45	1.19	0.35	7.60	1.55
Economic value retained	**2025**	2024	2023	2022	2021
Depreciation, amortization and retained earnings	(399,173)	1,924,519	859,293	(813,663)	1,037,232
Value distributed per share	43.39	53.21	25.09	31.78	28.51
Value generated per share	38.25	78.00	36.15	21.30	41.87

In 2025, Crescent Steel did not receive any direct or indirect financial assistance from the government except for certain tax concessions as per applicable laws.

Distribution of Wealth



REPORTING ON TAX

Contribution to National Exchequer and Economy

We ensure the sustainable and responsible management of our business through compliance with all obligations imposed on us as well as those we choose to impose on ourselves. Detailed financial and operational performance is covered in this annual report; a summary of the economic value generated and distributed is given below.

- Our revenues were Rs 7.67 billion [FY24: Rs. 11.89 billion] of which Rs. 4.70 billion [FY24: Rs. 5.8 billion] constitute payments to suppliers, representing a net value addition of 38.7% or Rs. 3.0 billion [FY24: 50.9% or Rs. 6.1 billion].
- We distributed a significant part of the value we created through the payment of taxes and levies to provincial and federal governments and, for the year these stood at Rs. 1.6 billion [FY24: Rs. 2.7 billion]. Our profit before tax, account for 5.9% total sales after tax.
- We have defined Benefits and Contribution Plans for our employees and during the year we distributed Rs. 695 million or 23.4% of net wealth created, in wages and benefits to our average workforce of 406 employees [FY24: 669 million or 11% of net wealth in wages and benefits to our workforce averaging 432 employees].
- We distributed Rs. 112.4 million in the form of community investments [FY24: Rs. 92.5 million] and, Rs. 289.0 million to providers of finance as interest payments [FY24: Rs. 497.4 million]; these being allowable expenses, helped us save Rs. 78.02 million in taxes.
- Consolidated net sales stood at Rs. 6,381 million, reflecting a 30% year-over-year decline compared to Rs. 9,112 million in the previous year. Gross profit margins also decreased to 24%, down from 29% in FY24.

Approach to Tax

Our operations generate revenue through taxes and levies for the Pakistan government. These payments are used by the government to fund essential public and welfare services like education, roads and bridges, healthcare, cash support programs such as the Ehsaas/BISP programs and more.

Taxes are a vital source of revenue for all governments and a major outflow for businesses - when planned and managed effectively, it leads to significant cost savings. Our current tax plan is designed to optimize available tax credits. We consistently advocate for tax regulations that foster advantages for local businesses. Our tax approach is an integral component of our finance strategy which has a two-part focus: remaining compliant with all relevant tax laws and regulations and, optimising tax rate. Our finance function house a separate tax team that reports directly to the CFO who is closely involved in all tax planning and optimisation.

Our internal audit function reviews to reviewing our tax practices and reports periodically to the board audit committee. We also enlist the expertise of tax consultants to provide guidance, deal with tax authorities and when necessary, we engage legal professionals. Our tax obligations encompass various business transactions, including income taxes, sales taxes and customs duties.

Tax Governance, Control, and Risk Management

Key people on the finance team attend tax-focused seminars annually to update understanding of taxation. All our transactions are systematically handled through the ERP system, with tax rates integrated and promptly updated to reflect any changes. Risk registers are formulated to pinpoint potential risks at the managerial level for each Business Unit and Department. These registers undergo evaluation at the Executive Team level and are subsequently approved and governed by the Board Risk Management Committee.

Our external auditor assesses our general tax compliance status, and we prepare Group Tax Financial Statements annually to supplement our returns. We maintain a comprehensive whistle-blower policy that serves as a channel for reporting any instances of misconduct, including those related to taxation.

Stakeholder Engagement and Management of Concerns Related to Tax.

Engaging in discussions with tax authorities to obtain clarifications on taxation matters. Convening meetings to address unresolved tax cases. CSAPL actively promotes tax policies by collaborating with the Pakistan Engineering Board, and various other platforms. This includes presenting recommendations to the budget committee to bolster local manufacturers. The company website features an email address for registering complaints regarding any concerns from stakeholders including external stakeholders.

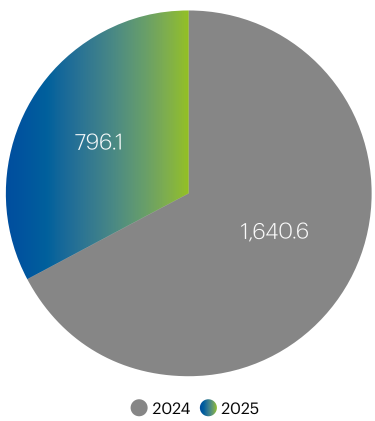
Tax Jurisdiction

We are not exposed to any tax jurisdiction other than Pakistan and do not hold any business interests abroad. Our tax and other payments to the government are illustrated below:

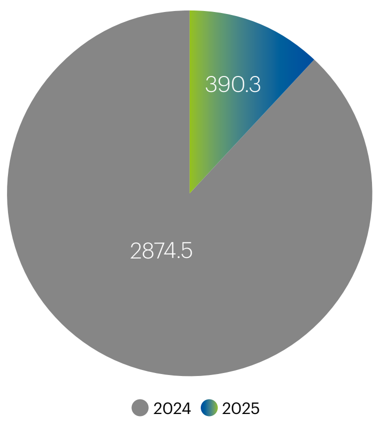
Overview of tax and other payments to the government:

Effective rate of tax All figures are in PKR, million

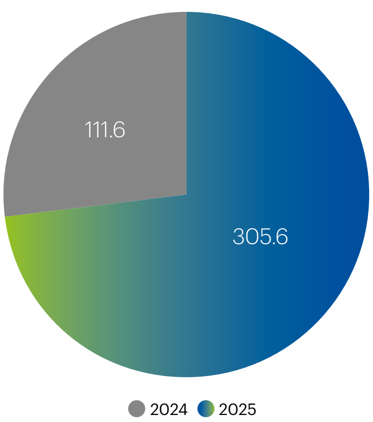
Sales Tax



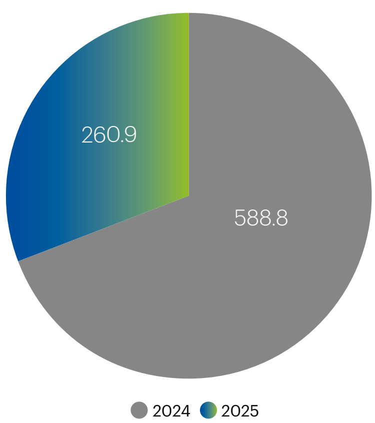
Taxes Collected and Paid



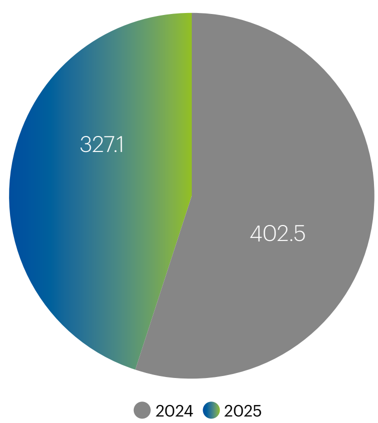
Withholding Tax Deducted and Submitted to Government

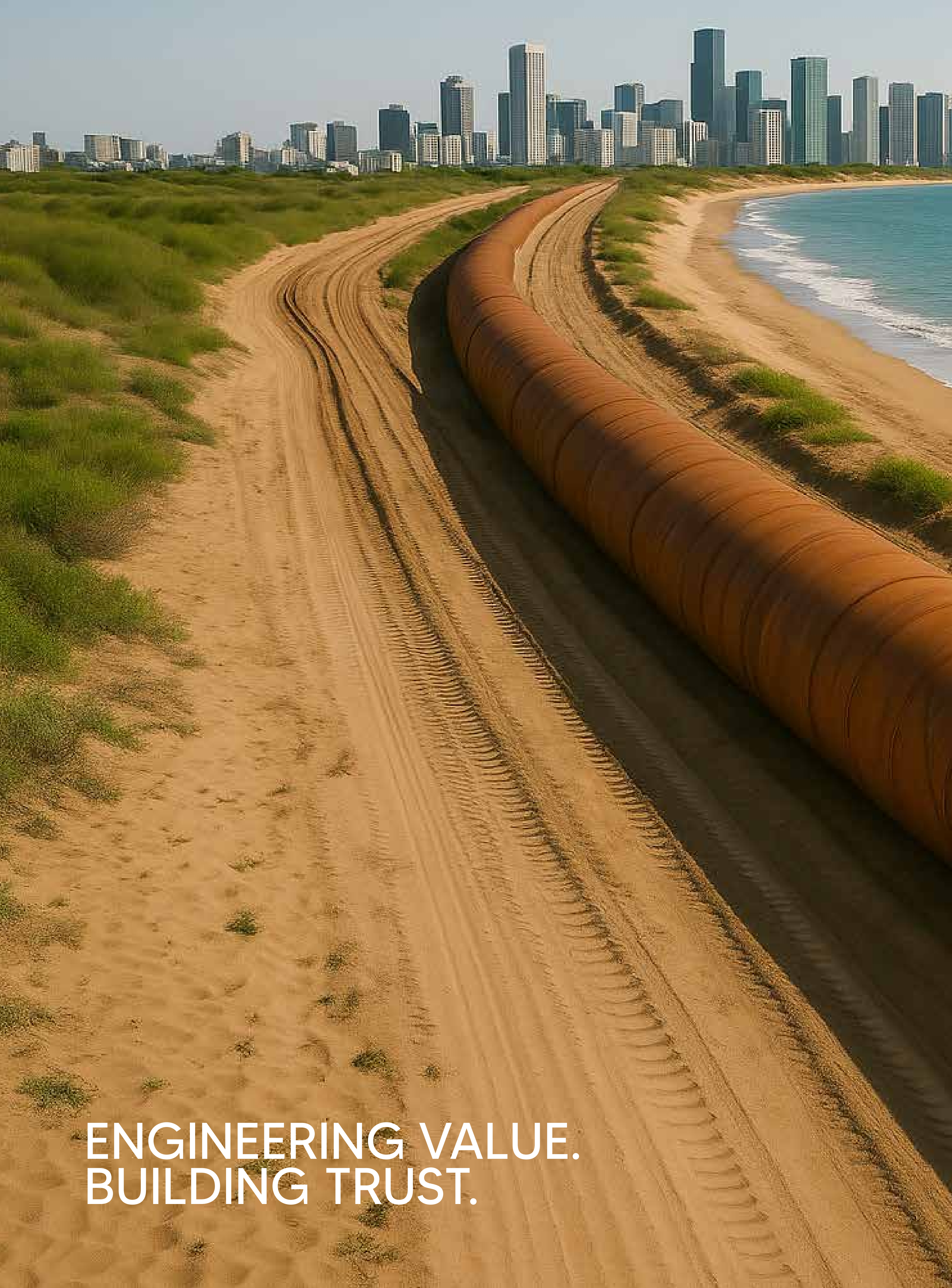


Corporate Income Tax



Custom Duties and Other Levies




ENGINEERING VALUE.
BUILDING TRUST.

HUMAN CAPITAL

8 DECENT WORK AND ECONOMIC GROWTH

At Crescent Steel, we believe every employee deserves to feel valued, heard, and empowered. We are working to build a culture where fairness, mutual respect and growth go hand in hand – where everyone has the opportunity to thrive and contribute their best.

In an economy where knowledge and intangible assets, particularly human and intellectual capital, are increasingly valuable, we understand the pivotal role our workforce plays in our success. As we continue producing steel pipes of an unprecedented size in the country – a task that demands specialized skills and expertise – it is vital that our internal team remains highly motivated and engaged.

While our business structure doesn't always support large teams, it challenges us to think creatively about how we identify, grow, and retain high-potential talent, especially in roles that are critical to our operations. As a family-managed enterprise, we blend strong values with a performance-driven culture.

To achieve this, we have a comprehensive HR strategy and extensive policies in place to support our strategic human and intellectual capital objectives.

This evolving dynamic — shaped by our business structure and talent strategy — keeps us closely aligned with our corporate goals and our vision for sustainable growth.

We believe that as our business grows, so do the opportunities we can offer to the people who make that growth possible. It's a cycle — when we invest in our people, they fuel our progress, and in turn, we're able to create more meaningful roles, challenges, and rewards for them. In all our operations, we prioritize the fundamental needs of our employees and contractors, which include:

- A Safe and Healthy Workplace
- Fair and Equitable Remuneration
- Career Development and Training for Personal Development
- A Diverse and Inclusive Work Environment with Equal Opportunities

At Crescent Steel, we are committed to building a culture rooted in transparency, trust, and open dialogue. We encourage our employees to speak up — to share feedback, raise concerns, and express grievances — knowing their voices will be heard and respected.

We don't just invite feedback; we act on it. Through regular engagement initiatives and employee satisfaction surveys, we actively monitor the pulse of our workforce and take timely action to address areas that need improvement.

Our human resource's function is regularly reviewed by an independent internal audit unit to identify and address any policy or implementation gaps.

Strategic Focus on HR

HR Process Excellence

Develop Strategic Employee Competencies

Close in on the Skill Gap

Identify and Develop Hi-Potential Employees

Drive Organizational Performance

Enhance Technology in HR

Positive Work Environment: Diversity, Inclusion and Wellbeing

Quality HR Services

High Performance Resource

GOALS AND OBJECTIVES FOR 2025 - 2027

Goal / Objective	Supporting Initiatives / Actions
Enhance Employee Engagement Levels	Achieve an Employee Satisfaction Index (ESI) of 4 and increase participation to 90%.
	Conduct focus groups to address key issues from the Employee Opinion Survey and Open House Sessions.
	Deploy an AI-powered HR chatbot to facilitate real-time employee interactions, ensuring concerns are addressed proactively.
	Engage employees in co-designing and implementing solutions to key engagement challenges.
	Leverage gamification and microlearning techniques to enhance participation in internal training programs.
Create a High-Performance Culture	Conduct 360-degree assessments for key management and executive roles, ensuring 100% participation among departmental managers up for promotion.
	Enhance the implementation and effectiveness of the performance management system.
	Continuously update the skills inventory and develop targeted upskilling programs aligned with evolving business needs.
	Introduce e-learning modules for standardized roles and induction programs.
	Establish mentorship and coaching frameworks to encourage self-directed learning and leadership development.
	Strengthen key operational areas by acquiring and retaining top talent in mid-management roles.
	Embed a culture of trust and fairness through transparent performance evaluations with clear, measurable criteria and regular feedback loops.
Foster an Inclusive and Enabling Workplace Culture	Track and increase the percentage of female applicants for vacant roles through targeted recruitment programs.
	Maintain pay equity across gender, ensuring equal pay for men and women in comparable roles and job grades.
	Develop partnerships to recruit differently abled individuals and create pathways for their integration into the workforce.
	Reduce the average age of the organization by recruiting younger talent and fostering generational diversity.
	Facilitate knowledge transfer through mentorship programs, encouraging collaboration between younger employees and experienced team members.
Achieve HR Process Excellence	Leverage data from the Human Resource Information System (HRIS) and explore advanced HRIS solutions to enhance decision-making and streamline HR operations.
	Develop Power BI dashboards
	Conduct regular HR performance surveys and use findings to address areas for improvement.
	Build HR competency across the organization by training managers to act as HR leaders for their teams, fostering a people-first approach.
	Introduce analytics-driven recruitment, training, and engagement processes to monitor trends, predict outcomes, and inform strategy.
	Implement competency-based interviews and assessment tools to improve the accuracy of hiring decisions and enhance talent acquisition.

we aim to achieve

- High Performance Human Capital
- Competitive Remuneration
- Simplified HR
- HR Agility
- Community Involvement
- Enhanced Employee Engagement
- Happy Workplace
- Compliance And Product Responsibility

Employee Engagement

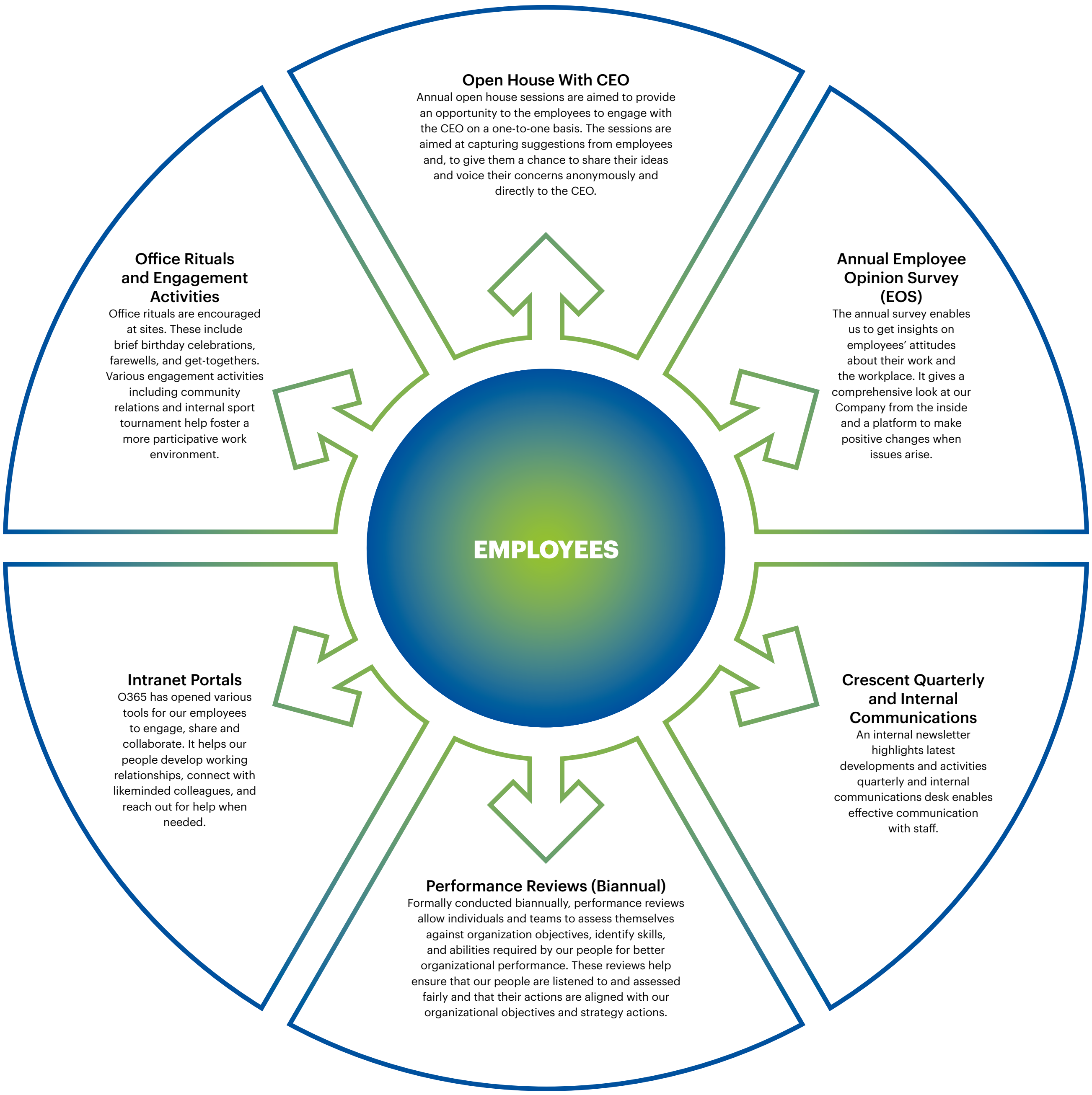
At Crescent Steel, our people are the driving force behind everything we achieve. Their commitment is what enables us to deliver consistent, high-quality performance — even in the face of uncertainty or change.

Our employees don't just do their jobs — they take ownership of their roles, go the extra mile, and contribute with purpose.

We are invested in helping our people grow. From developing future leaders to enhancing everyday performance, we focus on building capability and nurturing potential through meaningful engagement.

We aim to be an employer of choice, attracting and retaining top talent with the skills and dedication needed to build strategic national infrastructure and drive progress. We believe each individual has the power to create positive change – not just within the organization, but beyond. That is why we continue to invest in initiatives that improve lives and strengthen communities.

Some formal methods of employee engagement include:



Transparent communication is the foundation of our workplace culture and a key part of our employee engagement strategy.

We prioritize keeping our employees informed, engaged, and involved. Through a combination of communication tools, feedback mechanisms, and open leadership access, we aim to create a transparent and inclusive workplace.

In 2025, our Employee Opinion Survey once again served as a pulse check on engagement, motivation, and commitment across our workforce. This year, participation rose to 74%, up from 67% in 2024. The results reflected a steady upward trend, with our overall engagement score improving by 0.79% to reach 3.81 out of 5. To ensure the feedback translates into meaningful action, we plan to conduct follow-up focus groups as needed, fostering a responsive and supportive work environment.

The survey reflected strong performance in several key areas — our vision, mission, strategy, values, organizational structure, and work environment — all of which have remained consistent strengths over the years. At the same time, training and development emerged as a key area for improvement. While we delivered a total of 1,871 training hours during the year, we recognize the importance of expanding opportunities to help our people grow their skills and careers, and we are committed to strengthening this focus in the year ahead.

We are committed to maintaining a workplace built on transparency, integrity, and accountability. To support this, we have a whistle blowing policy that enables employees to report — confidentially — any concerns related to our Code of Conduct, such as unethical behavior, fraud, bribery, conflicts of interest, discrimination, or harassment. Reports can be made directly to the Head of Internal Audit, Human Resources, and/or the CEO.

We are committed to protecting the confidentiality of whistle blowers and ensuring that all grievances are addressed promptly and impartially, in accordance with our policies. This approach gives our people the confidence to speak up, knowing they are protected from retaliation and that their voices will be heard.

We aim to reach out to diverse talent and embrace the different skills, cultures, ways of thinking and experiences that talent brings. Regular opportunities are provided for employees to step outside their daily routines and volunteer to make a positive impact.

Additionally, feedback mechanisms are integrated into all HR processes, whether this relates to events, performance management, training, hiring related feedback, or other topics of concern (HSE and wellbeing, cost of living related surveys, transport, etc.).

Labor Management Relations and Grievance Mechanism

Our manufacturing operations are labor-intensive, with worker-grade employees making up 79% of the site workforce. Building trust and maintaining open communication with this group is essential for smooth operations and a positive workplace culture. Joint committees—bringing together workers, supervisors, and managers — play a vital role in setting and achieving targets, understanding worker needs, and resolving concerns through collaboration.

At Crescent Steel, open dialogue is more than a policy — it's a practice we value deeply. We actively engage in discussions with workers to address their challenges beyond typical circumstances. The company provides transportation, food, and housing facilities where applicable, prioritizing worker well-being.

Our grievance mechanism encourages workers to speak up about health, safety, or workplace concerns directly to their supervisors or managers, knowing these issues will be addressed fairly and promptly.

There are no collective bargaining agreements or labor unions associated with our Company.

Diversity and Inclusion

5 GENDER EQUALITY

As the world changes at an unprecedented pace, building a truly diverse workplace has never been more important. Across Pakistan, only about 24% of women aged 15 and older participate in the formal workforce. That means nearly three-quarters of the nation's women talent often remains untapped. With this context in mind, increasing female representation, especially in management level roles, is an ongoing priority.

As on June 30th 2025, 21% of our employees at corporate offices were female. 11% of the executive team roles and 4% of our management roles are occupied by women.

While these figures highlight that female representation — particularly in leadership — remains limited, we are taking active steps to change this. One of our key challenges is the talent pipeline: for current corporate office openings, only about 20% of the applicant pool is female.

Our workforce comprises 6% minorities, well above the minorities representation in the national demographic. Over the last year, 87% of new entrants represent rural communities and 76% of our total workforce is from rural Pakistan.

We believe that a diverse workforce is a valuable asset that drives creativity and innovation. At Crescent Steel, we are committed to creating a workplace where every individual's unique skills, backgrounds, perspectives, and experiences are not just welcomed but celebrated. This commitment goes beyond words: it's rooted in practical action and accountability, ensuring that our culture is inclusive, dynamic, and fair for everyone.

Other ways that we contribute to DEI goals is through our philanthropic interventions which are discussed in detail in section Social and Relationship Capital.

No incidents of discrimination were reported during FY25.

As on June 30, 2025:

21% or 14
Employees at our corporate offices were females

11% or 1
4% or 2
Member of the Executive Management Team was a women
Management roles were filled by women

6% or 23
11% or 7
Workforce consisted of minorities across all locations
Workforce consisted of minorities at our Head Office

21% or 3
New hires at our corporate offices were females

87% or 76
New entrants represent rural communities
Workforce is from rural Pakistan

Gender Pay Gap Statement under Circular 10 of 2024

Following is gender pay gap calculated for the year ended June 30, 2025:

Mean Gender Pay Gap

	Head Office	Other than Head Office
Management	56.08	100.00
Workers	100.00	100.00

Median Gender Pay Gap

	Head Office	Other than Head Office
Management	39.20	100.00
Workers	100.00	100.00

Equal Opportunity Employment

During FY24, the ratio of Median Entry-level Wage compared to Local Minimum Wage for Workers stood at 1.03:1 across all locations of operations . As a dedicated equal opportunity employer, the Company is committed to safeguarding the rights of all its employees across all types of work. The ratio of wages for management, workers and all staff against minimum wage are as follows:

RATIOS	MALE	FEMALE
Ratio of Median Wage of Management without Variable Allowances: Minimum Wage	2.97 : 1	2.29 : 1
Ratio of Median Wage of Management with Variable Allowances: Minimum Wage	3.28 : 1	2.87 : 1
Ratio of Median Wage of All Workers without Overtime: Minimum Wage	1.07 : 1	-
Ratio of Median Wage of All Workers with Overtime: Minimum Wage	1.28 : 1	-
Ratio of Median Wage of All Staff without Variable: Minimum Wage	1.17 : 1	2.29 : 1
Ratio of Median Wage of All Staff with Variable: Minimum Wage	1.54 : 1	2.87 : 1

100% of our senior operational management employees, including functional heads are residents of local areas/ regions.

Employee Development

At Crescent Steel, we see training not just as a checkbox but as a pathway to personal growth, stronger performance, and collective success. The Company runs a comprehensive, well-structured on-the-job training program for engineers at our line pipe manufacturing units, as well as for select management hires in shared services, marketing, and sales at our Head Office.

During the fiscal year we invested Rs. 2.99 million, or 0.16% of profits before tax [FY24: Rs. 3.09 million, 0.12% of profit before tax] in training 13 high-potential employees through targeted programs at LUMS, ICAP, AOTS, NED, and LEED International. Additional training investments included programs by PICG, Pakistan Nuclear Regulatory Authority, Fleet Operations Association of Pakistan, New World Concepts, and SGS Pakistan. This investment enabled our employees to develop their skills, fulfill their potential, and make valuable contributions to the success of the Company. On average, each employee in the management category received 22.04 hours of formal training in FY25, down from 27.30 hours in FY24.

22

Average training hours planned for every employee in 2026

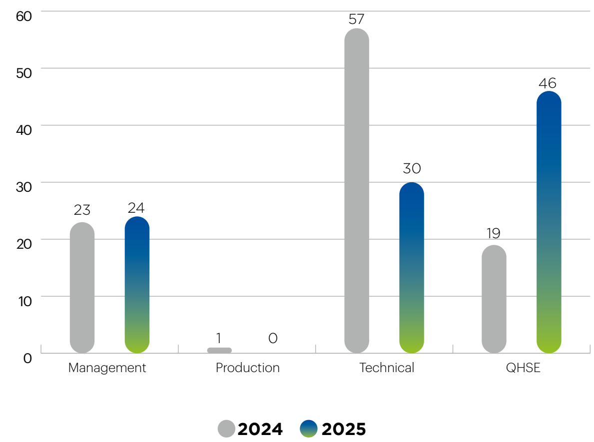
100%

Percentage of eligible employees for whom performance reviews and career development plans have been prepared in 2025

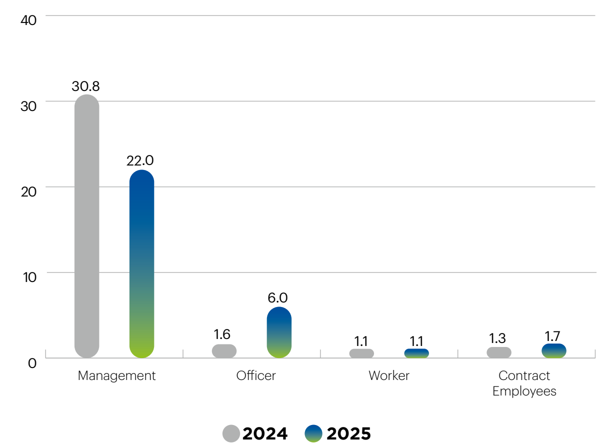
70%

Percentage of management grade employees for whom training need analysis has been conducted and training plans prepared in 2026

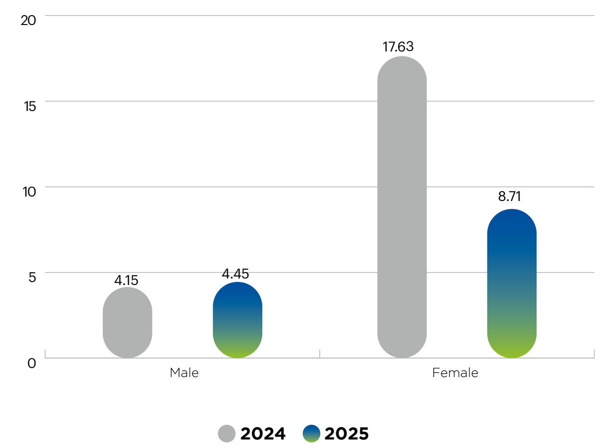
Training Hours by Type of Training %



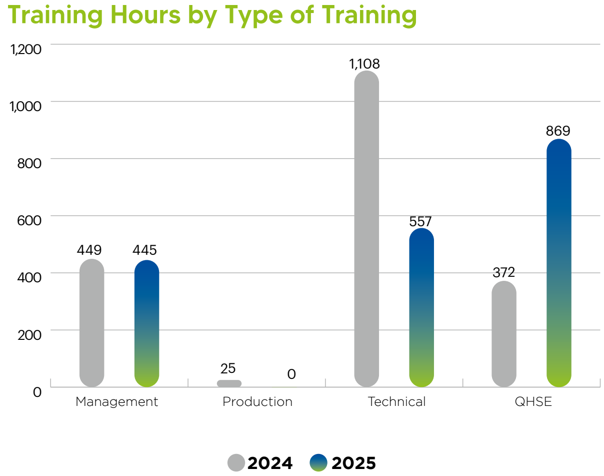
Average Training Hours / Employee by Category



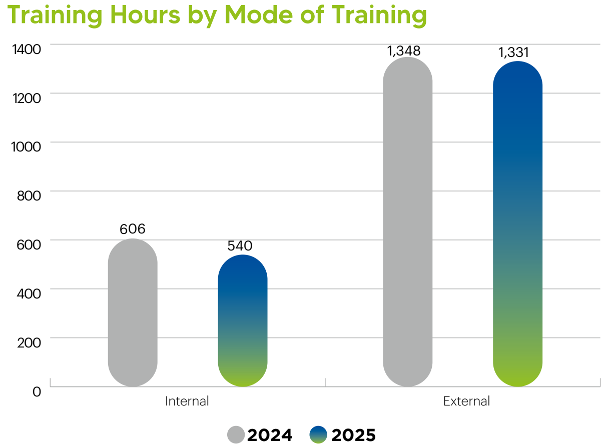
Average Training Hours / Employee by Gender



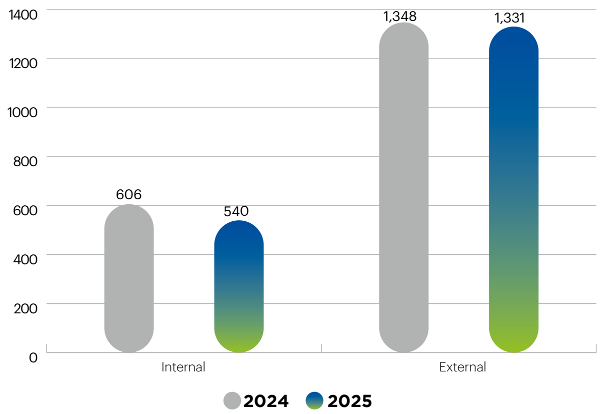
Training Hours by Type of Training



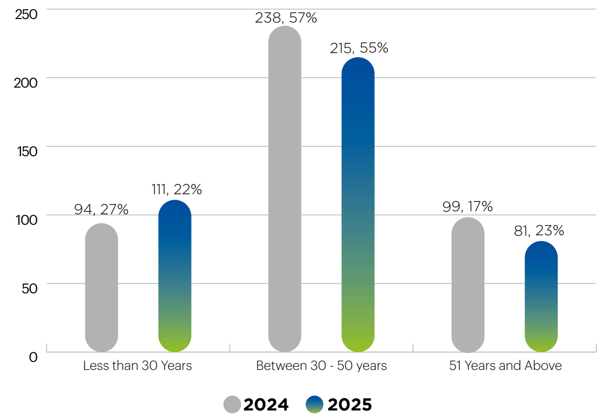
Training Hours by Mode of Training



Training Hours by Mode of Training



Employees by Age



Employee Demographics

As an employer of over 400 individuals across Pakistan, Crescent Steel plays a crucial role in supporting livelihoods, creating opportunities, and enhancing growth prospects for our employees. Here is a look at our demographic break-up:

Total Workforce - Region Wise

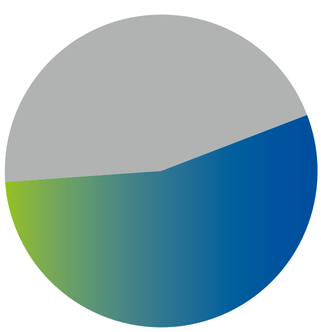
	2025	2024
Bhone	10	13
Jaranwala	38	37
Karachi	69	72
Lahore	4	6
Nooriabad	243	260
Dalowal	41	41
Islamabad	2	2
Total	406	431

Average age of Employees – By Employee Category

Management
44 Years

Officer
42 Years

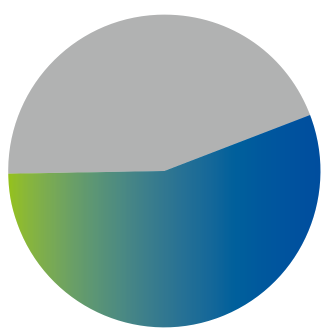
Workers
40 Years



Total number of Employees - 2025

223 Contractual

183 Permanaent

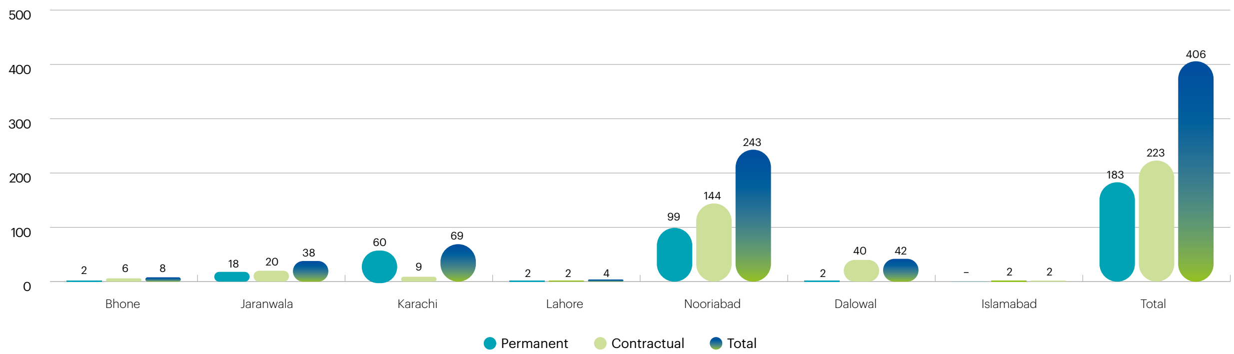


Total number of Employees - 2024

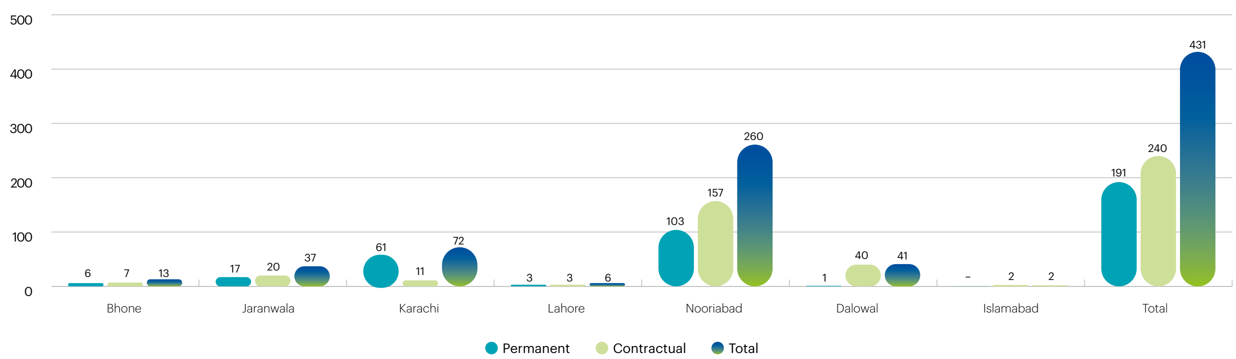
240 Contractual

191 Permanaent

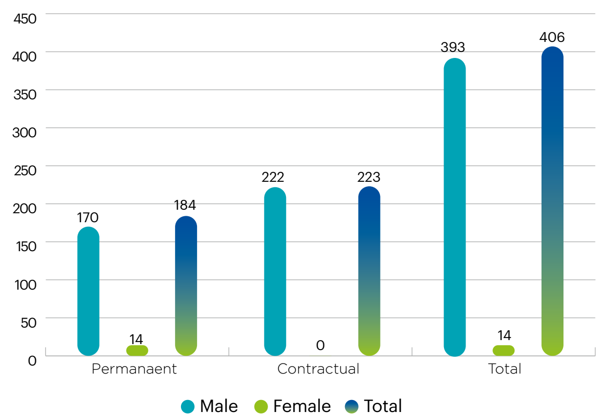
Total Number of Employees by Employment Contract and Region - 2025



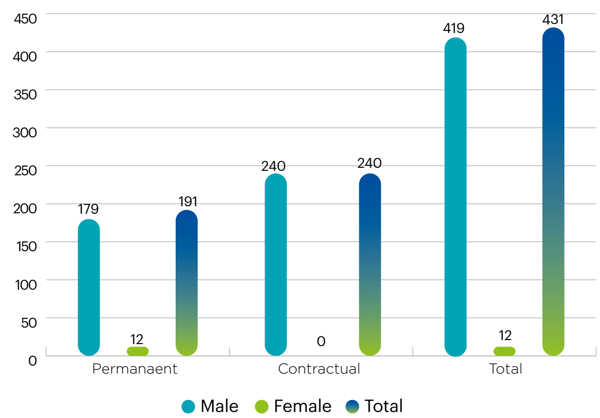
Total Number of Employees by Employment Contract and Region - 2024



Total Number of Employees by Employment Contract and Gender - 2025



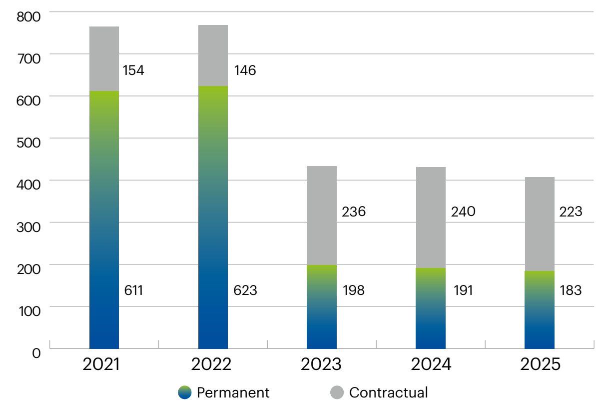
Total Number of Employees by Employment Contract and Gender - 2024



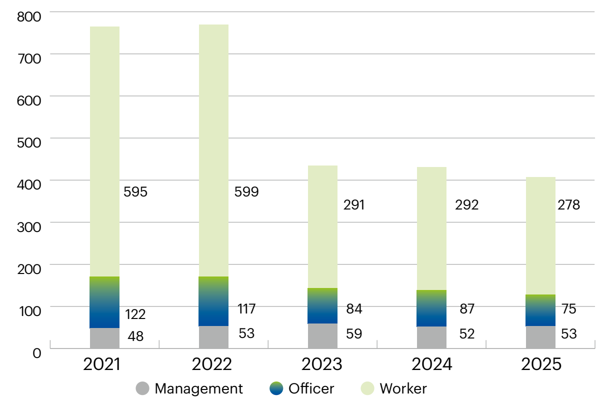
New Hires	Opening No. of Employees (Jul 1)	Incoming employees	Outgoing employees	Closing No. of Employees (June 30)	Average No. of Employees	Outgoing Rate	Incoming Rate	Turnover Rate
By Age								
Less than 30 years	106	76	73	109	108	67.91%	70.70%	-2.79%
Between 30 - 50 years	236	55	74	217	227	32.67%	24.28%	8.39%
50 years and above	89	12	21	80	85	24.85%	14.20%	10.65%
Total	**431**	**143**	**168**	**406**	**419**	**40.14%**	**34.17%**	**5.97%**
By Gender								
Male	419	140	167	392	406	41.18%	34.53%	6.66%
Female	12	3	1	14	13	7.69%	23.08%	-15.38%
Total	**431**	**143**	**168**	**406**	**419**	**40.14%**	**34.17%**	**5.97%**
By Location								
Head office (Karachi)	72	13	16	69	71	22.70%	18.44%	4.26%
Nooriabad	260	101	118	243	252	46.92%	40.16%	6.76%
Jaranwala	37	11	10	38	38	26.67%	29.33%	-2.67%
Dalowal	41	14	13	42	42	31.33%	33.73%	-2.41%
Bhone	13	3	8	8	11	76.19%	28.57%	47.62%
Lahore	6	0	2	4	5	40.00%	0.00%	40.00%
Islamabad	2	1	1	2	2	50.00%	50.00%	0.00%
Total	**431**	**143**	**168**	**406**	**419**	**40.14%**	**34.17%**	**5.97%**

Workforce Information

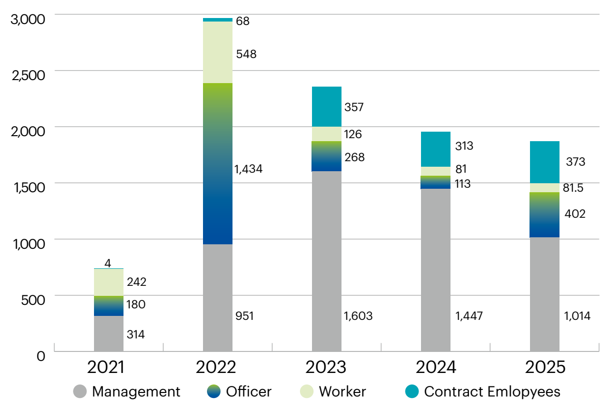
Number of Employees



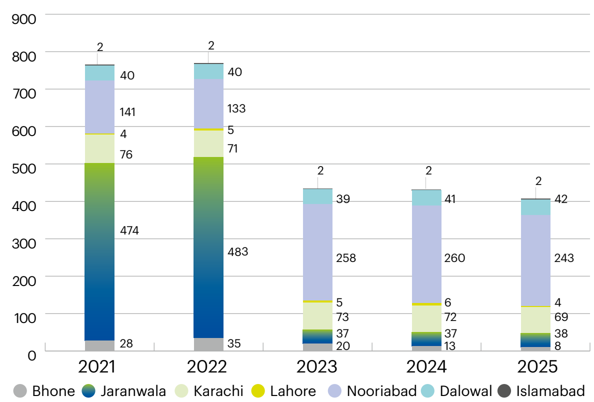
Number of Employees by Employment Type



Training Hours by Employment Type



Workforce by Region



Note:

1. The significant increase and decrease in the workforce over the years is on account of the cyclic nature of the business.
2. The published headcount for 2024 has been adjusted by 1 to reflect a backdated change in employee status.

Employee Satisfaction

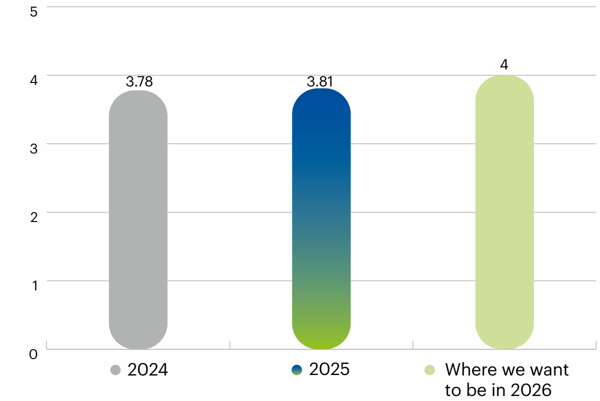
77% of employees are satisfied working for Crescent [FY24: 77%]

83% of employees are committed to their jobs [FY24: 83%]

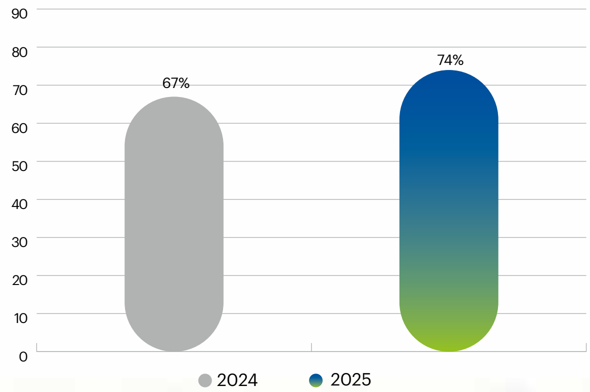
74% of employees are satisfied about guidance and coaching provided to execute the job [FY24: 73%]

83% of employees are satisfied that Crescent is sensitive to the safety need of employees and provides appropriate work tools [FY24: 83%]

Employee Satisfaction Index



Survey Participation Level



Engagement and Development

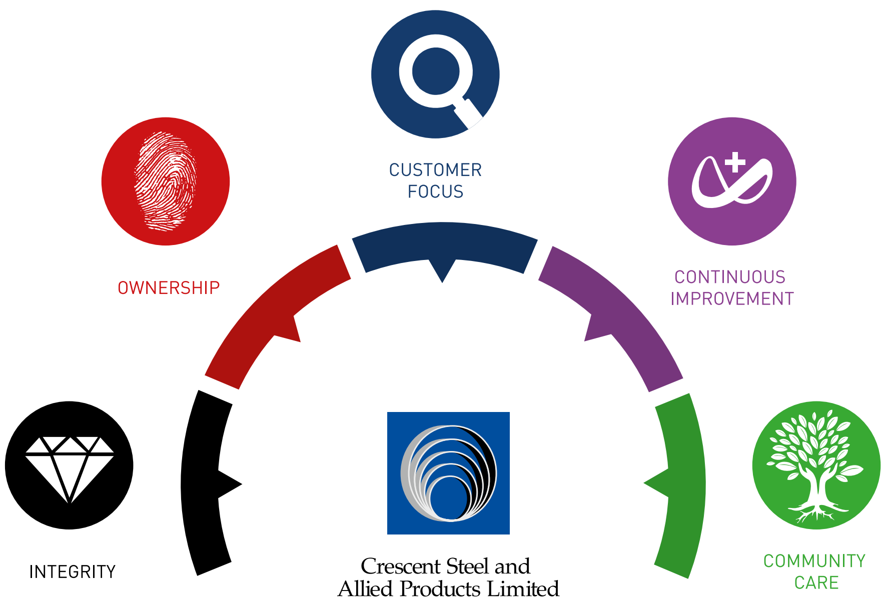
This section highlights our key employee engagement and development programs.

Recognizing Value Behaviors

Our values are not just words on a wall — they are the core of how we work, decide, and grow together. They guide every interaction; from the way we welcome new colleagues to how we deliver for our customers.

We seek these values in every hire and embed them into performance management, ensuring they are practiced, not just stated. Acting with integrity, taking ownership, putting customers first, striving to improve and caring for others — these guide our everyday actions.

To keep our values strong, we hold value-awareness sessions and highlight employees who live them through their work and actions. By recognizing and rewarding value behaviors, we keep our employees engaged and aligned with our corporate identity.



Talent Management

We believe our success is built on the collective strength of our people. Our learning philosophy is based on the 70:20:10 learning model — a globally recognized framework that balances real-world experience, mentorship, and formal training:

| 70% | On-the-job and real-life experiences that build practical skills |
| 20% | Coaching, mentoring, and knowledge sharing from peers and leaders |
| 10% | Formal training programs and certifications |

Each year, HR develops an annual training plan during the budgeting and planning cycle. The plan is derived from a formal process that lists identified training needs for each department, drawing from performance reviews, talent reviews and day-today interactions with teams.

We categorize trainings into four segments; production, management (includes soft skills/behavioral training interventions), quality and HSE and technical. These are further classified as internal, external, in-house and on-the-job trainings. We also require participants in external programs to share their knowledge across teams. All formal training is evaluated through a feedback form to gauge its effectiveness.

To strengthen critical roles and develop high-potential employees, we offer access to a diverse range of external programs, including:

- Data Analytics by ICAP
- Self-Effectiveness Program/Core Values Refresher by Carnelian
- Developing Future Leaders at LUMS for new Managers
- Management Development Program at LUMS for Senior Managers
- Executive Programs at INSEAD or equivalent for Senior Executives and Senior Managers transitioning to executive roles (MAP, TGM and AMP)
- Certified Directors Program by LUMS or PICG
- Train the Trainer by Carnelian
- Harvard Manage Mentor Program by ICAP
- Lead Auditor Training by SGS Academy or an equivalent certifying body
- Radiation Protection by PNRA

Given our operational structure and human capital depth, we focus on promoting talent from within. By equipping employees with the skills and exposure needed for higher responsibilities, we prepare them to take on bigger roles and contribute meaningfully to the organization's long-term success.

Talent Review

Each year, we conduct Organization Talent Reviews to identify and assess top talent across the company. In these sessions, our management committee evaluates both management and mid-management employees, categorizing them into five tiers — ranging from Black Belt (High-Potential/Future Leader) to Black Sheep (Poor Performer).

Chaired by the CEO, these reviews help shape targeted development plans. High-potential employees are placed on a structured three-year career development track, while those in the Black Sheep category are supported through a Performance Improvement Plan with clear goals to be achieved within six months.

On a select basis, we also offer employees exhibiting strong performance and value-based behaviors opportunities for lateral rotations across functions. This enables them to see the business from the outside in, enhances their skill set and helps with future leadership roles.

Performance Management

At Crescent Steel, we see performance management as more than a routine process — it is an ongoing conversation that helps our people grow while driving the company forward. Our system is designed to connect individual and team goals directly to the organization's strategic priorities, so everyone is working towards the same vision.

While formal reviews are conducted twice a year against agreed goals, we believe in the value of regular, constructive feedback to keep performance on track and encourage continuous improvement. These reviews guide key decisions on training, career development, compensation, transfers, and promotions.

Fairness, transparency, and open communication are central to our approach. We ensure our employees understand how performance is measured, reviewed, and managed across the organization. We offer office hours for discussions and provide soft support for self-assessment and goal setting.

Trainee Programs

We run structured Trainee Engineer and Management Trainee programs for fresh engineering and business graduates, offering quarterly rotations within and across functions to build well-rounded experience. This year, after completing rigorous training, one Trainee Engineer was promoted to Assistant Engineer, and we welcomed one new Trainee Engineer to the program. We are also in the process of hiring new Management Trainees for our Head Office and Trainee Engineers for our factory to continue developing future talent.

We also offer three-year apprenticeships, as mandated by law, in electrical, welding, production, and mechanical areas.

Internship Program

Our formal Summer Internship program, offered at both the Head Office and Nooriabad campus, provides young students with an opportunity to develop and hone their skills, build their resumes and assess their interests and abilities.

Crescent interns act as ambassadors for our brand, helping to enhance our visibility as an employer while giving managers valuable opportunities to mentor emerging talent. This program is especially important for us as an engineering-sector company with a relatively low annual intake and low attrition — where other channels, such as career fairs and large-scale engagement with prospective hires, are less feasible.

Intern Testimonials

"My internship at Crescent Steel and Allied Products Limited's IT department was a truly valuable experience. I worked on projects like automating HR workflows with N8N, creating tools for AI-assisted CV shortlisting, and learning about Oracle ERP, PL/SQL, and Business Intelligence. The team's guidance and the supportive work environment helped me improve my technical knowledge, problem-solving, and communication skills. This internship also gave me a clearer understanding of how IT supports business operations. I'm grateful for the opportunity and would recommend CSAPL to any student looking for a hands-on, growth-focused internship" – Muhammad Sufyan Siddiqui (Intern – Information Technology)

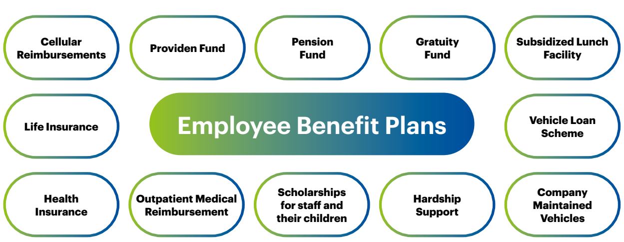
"My six-week internship at Crescent Steel and Allied Products Limited was an enriching and transformative experience. I had the privilege of working alongside a highly professional and supportive supply chain team, gaining practical exposure to core functions such as procurement, inventory management, logistics coordination, and data analysis.

This hands-on experience not only deepened my understanding of end-to-end supply chain operations but also enhanced my analytical thinking and problem-solving skills. I was actively involved in process optimization and continuous improvement initiatives, which provided valuable insights into real-world business challenges.

I am sincerely grateful to Crescent Steel and Allied Products Limited for fostering a welcoming and growth-oriented learning environment. The mentorship and guidance I received have been instrumental in shaping my professional outlook, and I look forward to applying these learnings in my future endeavors." – Muhammad Ali Ullah Khan (Intern – Supply Chain)

Compensation and Benefit Schemes

To attract and retain top talent — and to recognize the contributions of our people — we offer competitive compensation, benefits, and incentive programs. Our benefits form a key part of the overall compensation package, adding substantial value beyond salary. Alongside guaranteed and performance-based pay, we provide a comprehensive range of employee benefits, including:



At Crescent Steel, we share value created with our employees. The Company operates a Provident Fund on a contribution basis, matching employee contributions at 8.33% of basic salary for up to five years of service and 10% thereafter. Benefit funds, including both gratuity and pension, are contributed by the company at the rates of 8.33% and 20% of the employee's basic salary, respectively. Collectively, the company provides 5% of its pre-tax profits in the Worker Profit Participation Fund (WPPF). We have categorized entitlements to these benefits based on different job levels within our organization, providing clarity in how these benefits extend to our employees.

EMPLOYEE BENEFITS	
Life Insurance	√
Defined Contribution Plan (Provident Fund)	o
Defined Benefit Plan (Gratuity and Pension)	*
Disability Coverage	√
Maternity Leave	√
Subsidized Lunch	√
Health Care	o
Health Insurance	o
Company Maintained Cars / Mobiles	µ
Club Subscription Reimbursements	µ
Company Sponsored Vehicles (Car / Motorcycle)	Ω
Scholarship awards for children of employees	Ω
Scholarships for Employees	Ω
Hardship Assistance	Ω
Stock Ownership	ν

√ = to all employees
µ = to our executives and management as per business need
o = to permanent employees
Ω = on application, to eligible employees across all job tiers
* = to management employees (i.e. excluding workers)
ν = generally, not available

Community Engagement

Our employees value our work with the communities where we operate. We keep them informed and actively involved in both company-led initiatives and causes that matter to them personally. This engagement is fostered through initiatives like the Crescent Matches Program, Crescent Cares Week, and various activities spanning sports, arts, and more.

Crescent Scholars

Launched in 2013, our scholarship program supports the tertiary and intermediate education of employees' children and is now in its twelfth year.

We also offer scholarships to candidates with exceptional academic and community performance to top-tier degree programs abroad. In addition, employees pursuing higher education while working with us are eligible for financial support.

This year, we welcomed two new scholars, bringing our total to nineteen — seventeen of whom are children of our employees, two being external scholars.

Children of Employees	Program and Institute Name
Syed Muhammad Mufeez (2014)	BE - Chemical Engineering from NED University; currently working as Security and Market Safety Lead at Philip Morris International
Abdul Rehman (2015)	BS – Electrical Engineering from Habib University; currently pursuing his Master's in Electronics Engineering (Embedded Systems) at the Politecnico di Torino University, Italy
Muhammad Taha Zaidi (2015)	BBA from IBA, followed by a Master of Management in Data Analytics from the University of Windsor, Ontario. Currently working as Senior Analyst at Just Energy
Ahmed Ali (2016)	BSc - Computer Sciences from FAST; currently working as Senior Software Engineer at Careem
Muhammad Ans (2016)	BE - Mechanical Engineering from the International Islamic University; currently working as Deputy Manager Engineering at Millat Tractors Limited
Khizran Kulsoom Zaidi (2017)	MSc – Human Resources from Karachi University; currently working as a System Support Analyst at National Institute of Cardiovascular Diseases
Syed Muhammad Bilal (2018)	BS – Computer Science from DHA Suffa University; currently working as Software Engineer at Cronysoft
Sidra Sikandar Ali (2018)	MS – Hydro Science and Engineering from Dresden University of Technology; currently working as Associate Scientist at Procter and Gamble
Suleman Saad Thaniana (2019)	BS – Electrical Engineering and Computer Science from Massachusetts Institute of Technology (MIT); currently working at Apple Inc, USA as Design Verification Engineer (we partially sponsored his first-year education after which Suleman was on a fully funded scholarship from MIT)
Nimra Yamin (2021)	BS – Economics and Finance from NED University.
Munazza Zafar (2017 and 2021)	Intermediate – Pre-Medical from Islamabad Model College
	BS – International Relations from Quaid-e-Azam University, recently graduated and currently seeking employment.
Sidra Muhammad Ali (2018 and 2021)	Intermediate – Pre-Medical from Trinity Methodist Girls' Higher Secondary School
	PharmD from Hamdard University, currently working as Pharmacist at Rabia Moon Memorial Institute of Neurosciences
Muhammad Safiullah (2021)	Intermediate – Pre-Medical from Government Islamic Science College; currently pursuing Bachelors in Islamic Studies from Islamabad International University
Yasir Rafique (2024)	BS, Computer Science candidate at University of Sindh, currently in his third semester
Syed Muhammad Suleman (2024)	BS, Software Engineering candidate at Karachi University, currently in his third semester
Murk (2024)	Intermediate from Sunrise English Grammer Higher Secondary School
Mustafa Kayani (2024)	BBA candidate at SZABIST, currently in his third semester
Other Scholars	
Mariam Asaad (2016)	MS - Education from Harvard Graduate School of Education; working as an implementation consultant with the World Bank and is leading a curriculum design project with The Citizens Foundation. Mariam returned the scholarship award back to the fund allowing it to roll over to others.
Muhammad Waqar Mustaqeem (2016)	BSc - Actuarial Sciences from London School of Economics and Political Sciences; currently working as Vice President Insurance and AM EMEA at MUFG

SCHOLAR TESTIMONIAL

Sidra M. Ali

PharmD from Hamdard University

“I am deeply grateful to Crescent Steel and Allied Products Limited for their generous scholarship support throughout my PharmD journey at Hamdard University. This opportunity not only eased my financial burden but also inspired me to strive for excellence and contribute meaningfully to my community. Having recently graduated, I have begun my career as a pharmacist at Rabia Moon Memorial Institute of Neurosciences, while continuing to pursue my aspirations for greater professional growth. Your belief in me has made a lasting difference in my life”.


ENGINEERING VALUE.
BUILDING TRUST.

OCCUPATIONAL HEALTH AND SAFETY

We have resolved to redouble our safety efforts and intensify our focus to avoid any accidents or incidents which could result in serious harm. Through our reporting system, we ensure a culture in which all employees are encouraged to discuss workplace safety openly. This is reflected in the growing number of preventive reports, which enable us to take prompt and more effective action to prevent unsafe situations.

Our employees are trained to emphasize and strictly adhere to the precautionary approach laid out by the United Nation's Rio Declaration on environment and development focusing primarily on principle 15.

Our Mission Zero (zero harm incidents and accidents) campaign continues, and we are shifting the focus from the measurement of lagging indicators to increase the focus on leading indicators with an emphasis on major risks. We have also strengthened our engagement and encourage employees to participate more meaningfully in this critical agenda.

We have a designated quality, health, and safety department at each unit. For our line pipe operations, we have an independent quality management system, based on international standards, API Specification Q1 and ISO 9001. Being a responsible corporate citizen, CSAPL has also developed an integrated Health, Safety, and Environment (HSE) management system to ensure HSE compliance based on the requirements of international standards ISO 14001 and ISO 45001.

We take several safety measures within our Company such as hazard identification, risk assessments and environmental aspect impact analysis. Workers are provided with sufficient personal protective equipment and go through regular health check-ups

These measures are all controlled by HSE-related joint management-worker committees and are extended to all our workers. Each employee is required to ensure compliance with HSE policies, procedures, and instructions at their respective stations.

8 cross-function teams contribute to different areas of our HSE Management system representing 100% of the pipe and coating unit workforce and directly engaging 33% of the unit's total workforce in HSE management and governance

The outgoing year was, however, marred by an accident that took place at the beginning of the year which claimed the life of one of our employees. The accident occurred during maintenance activities on a welding platform at our pipe plant in Nooriabad. This is a major setback for Crescent Steel, which has an absolute commitment to safety with its employees and its communities. We deeply regret the loss of life and are reinforcing actions on preventive activities with a focus on critical risks.

The following actions were taken following the incident:

- Targeted refresher safety talks have been conducted to reinforce awareness and ensure continued compliance among staff.
- Chain blocks have been installed to facilitate the secure handling of suspended loads, minimizing lifting-related risks.
- Physical barriers have been implemented to restrict unauthorized or unsafe personnel movement within operational areas.
- Enforcement of proper PPE usage has been further strengthened to enhance workplace safety and reduce exposure to hazards.

Health, Safety and Environment Policy

We strive proactively to prevent or minimize all possible causes of injury and ill health, prevent environmental pollution, minimize waste, conserve energy, enhance safety awareness, impart HSE training, prepare for emergencies by carrying out drills and manage environmental impact arising from the workplace, products and services that can affect the surrounding communities and the environment at large.

Crescent Steel aims to give back to the environment and invests heavily in a better standard of living. While aiming to work responsibly, Crescent Steel tries to bridge effective business management along with reduced environmental footprints.

We consult employees on matters affecting their health and safety, encourage communication and consider HSE compliance a responsibility of everybody in the organization.

We are also committed to complying with all legal, regulatory, and other HSE requirements to which we subscribe. At Crescent Steel, a comprehensive HSE management system is in place to review objectives and targets for continuous improvement while the policy is disseminated to all relevant stakeholders. Our initiatives related to occupational health and safety include:

- Yearly internal and external audits of HSE
- Analysis of all incidents, accidents, Corrective Action Requests, and unsafe conditions
- Hazard Identification and Risk Assessment (HIRA)
- HSE operational instructions have been formulated in the local language
- Safety talks are carried out monthly
- Training and practical demonstrations are conducted regularly to increase awareness and understanding of fire and safety procedures
- Emergency drills are conducted at least twice a year Employees are urged to report unsafe work conditions and non-compliance with our HSE procedures
- Safe water: Water filtration systems have been installed at our sites and drinking water at our campuses are tested periodically

- Pathology tests are conducted annually, e.g. Blood tests, Vision test, and Sputum tests for Tuberculosis, Respiratory test, Audiometry tests, Typhoid vaccination, Chest X-ray, HIV, and Hepatitis A and B tests
- Dosimeters and radiation alarms have been provided to the employees working in the radiography department to monitor the radiation levels
- Frequent testing of environmental parameters, noise level, and particulate emission is monitored annually
- Provision of Personal Protective Equipment (PPE)
- HSE awareness through Crescent Quarterly
- Workers on welding, radiography and stripping operations are regularly examined. Welders, radiography and stripping workers are also provided with milk to counter the effects of exposure to metal fume.

CSAP HSE Trainings

In FY 2025, conducted 9 (8 at plant site and 1 at HO) HSE and technical training sessions, delivering over 960 man-hours of focused learning.

We deliver structured training initiatives that thoroughly address critical domains including

- First Aid & CPR Training
- Fire Fighting & Emergency Response Training
- Emergency Preparedness and Response
- Environmental Aspect Impact Analysis
- Communication, Participation and Consultation
- Incident Investigation and Reporting
- Hazard Identification, Risk Assessment and Control Measure
- HSE Training and Awareness
- Waste management
- Pollution Management System
- Radiation Safety Procedure

These programs are delivered through an integrated approach that includes classroom instruction, safety briefings, practical drills, and expert-led modules. This comprehensive framework ensures employees acquire the essential knowledge, skills, and mindset to carry out their responsibilities safely and with a high degree of professionalism.

The CSAPL training system is structured to meet the needs of new employees, personnel transferred between sites, supervisors, promoted staff, and contractor employees. A comprehensive process ensures that all new staff members, visitors, and contractors receive a thorough initial HSE orientation. Additionally, management personnel undergo specialized training to effectively lead HSE initiatives within their areas of responsibility.

Line management is responsible for ensuring that all employees under their supervision receive adequate training, supported by periodic refresher courses and competency demonstrations through job cycle checks and assessments. Training programs are developed based on detailed position- and individual-specific training needs analyses that identify the essential safety competencies required for each role. This approach ensures CSAP's workforce remains proficient, motivated, and fully aligned with our commitment to operational safety excellence.

Asset Integrity and Critical Incident Management

At Crescent Steel and Allied Products Limited (CSAPL), we are committed to maintaining asset integrity and managing critical incidents in accordance with internationally recognized standards and best practices. The Company is certified in ISO 9001:2015, API Q1, ISO 45001, and ISO 14001, underscoring our systematic approach to quality assurance, occupational health and safety, environmental stewardship, risk mitigation, and operational excellence.

Asset Integrity

CSAPL ensures asset reliability and longevity through a comprehensive framework that includes preventive maintenance schedules, risk-based inspections, and performance monitoring. These practices not only extend the life of critical equipment but also minimize operational disruptions and safeguard consistent product quality. Our commitment is reinforced through competency-based training programs and continuous evaluation of safety-critical systems, ensuring that our workforce is equipped to manage risks effectively.

Critical Incident Management

We follow a proactive approach to incident management, built on preparedness, timely response, and continuous improvement. In the event of an incident, CSAPL implements a structured process involving immediate containment, root cause analysis, and corrective and preventive actions. Oversight from management, regular employee training, and strict adherence to regulatory and voluntary safety codes further strengthen our ability to mitigate risks.

This integrated approach reflects CSAPL's commitment to operational resilience, safety excellence, and adherence to international best practices, ensuring that our operations remain reliable, safe, and sustainable.

OCCUPATIONAL HEALTH AND SAFETY TARGETS – 2025

For Business Unit – Steel

Lost workday case	02 (at maximum)	For our Corporate offices, Cotton Division, Crescent Hadeed, CS Energy and Shakarganj Engineering Unit, we strive to achieve **zero cases of work-related injuries.**
Restricted workday case	01 (at maximum)	
Medical treatment case	02 (at maximum)	
First aid	02 (at maximum)	
Near miss	02 (at maximum)	
Unsafe act/unsafe condition	02 (at maximum)	

Occupational Health and Safety: Business Unit – Steel Division

	2025	2024	2023	2022	2021	2020
Number of injuries						
-Medical treatment cases	8	9	4	-	2	2
-Restricted work cases	6			-	-	-
-Lost workday cases	-	1		-	2	-
Number of occupation diseases cases	-	-	-	-	-	-
Number of work-related fatalities	1	-	-	-	-	-
Injury rate (IR)	0.00092	0.00098	0.0004	-	0.0009	0.00058
Occupational disease rate	-	-	-	-	-	-

Note: - Injury Rate (IR) is calculated based on total working hours
- Disclosures are not available for Cotton and Hadeed Units

SOCIAL AND RELATIONSHIP CAPITAL

At Crescent Steel, Corporate Social Responsibility (CSR) is embedded in our mission and values. It is a strategic, management-driven approach that integrates our business, environmental, and community initiatives to create lasting value for all stakeholders.

Our Approach to Community Development And Discretionary CSR

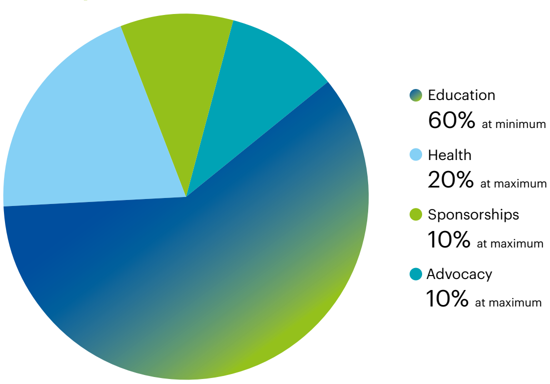
Our impact goes far beyond our own business. We care deeply about the people who make our success possible — from respecting human rights in every part of our operations and supply chain, to ensuring equal opportunities for all. We support sustainable business practices and believe in giving back, whether through community programs or philanthropic initiatives that create real, lasting change.

We approach CSR in four perspectives: our economic, legal, ethical, and philanthropic or discretionary responsibilities to our stakeholders.

This approach strengthens our competitive advantage and helps us build strong, mutually beneficial partnerships with stakeholders, in addition to realizing gains from cost and risk reduction, legitimacy and reputation benefits and, in recognizing the complex but interrelated nature of the relationship between CSR and financial performance. This section focuses primarily on discretionary CSR - other aspects of our CSR performance are covered in detail in other sections of this report.

Our philanthropic CSR policy allocates between 2% to 5% of our annual profits before tax towards donations for select social causes we support. The proportion of allocation generally follows the following pattern:

Proportion of Allocation



Our Goals and Strategy

Moving from Corporate Philanthropy to a Business-Inclusive Model

At Crescent Steel, we see Corporate Social Responsibility not as charity on the sidelines, but as an integral part of how we do business. Our philanthropic efforts open doors to areas where our core operations may never directly reach — allowing us to create impact where it is needed most.

In Pakistan today, over 26 million children remain out of school — a number that underscores why education remains at the heart of our commitment. We believe that every child who gains access to quality education sets off a ripple effect, uplifting families, strengthening communities, and contributing to the nation's long-term economic and human capital growth. Our investments range from K-12 education to higher education support in fields like engineering, technology, and liberal arts.

Beyond education, we prioritize strategic investments in our value chain stakeholders, ensuring that our community and social programs have a lasting, positive impact. To enhance the focus and transparency of our efforts, we've established a Social Investment Committee tasked with steering and evaluating our CSR activities.

By aligning our efforts with Pakistan's development priorities and the UN Sustainable Development Goals, we are moving from corporate philanthropy to a business-inclusive model— where doing good and doing well go hand in hand.

Our Goals

Over the next three years, we will focus on:

- Education: Expanding access, especially through our TCF school network, and supporting initiatives in tertiary education, healthcare, and environmental advocacy.
- Value Recognition: Mapping our contributions across the value chain, creating value for shareholders, employees, and communities alike.
- Structured Engagement: Launching targeted programs like scholarships and employee endowments to empower key stakeholders.
- Impact Measurement: Regular reviews of our social investments to assess their long-term benefits.
- Cultivating a Giving Culture: Encouraging employee and community volunteering to strengthen our culture of social responsibility and giving back.

Through these efforts, we remain committed to building resilient communities, ensuring inclusive growth, and driving shared value creation for Crescent Steel and our stakeholders.

Social Investment Committee

Appointed by the CEO, the Social Investment Committee is at the heart of how we direct and manage our discretionary contributions. Its role goes beyond simply approving donations — it ensures our community investments are purposeful, measurable, and aligned with our long-term corporate strategy.

Working closely with the Business Strategy Committee, the Social Investment Committee takes a holistic view of our impact, considering not just financial outcomes, but also how our operations touch people, communities, and the environment. This integrated approach allows us to meet shareholder, client, employee, and community expectations while adhering to regulatory standards.

The committee's oversight includes:

1. **Policy Enhancement:** Reviewing and refining the Company's Corporate Social Responsibility policy, ensuring it remains relevant and impactful.
2. **Strategic Distribution:** Recommending the allocation of charitable contributions in alignment with CSR goals to create maximum social impact.
3. **Continuous Monitoring:** Overseeing and evaluating ongoing CSR initiatives to ensure they deliver meaningful outcomes.
4. **Impact Measurement:** Assessing the tangible benefits of our social investments to amplify the long-term value for communities.

Community Development

At the core of our corporate strategy is a genuine commitment to supporting and uplifting the communities where we operate. We follow self-assessment-based guidelines to evaluate the impact of our community investments, ensuring they create meaningful and lasting value. Our approach is built on a few key pillars that guide every initiative we take forward.

Core Values

Community care is one of our five foundational values, guiding our efforts to improve lives and create positive change.

Leadership Commitment

The Social Investment Committee reports directly to the CEO, ensuring strong leadership oversight and active involvement.

Structured Policy

Our CSR policy allocates 2–5% of pre-tax profits to community investments, reinforcing the culture of giving back.

Employee-Led Efforts

CSR at Crescent Steel is powered by our people, with employees contributing their time, skills, and resources.

Community Collaboration

We collaborate with non-profits to amplify the reach and impact of our initiatives.

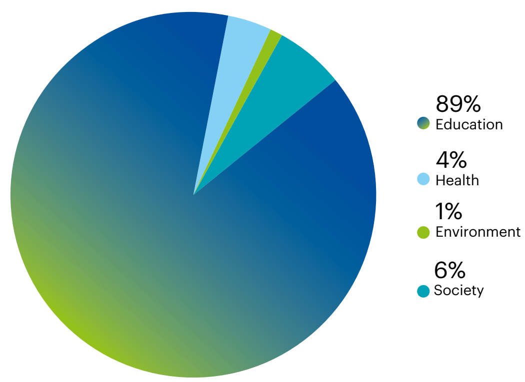
Rigorous Evaluation

Regular assessments help us measure, refine, and exceed our goals for community development.

This streamlined approach ensures that Crescent Steel's CSR efforts are not only aligned with our strategic goals but also contribute to sustainable growth, both for the company and the communities we serve.

Our Contribution During the Year

Contributions in Cash - 2025



CONTRIBUTIONS (RS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
In Cash	114,474,400	102,824,650	27,495,000	58,963,920	13,214,236	1,627,500	2,500,500	45,937,502	100,813,125	80,978,119
In Kind	702,311	192,396	121,904	74,091	70,781	58,608	111,111	153,213	73,319	227,004
In Time[1]	453,595	788,235	292,971	298,690	134,642	101,584	210,657	537,012	212,436	229,572
Total	115,630,306	103,805,281	27,909,875	59,336,701	13,419,659	1,787,692	2,822,268	46,627,727	101,098,880	81,434,695
Cash Donations as A Percentage of PBT (%)	CASH DONATIONS AS A PERCENTAGE OF PBT									
	6.00	4.07	11.74	18.71	3.10	–	10	5	7	6

[1] In time contributions have been assessed using the organization average salary per hour for the financial year.

Our Cash Donations Include Contributions To:

SECTOR	COMMUNITY PARTNER	CAUSE	CONTRIBUTION AND IMPACT
Education	The Citizens Foundation (TCF)	Operational Support (OPEX)	Contributed Rs. 67,000,000 as operational support for 11 school campuses built by us (15 of the 23 schooling units). The contribution helped educate 2,650 students. Board fees of Rs. 205,000, surrendered by our Board of Directors, was contributed as operational support for CSAPL Campus VIII. Contributed Rs. 1,775,000 as operational support for TCF Tariq Lutfullah Campus.
		School Support - Build	Contributed Rs. 27,300,000 towards the construction of a TCF primary campus in Ibrahim Hyderi, Ali Akhbar Shah Goth, Korangi, Karachi, with a planned capacity of 180 children per shift.
		Sponsorships	Rs. 205,000 sponsorship provided for the Cycle of Change event. Sponsorship to Mr. Tabark Rehman in support of his Run for Education campaign, utilized towards operating expenses of CSAPL Campus VIII's primary afternoon shift, serving 151 students.
	Indus Valley School of Arts and Architecture (IVS)	Named Scholarship Pledge	Contributed Rs. 700,000 as second tranche of donation towards a named scholarship pledge for one student for the entire degree program. We have pledged a total of Rs. 2,800,000, which will be disbursed over the course of the degree program. The scholar is currently enrolled in the Fine Arts program.
	National University of Sciences and Technology (NUST)	Finding Innovative and Creative Solution for Society (FICS)	Contributed Rs. 1,000,000 to the Prototype Development Fund for National University of Sciences and Technology's (NUST) Finding Innovative and Creative Solutions for Society Program (FICS).
	Habib University	Named Scholarship Pledge	Contributed Rs. 1,800,000 towards a named scholarship to support two TCF alumni through their entire degree programs in BE (Electrical Engineering) and BE (Computer Science). Originally, we pledged Rs. 6,000,000 in FY22 for a single student's education. This commitment was later expanded to Rs. 13,800,000 to cover both students. The payment for one student has been completed, while the remaining balance for the second student will be disbursed over the course of their program.
	Deaf Reach	Sponsorship for Education	Contributed Rs. 900,000 to support education of 5 students for a year.
Health	Patients' Aid Foundation	Equipment for Gynae Ward	Contributed Rs. 2,000,000 towards the purchase of equipment for Gynae Ward.
	The Health Foundation	Hepatitis B and C	Contributed Rs. 500,000 towards the purchase of Hepatitis B and C vaccinations for the Hepatitis Free Community Project.
	Indus Hospital	Equipment Support	Contributed Rs. 923,400 for purchase of slow suction machine and patient support monitor.
	NIBD Welfare Society	Chemotherapy and Bone Marrow Transplant	Contributed Rs. 500,000 towards Baby Afia's Chemotherapy and Bone Marrow Transplant.

SECTOR	COMMUNITY PARTNER	CAUSE	CONTRIBUTION AND IMPACT
Environment	World Wide Fund for Nature-Pakistan (WWF Pakistan)	Mangrove Plantation and Community Visit	Contributed Rs. 1,300,000 for the mangrove plantation activity and excursion trip to Sonmiani. We planted 1,000 mangroves which will reduce our carbon footprint by 5.91 MT annually.
Society	SOS Village	Medical Expenses	Contributed Rs. 480,000 to cover medical expenses for children.
	Akhuwat Islamic Microfinance	Microfinance Loans	Contributed Rs. 5,000,000 towards a revolving fund for microfinance loans. Repayments will be reinvested into the fund to support future lending. In the initial phase, 102 loans have been disbursed.
	Citizens Police Liaison Committee (CPLC)	Operational Expenses	Contributed Rs. 720,000 as OPEX support for CPLC Central and Rs. 500,000 as OPEX support for CPLC South.

Our in-time Contributions Include:

Our CEO's time for serving on the Board of

- The Citizens Foundation
- Pakistan Centre for Philanthropy
- COMMECS

Time of one Executive Team member for serving on the Board of The Citizens Foundation

Our employees' time for

- Volunteering to plant mangrove saplings in partnership with WWF
- Volunteering to distribute Ramadan food packs in partnership with The Robin Hood Army
- Volunteering to distribute ration in partnership with World Wide Fund for Nature – Pakistan (WWF)
- Volunteering for community visits and blood drive during Crescent Cares Week

Employee Volunteering Hours

2025	2024	2023
1,339 Hours	2,327 Hours	1,831 Hours

Our in-kind Contributions Include:

- Items donated for Crescent Cares Week
- Commute for community visits organized during Crescent Cares Week
- Food packs distributed in collaboration with the Robin Hood Army
- Ration packs distributed in collaboration with World Wide Fund for Nature – Pakistan (WWF)
- Excess food from our Head Office mess distributed to the underprivileged near the Head Office.

We took part in various initiatives during the year, some of which are mentioned below. Our contributions to TCF and associated impacts are covered separately in this section.

Scholarship Support

During the year we continued to provide scholarship grants to ten students and awarded two new scholarships

- We have pledged support towards tertiary education for two TCF graduates from Crescent Steel - TCF campuses. This is being disbursed to them through the Expendable Endowment Fund we maintain with TCF. The two students are enrolled in programs at Dadabhoy Institute of Higher Education and DOW University.
- We have pledged scholarship support to a TCF graduate from Al-Karam Campus, currently enrolled at Jinnah University for Women.
- We pledged full scholarship support to Habib University for two TCF alumni, covering the entire duration of their degree programs in BE (Electrical Engineering) and BE (Computer Science).

- We pledged full scholarship support to Indus Valley School of Arts and Architecture for one student, covering the entire duration of her degree program in Fine Arts.
- Of the twelve active scholarships – six constitute children of employees and are funded through the CSAP Foundation through a structured program.

Social Security

During the year, we disbursed Rs. 337,052 through the Benevolent Fund to provide hardship support for employees and their families, covering medical expenses and essential household needs. This commitment underscores our dedication to the well-being of our workforce.

Investing in Creative Leaders of Tomorrow – Indus Valley School of art and Architecture (IVS)

The Indus Valley School of Art and Architecture (IVS) is one of Pakistan's most respected institutions for fine arts, design, and architecture — known for inspiring critical thinking, curiosity, and bold creative exploration.

Through the Critical Futures Creative Labs, IVS offers a collaborative space where artists, designers, and architects come together to innovate and tackle real-world challenges. The Labs are particularly focused on projects that blend artistic practice with environmental activism, making creativity a force for positive change in local communities. To help strengthen this mission, we contributed Rs. 1,500,000 to sponsor the Creative Labs.

Additionally, we pledged Rs. 2,800,000 for the Crescent Steel Scholarship to support a student throughout their degree program at IVS. In FY25, we disbursed the second tranche of Rs. 700,000 towards the scholarship fund. The recipient is currently enrolled in the Fine Arts program.

Igniting Curiosity, Building Leaders – Habib University

Habib University, known for its interdisciplinary approach and commitment to academic excellence, provides a transformative education that empowers students to become future leaders and changemakers.

In FY22, we pledged to support one TCF student throughout their degree program at Habib University. Building on this, in FY24, we expanded our commitment to cover the educational costs for two TCF alumni, increasing the total pledge to Rs. 13,800,000. To date, 87% (Rs. 12,000,000) of this amount has been disbursed, with the remaining funds to be allocated as the students pursue their degrees in BE (Electrical Engineering) and BE (Computer Science).

Empowering Entrepreneurs, Enriching Communities – National University of Sciences and Technology (Nust)

The Finding Innovative and Creative Solutions for Society (FICS) program at NUST empowers participants to tackle social and environmental challenges through entrepreneurship and innovation. .

We contributed Rs. 1,000,000 to support teams in commercializing their projects.

Breaking Barriers, Building Futures – Deaf Reach

Deaf Reach is dedicated to empowering deaf children through quality education and skill development, enabling them to lead independent and fulfilling lives.

To support this mission, we contributed Rs. 900,000, which provided educational support for five students for an entire year.

Bringing Health Care Closer to Those in Need – Patients' Aid Foundation

Patients' Aid Foundation is committed to providing essential medical support and improving healthcare facilities for underserved communities. In collaboration with Jinnah Postgraduate Medical Centre (JPMC), the foundation manages over 20 departments and offers state-of-the-art cancer treatments free of charge.

In FY25, we contributed Rs. 2,000,000 towards vital equipment for the gynecology ward, enhancing care for women in need.

Quality Healthcare Access for All – Indus Hospital and Health Network (IHHN)

Indus Hospital is a leading healthcare institution known for providing free, high-quality medical services to underserved communities across Pakistan. With a focus on accessible and compassionate medical services, it serves as a lifeline for patients who might otherwise lack critical care.

To support their mission, we donated PKR 923,400 for the purchase of a slow suction machine and a patient support monitor. Additionally, during the blood drives organized at our Head Office and Nooriabad Factory, we contributed 40 units of blood (500 ml each) to help meet critical patient needs.

Hepatitis Free Pakistan – The Health Foundation (THF)

The Health Foundation (THF) is dedicated to increasing public awareness about hepatitis B and C, educating communities on symptoms, transmission, and prevention. THF also provides financial support to individuals facing economic barriers in accessing treatment for these infections.

In support of this work, we donated PKR 500,000 towards the purchase of hepatitis B and C vaccines.

Together for a Healthier Tomorrow – NIBD Welfare Society

The NIBD Welfare Society is a dedicated non-profit organization supporting patients with serious blood disorders by providing access to critical treatments such as chemotherapy and bone marrow transplants.

We contributed Rs. 500,000 to support Baby Afia's chemotherapy and bone marrow transplant, helping her receive the life-saving care she needs.

Safety and Security for Karachi – Citizens Police Liaison Committee (CPLC)

The CPLC works to enhance public safety through a unique public-private partnership.

To support their work, Crescent Steel provided Rs. 720,000 in operational support to CPLC Central and Rs. 500,000 to CPLC South, helping them continue their efforts in promoting security and community trust.

Creating Safe Havens for Children – SOS Village

SOS Village is a global organization dedicated to providing loving homes, education, and healthcare to orphaned and vulnerable children.

We contributed Rs. 480,000 to support the medical expenses of children at SOS Village.

Financial Inclusion with Compassion – Akhuwat Islamic Microfinance

Akhuwat Islamic Microfinance is a prominent interest-free microfinance institution in Pakistan, providing Shariah-compliant financial services that empower underserved communities and promote economic inclusion.

We contributed PKR 5,000,000 as a revolving fund to disburse microfinance loans, enabling 102 loans in the initial cycle — 59 to male and 43 to female entrepreneurs. This fund supports sustainable livelihoods by helping individuals start or expand their businesses with dignity and zero interest.

Beating Hunger – Robin Hood Army

The Robin Hood Army is committed to redistributing surplus food to those in need.

During Ramadan, we partnered with Robinhood Army to organize iftar distribution drives at old age homes and orphanages, delivering 281 iftar boxes with the support of 16 employees who volunteered a total of 16 hours.

Helping Community – World Wide Fund for Nature Pakistan (WWF)

World Wildlife Fund (WWF) is a leading global conservation organization dedicated to protecting the environment and promoting sustainable living for the benefit of people and nature.

As part of our support, 13 individuals volunteered a total of 70 hours for a ration distribution drive. Rations were provided to 220 households in Kakapir and Somar Goth, communities primarily composed of fishermen. Out of these, 158 households were sponsored by CSAPL, while the remaining support came from contributions by our employees.

Supporting Individual Excellence and Sports

We continued our support towards mountaineering sports in Pakistan through Mr. Saad Munawar's Seven Summits project. Saad is on a mission to climb the highest peak on each of the seven continents, and he has already completed five. This year, he summited Mount Everest in Asia. We hope Saad's journey motivates others to chase their own extraordinary dreams.

Other Sponsorships

We sponsored the Young Presidents Organization album publishing and supported Habib Public School's Dialogue with Habibian Icons event, contributing to meaningful initiatives that celebrate leadership and inspire the next generation.

Crescent Cares Week

Crescent Cares Week is our annual initiative that brings employees together in a shared commitment to giving back to society. Crescent Cares Week 2025 featured a variety of engaging activities, including Master Chef Crescent, a preloved items auction, and fun games — each serving as mini fundraisers and opportunities for in-kind donations.

Our flagship event, the blood drive, was held in collaboration with the Indus Hospital Blood Bank at both the Head Office and Nooriabad factory. Employees donated 20,000 ml of lifesaving blood. Additionally, our factory team in Jaranwala contributed 3,000 ml of blood during a visit to the Social Security Hospital.

The week also included meaningful visits: 22 employees from the Head Office and Nooriabad factory visited Pasha Farms, while 14 employees from the Head Office toured the Indus Hospital. In collaboration with the Make-a-Wish Foundation, we organized a wish granting ceremony that brought joy and hope to deserving children.

Interactive sessions were organized for our employees, covering topics such as Breast Cancer, Mental Health, Financial Literacy, Safety Awareness, and the Benefits of Blood Donation.

We also hosted students from TCF at the Head Office and Nooriabad factory, offering them a behind-the-scenes look at our operations. A Career Counseling and Mock Interview session was arranged for TCF college students, with participation from two internal and five external professionals across various fields, providing valuable guidance for their future careers.

The fund-raising activities driven by employees generated Rs. 92,910; funds were distributed in a 60%, 20%, 10% and 10% split to TCF, Indus Hospital, Patients' Aid Foundation and, SOS Village.

FY 25

Generated PKR 92,910 in cash donations

FY 24

Generated PKR 172,160 in cash donations

FY 25

Generated PKR 113,358 in Kind donations

FY 24

Generated PKR 99,896 in Kind donations

FY 25

Volunteered 480 hours for community service

FY 24

Volunteered 640 hours for community service

FY 25

Donated 23,000 ml of blood

FY 24

Donated 23,500 ml of blood

Crescent Matches

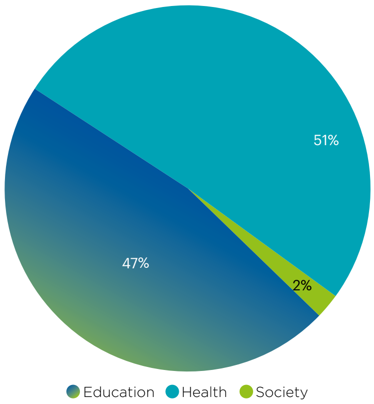
Distribution of funds raised through Crescent Matches:

51% to TCF for EDUCATION, 47% to Indus Hospital, Shaukat Khanum, SIUT and LRBT for various HEALTH related interventions and 2% to SOS Village for SOCIETY.

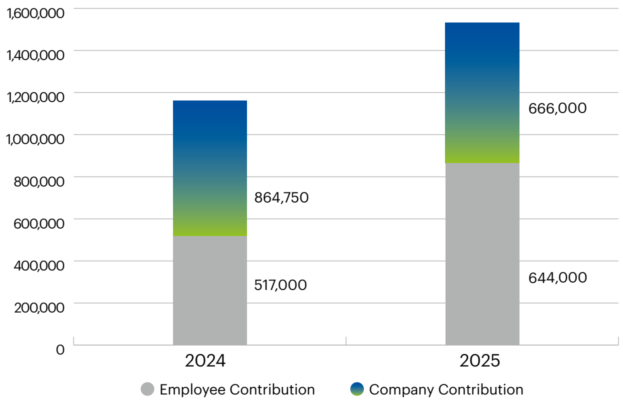
Crescent Matches amplifies the impact of employee donations by matching their contributions, offering a higher impact and direct tax credit through payroll.

Participation during the year stood at 13 employees [FY24: 11 employees] and collections from employees stood at Rs. 644,000[2] [FY24: Rs. 517,000]. Employee contributions were matched at Rs. 666,000 [FY24: Rs. 864,750]

Crescent Matches by Segment



Impact of Crescent Matches



Environmental Contributions

During the year, the Company planted trees and mangrove saplings, creating awareness and promoting conservation of Pakistan's marine environment. This is covered in more detail in the Natural Capital section of this report on pages 162-173.

Supporting The Citizens Foundation Educate Pakistan

Education continues to be a key focus of our philanthropic efforts. Our partnership with The Citizens Foundation (TCF) has now spanned more than 3 decades. Since the establishment of Crescent Steel Campus I in 1997, we have supported the development of 11 campuses, where TCF operates 23 schooling units — 17 primary and 6 secondary. Currently, we continue to fund the operational expenses of 15 schooling units, ensuring consistent access to quality education for 2,650 children.

To date, 5,734 primary school students and 1,995 secondary school students have graduated from schools built by us - marking a 7% increase in total graduates compared to last year. Among the secondary school graduates, 357 have been awarded intermediate scholarships through TCF, while 31 students have been awarded tertiary scholarships, either arranged by TCF or funded through our expendable endowment or scholarship fund.

In the past year alone, 128 students graduated from our secondary schools. Combined enrolment in these schools is 3,971 students, a majority of whom reside in some of the most underserved and impoverished communities in the country; 49% of these students are female.

TCF's vision to remove barriers of class and privilege and to make Pakistani citizens "Agents of Positive Change," is truly inspirational and we have had the pleasure of witnessing this profound impact firsthand.

Today, students from TCF are making their mark in diverse fields. Among them are Sadia Ali Chandio, currently serving as a Police Officer; Asad Sajid, a Fulbright U.S. Scholar; and Muhammad Adnan, working as a Nursing Assistant at Aga Khan University.

This is alongside scores of TCF graduates who have rejoined as educators and many more who continue to play a positive role in their communities as agents of positive change.

We are excited to see TCF students lead in every area and work hard to make Pakistan stronger for future generations.

[2] This includes unmatched contributions.


PARTNERS SYMPOSIUM 2025
IMPACT YOU CAUSE
INDUS HOSPITAL
Candyland
CONWILL
ROYAL
MN TEXTILES

Our Contributions To TCF's Footprint

Campuses Built by Crescent Steel	Units	Location	Students	UTILIZATION
Crescent Steel Campus I	1 P (M), 1 P (A)	Ibrahim Goth	394	110%
Crescent Steel Campus II	1 P (M), 1 P (A)	Korangi Town	388	108%
Crescent Steel Campus III	3 S (M)	Umar Maingal Goth	393	91%
Crescent Steel Campus IV	2 P (M), 1 P (A)	Jaranwala	516	95%
Crescent Steel Campus V	2 P (M), 1 P (A)	Jaranwala	533	96%
Crescent Steel Campus VI	1 P (M), 1 P (A)	Bin Qasim Town	455	109%
Crescent Steel Campus VII	1 P (M)	Jaranwala	147	82%
Crescent Steel Campus VIII	1 P (M), 1 P (A)	Chiniot	331	86%
Crescent Steel Campus IX	2 P (M)	Jaranwala	351	98%
Crescent Steel Campus X	1 S (M)	Bhone, Jhang	151	84%
Crescent Steel Campus XI	2 S (M)	Jaranwala	312	87%
Total	**23 units**		**3,971**	**96%**

Campuses We Helped Build

Campus	District	Location	Campuses	Primary Units	Secondary Units
Crescent Steel Campus IV, V, VII, IX and XI	Faisalabad	Jaranwala	5	9	2
Crescent Steel Campus VIII	Chiniot	Chiniot	1	2	-
Crescent Steel Campus X	Jhang	Bhone	1	-	1
Crescent Steel Campus I, II, III and VI	Karachi	New Karachi Town	4	2	-
		Korangi Town		2	-
		North Karachi Town		-	3
		Malir Town		2	-
Total			**11**	**17**	**6**

Campuses Supported by Us

Campus	District	Location	Primary Units	Secondary Units
Crescent Steel Campus IV, V, VII, IX and XI	Faisalabad	Jaranwala	8	2
Crescent Steel Campus VIII	Chiniot	Chiniot	1	-
Crescent Steel Campus X	Jhang	Bhone	-	1
Crescent Steel Campus I, II and VI	Karachi	New Karachi Town	1	-
		Korangi Town	1	-
		Malir Town	1	-
Total			**12**	**3**

P = Primary, S = Secondary, M = Morning, A = Afternoon

We have helped build 11 campuses (23 schooling units) with a student strength of 3,971 children - 49% of whom are girls – these schools employ a staff of 306 of which 230 constitute an all-female faculty. Over the course of our partnership with TCF, we have donated Rs. 571.91 million since 1995 at an average rate of Rs. 19.06 million per year.

Some Stories From TCF

- Three graduates from Crescent Steel Campus–III Secondary, Aiman Fazil, Muhammad Adil, and Tabia Ayesha, have completed their Business degrees from Bahria University and are now actively seeking career opportunities.
- A graduate of Crescent Steel Campus, Erum completed her degree in Economics and Mathematics from IOBM and is now actively seeking career opportunities.
- Other TCF School Graduates – Muqadas Naz (Institute of Space and Technology, Avionics), Hira Javaid (PIEAS, Physics), and Imrozia Sarwar (NED University, Mechanical Engineering) have completed their degrees and are actively seeking career opportunities in their respective fields.

Story of TCF Alumni – Muskan Moin

Muskan Moin joined Crescent Steel Campus III in 2015 and is now studying Doctor of Physical Therapy (DPT) at Ziauddin University on a TCF tertiary scholarship. She is currently in her second year and is focused on building a career where she can help people through physical therapy in hospitals, gyms, sports, and even counseling settings.

Muskan lives in Karachi and has always managed her education with a strong sense of responsibility. As the eldest child, she has faced challenges like leaving her part-time job due to university demands. Despite this, she continues to stay motivated and focused.

Her biggest source of support has been her mother, a working woman who has taken on the responsibility of running their household. Muskan credits her mother's strength and encouragement as key reasons she's been able to pursue higher education.

She has always made the most of opportunities, whether through school activities, national competitions, or leadership programs like Young Leadership Conference 2023. She also worked during school and college to support her studies, using skills like teaching, mehndi design, and nursing assistance. She continues to maintain a strong GPA and is looking for good internship opportunities to grow further.

Muskan is grateful to TCF and Crescent Steel, not only for the financial support but for helping her believe in herself. She hopes to one day give back by working with TCF.

Her message to fellow students is:

"Work hard and be smart. Life may take time to reward you, but challenges will make you stronger and prepare you for what lies ahead."

Mode Of Engagement	Inputs	Outcomes
Operational Support	Contributed Rs. 67.20 million towards school support for TCF campuses build by us and Rs. 1.77 million towards school support for Tariq Luftullah campus.	The investment was utilized in managing the operational expenditures of the school and student's fee subsidies. This has supported 2,734 students in 16 school units.
Support for Building of School	Contributed Rs. 27.30 million towards building of an additional unit at CSAPL Campus II, Ali Akbar Shah Goth, Korangi.	The funds will be utilized towards primary unit expansion at CSAPL Campus II which will increase capacity by 180 students and add a unit taking total school units built by us to 23.
Supporting TCF's Fund Raising Activities	Contributed Rs. 1,000,000 towards Tabarak Rehman's Run for Education campaign, directed towards operational support for CSAPL Campus VIII.	Contributed towards support for 185 students at CSAPL Campus VIII.
	Rs. 205,000 was contributed to sponsor Cycle for Change.	
Investing with TCF	An expendable endowment fund is being maintained with TCF to reward post-matric scholarships to TCF students. The fund earned a profit of 17.41% in FY25 [FY24: 21.39%], totaling the endowment size to Rs. 4,019,383 [FY24: Rs. 4,205,894]	In addition to PKR 629,514 in income earned, PKR 816,025 was disbursed towards scholarships to support tertiary education for two TCF graduates from Crescent Steel - TCF campuses. Students are enrolled in programs at Dadabhoy Institute of Higher Education and DOW University.
	The Non-Expendable Endowment Fund maintained with TCF earned a profit of 17.41% in FY25 [FY24: 21.39%] totaling the endowment size to Rs. 144,291,197 [FY24: 122,895,151].	We plan to build the endowment to fund operational support for school units built by us and/or to utilize it for a new school unit.
Governance Support	Our CEO, a founding director of TCF and another senior executive of our Company serve on the Board and provide key oversight on strategy and governance.	Time volunteered by our CEO and senior executive for Board and other meetings to set strategic directions, ensure transparency and good governance. The association also helps build trust among key stakeholder groups.
Volunteering Support	15 employees are currently registered as Baghbans to help raise funds for TCF.	To date, our employees have raised PKR 5,435,263 in donations through independent fundraising efforts.
Multiplying our Impact	Rs. 296,500 [FY24: Rs. 236,500] were donated by employees to TCF through the Crescent Matches program.	Employee donations were matched at a ratio of 1:1.14 taking the total FY25 donations to PKR 635,500. (FY24 689,500). During the course of the matching program CSAP has matched PKR 1,868,750 in employee donations at rate of 1.8x taking total donations to PKR 5,227,250.
Other Engagements	During Crescent Cares Week, students from TCF schools visited our Head Office and Nooriabad campuses and were provided a briefing on various operations of each department.	The visits and the career counselling session proved to be a learning experience for TCF students and our employees alike.
	A career counselling and mock interview session was organized for TCF College students.	

We regularly review activities, progress and the impact of our investment in TCF. Our employees regularly visit TCF schools and interact with the staff, community, and students.

Currently, TCF runs a network of 2,033 school units with a student strength of 301,000 children and employs a teaching faculty of approximately 16,684 females. Almost 50% of TCF students are female.

OUR COMMUNITY PARTNERS IN 2025

THE CITIZENS FOUNDATION

The Citizens Foundation

Builds and manages schools providing quality education in less privileged areas across Pakistan

World Wide Fund

Leads the environmental conservation and awareness agenda in Pakistan and across the globe

Indus Hospital and Health Network (ihhn)

Provides free of cost premium healthcare in Pakistan

The Health Foundation

Works towards a hepatitis free Pakistan

The Robin Hood Army

Works towards making food consistently available to everyone who needs it

Citizens Police Liaison Committee

A non-political statutory institution, working towards ending social crimes in Sindh

NIBD Welfare Society

A non-profit organization dedicated to supporting patients with blood disorders and cancer.

Indus Valley School of Arts and Architecture (IVS)

Dedicated to producing exceptional artists, designers and architects

Sindh Institute of Urology and Transplantation (SIUT)

Provides free of cost treatment of urological and nephrological aliments, oncological treatments, treatments of hepatic and gastrointestinal diseases and organ transplantation facilities to the general public

Layton Rahmatullah Benevolent Trust (LRBT)

Works with patients to provide comprehensive eye-care, ranging from simple refraction to the most advanced retinal surgery and corneal transplants

Shaukat Khanum Memorial Cancer Hospital and Research Centre

Provides quality healthcare and treatment to cancer patients

National University of Engineering and Technology (NUST)

Works to promote social entrepreneurship amongst students

Akhuwat Islamic Microfinance

A non-profit organization providing interest-free microfinance to empower economically disadvantaged communities.

Karachi Down Syndrome Program (KDSP)

Works to advocate the value, acceptance and inclusion of people with Down syndrome living in Karachi and aims to provide them with the opportunity to lead independent and fulfilling lives.

Habib University

Preeminent institution of higher learning

Patients Aid Foundation

Alleviating the burden on Jinnah Postgraduate Medical Centre (JPMC)

Habib Public School Alumni Assocation

Working to learn through sharing.

SOS Village

Providing a loving home to children in need

Deaf Reach

Works towards empowering the deaf community of Pakistan through education, skills training and career development

Make-a-Wish Foundation

A non-profit organization that grants wishes to children with critical illnesses.

NOWPDP

A non-profit organization working for the inclusion and empowerment of persons with disabilities through education, skills training, and employment opportunities.

Pasha Farms

Family run farm promoting ecotourism and environment based education.

Young Presidents' Organization

A global leadership community of chief executives dedicated to learning, growth, and making a positive impact.

CSAP FOUNDATION

CSAP Foundation was established with the aim of bringing greater focus to our philanthropic CSR. The Foundation, a registered non-profit organization, was granted tax-exempt status in 2018; however, this status is no longer active.

The main objectives of the Foundation are:

- To consolidate our philanthropic agenda and social contributions under one umbrella
- To bring more focus to philanthropic CSR and community development objectives
- To bring greater focus, accountability, and transparency to our societal investments
- To enable access to funds and strategic partnerships

The Foundation focuses on improving the social infrastructure by supporting community welfare causes and in giving back to the society. Focus areas of the Foundation are:

- Providing shelter for the underprivileged
- Supporting educational institutions
- Establishment of libraries, research centers, museums, galleries, academies, and handicraft centers
- Awarding scholarships to outstanding students and scholars
- Establishing hospitals, clinics, dispensaries, centers and places of medical aid and relief
- Establishment of convalescent homes, maternity homes, and homes for the needy
- Promoting and creating awareness of health issues
- Providing medical assistance to deserving individuals
- Providing financial and other aid to the destitute to make them financially independent
- Taking measures to promote the development of science and technology which will contribute to the prevention of environmental pollution

- Promoting, financing, establishing, running and managing autonomous educational and medical institutions
- Promoting awareness of environmental issues
- Persuading and assisting in the control of pollution in all its forms and in the preservation of the living environment
- Encouraging and assisting in the promulgation of environmental laws, policies, rules, and regulations

Over the years CSAP Foundation has made contributions to various community partners in the education, health, environment and societal sectors. We are currently re-assessing the value of having a separate foundation for our discretionary CSR and while it does bring focus to CSR activities, we are weighing this against the operational asks and hurdles of having to repeatedly obtain a tax exemption certificate, which comes with its own set of bureaucratic challenges.

We realize that the multidimensional focus of the foundation and its ability to access capital other than from Crescent Steel will enhance the effectiveness of our philanthropic CSR.

During fiscal year 2025, the foundation made a total contribution of Rs. 777,879 in the education and health sector [2024: Rs. 329,155]. This amount was utilized for active scholarship awards under the employee children's scholarship scheme and as a donation to the NIBD Welfare Society.

Environment Performance

NATURAL CAPITAL

Resource Conservation for a sustainable future

Crescent Steel's Commitment to the Environment

At Crescent Steel, we believe caring for the environment is more than just a responsibility, it's an integral part of how we do business. We are committed to reducing our footprint across operations and throughout our value chain, working closely with industry partners to address the challenges of climate change and contribute to global CO_2 reduction goals.

For us, sustainability is also an opportunity to innovate and adopt smarter, more efficient technologies. Guided by a mindset of resource efficiency and environmental awareness, we shape our investments and day-to-day decisions with the planet in mind.

We know our core operations—such as pipe coating, and yarn manufacturing—are energy-intensive and demand significant water use, while generating emissions and waste. That's why we're constantly monitoring and improving our processes to minimize these impacts.

As climate risks and global calls for lower emissions grow stronger, we are embracing cleaner technologies and driving energy efficiency. Our ambition is to be part of the global movement toward net-zero emissions by 2030—and we are proud to play our part in building a more sustainable future.

We are committed to continuously reducing our environmental footprint and protecting the ecosystems around us.

Environmental Performance

We do not operate in an industry with high direct greenhouse gases emissions. The nature of our direct business operations also do not pose other significant environmental risks.

Managing the impact of operations on the environment

We have policies and procedures across the value chain to reduce energy consumption and reduce our environmental footprint. Our efforts include:

- Our core products line pipes help transport hydrocarbons economically and safely across cities and communities. The pipes we produce are also used for safe, reliable and environmentally friendly transportation in drinking water and wastewater systems.
- Supporting a sustainable supply chain, and supplier Code of Conduct including environmental risk minimisation in the supply chain.
- Compliance with Environmental Management system, ISO 14001.
- Efficient use of energy including enhancing clean energy options where possible.
- Responsible use of water including recycling where possible.
- Efficient use of material and minimising waste.
- Conducting better lifecycle evaluations to understand the impact of our products on the environment.
- These efforts help us in minimising our environmental footprint in operations and products and help maintain our license to operate.

Emissions

Pakistan contributes less than 1% to global GHG emissions, yet it ranks among the top 10 countries most vulnerable to climate change.

We ensure that all our emissions and discharges comply with the prescribed limits set out by the National Environmental Quality Standards (NEQs).

At our line pipe manufacturing and coating site, our main sources of direct emissions are the plasma arc cutting station at the pipe plant, the stripping station and the generator at the coating unit. To monitor emissions from all sources, we engage an external agency, to conduct quarterly analyses while our manufacturing lines are operational. We adhere to international standards including the ASTM (American Standard for Testing Materials) for emissions testing methodologies and conform to the limits prescribed by SEQS (Sindh Environmental Quality Standards) to control emissions. Additional details are provided in the glossary on page 408.

Other direct CO_2 emissions originate from fossil fuel-based backup power generation units at our manufacturing sites and our fleet of company-owned vehicles. Indirect CO_2 emissions stem primarily from the energy we purchase from the national grid across our campuses.

Over the years we have undertaken initiatives such as substituting Nitrogen gas with Oxygen gas to reduce NOx levels and neutralising water discharged from our coating plant to maintain PH levels between 7 – 10.

While we have not directly experienced significant financial impacts associated with climate change-related incidents, Pakistan has faced major climate catastrophes, such as monsoon-induced flooding, resulting in substantial infrastructure damage and displacing millions of people with limited means of sustenance. We understand that such instances will only become increasingly common and are committed to making meaningful contributions to advocate for environmental protection, energy conservation and responsible production and consumption.

Our commitment to environmental responsibility extends to setting goals at each manufacturing location and our corporate office. We achieve these goals by deploying newer technologies that help reduce emissions and by augmenting capacity for greener and more efficient energy consumption. Our measures go beyond complying with the national standards enforced by the Pakistan Environmental Protection Act (PEPA) and National Environmental Quality Standards (NEQs). This includes emissions of Sulphides (SOx Gases), Nitrides (NOx Gases), Particulate Matter, Ozone Gas, Volatile Organic Compounds, Ozone Depleting Substances (including CFCs and Freon), Carbides, and any other such emissions.

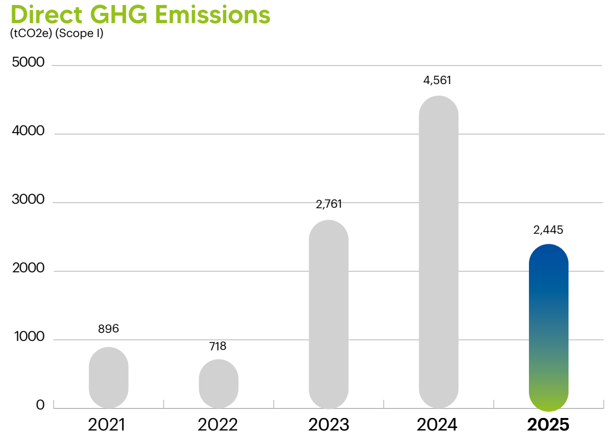
Breakdown of Crescent Steel's Emissions

Scope-I

Greenhouse gases exert a significant impact on the environment, irrespective of the presence of human activity. As stewards of the planet, we are dedicated to emissions reduction in all aspects of our operations, whether it be on our production lines or in our daily consumption of fossil fuels.

Recognising that our country is particularly vulnerable to the impending effects of climate change, we understand that managing GHG emissions is an obligation.

At Crescent Steel, direct emissions primarily result from our production processes, which unavoidably affect the environment. Direct CO_2 emissions are measured and recorded monthly at every plant site.



The sources of CO_2 emissions include fuels used in pipe and billet manufacturing, steam generated by our energy division's power plant and from the overall process of power generation at the locations where we are present. CO_2 serves as the major contributor to our total direct GHG emissions.

Crescent Steel's consolidation of GHG gases does not include biogenic emissions of CO_2 at any production site across its locations of operation. As the Global Warming Potential (GWP) values indicate, our direct GHG emissions are sourced from the Intergovernmental Panel on Climate Change (IPCC) established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO). The Company has used the previous year as a base year as per its general practice.

We remain steadfast in our commitment to reducing emissions and safeguarding the environment, aligning our actions with global efforts to combat climate change.

Scope-II and Scope-III

While our indirect GHG emissions may not have a significant long-term impact, our commitment to the community compels us to prioritize every facet of environmental stewardship. We educate employees about the importance of emissions reduction in their daily lives and its integral role in climate protection.

Crescent Steel produces indirect emissions (SCOPE-II) in the form of external energy purchased by WAPDA. This is attributable to the complete shutdown of our spinning operations.

Our Scope-III emissions primarily result from the fuel used in company-owned vehicles. We track fuel consumption through fuel cards and convert the data into CO_2 equivalent units using conversion factors aligned with IPCC guidelines.

Similar to direct emissions, the company uses the previous year as a base year as per general practice. Gases included in SCOPE-II are CO, SOx, and Oxides of Nitrogen while SCOPE-III, include Fluoride and Forklift emissions.

While noise and vibration are important aspects for us, we have yet to quantitatively measure their specific impact. We have taken proactive steps to address these concerns. The company has made it mandatory for employees to use earplugs, and we conduct routine noise monitoring throughout our production processes.

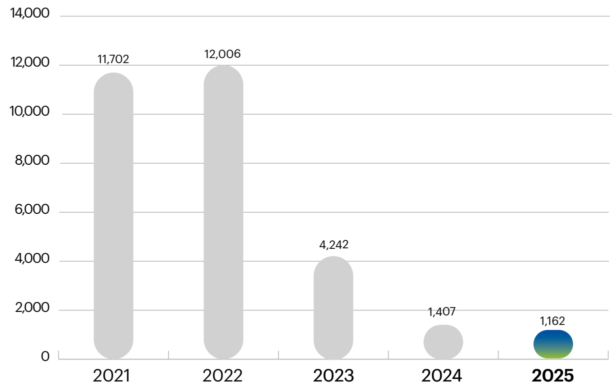
Additionally, it's worth noting that for calculating Global Warming Potential (GWP) rates, we rely on data from the Fifth Report Assessment (AR5) provided by the IPCC, which offers GWP values over a 100-year time horizon.

For SCOPE-II emissions, we have chosen to present the total indirect emissions instead of providing a location-based breakdown of emissions.

We are committed to exploring every opportunity to reduce energy consumption and invest in renewable energy sources, aiming to minimize emissions as much as possible.

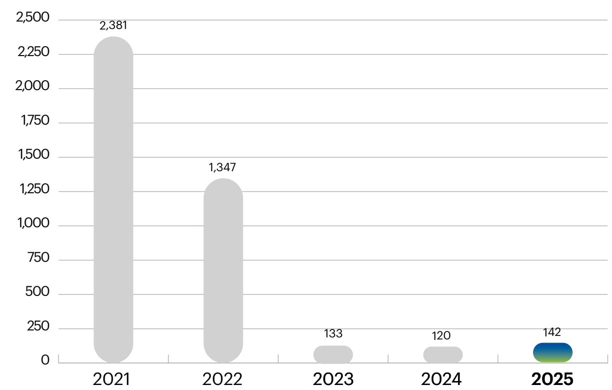
Indirect GHG Emissions in CO_2

(tCO2e) (Scope II)



Indirect Emissions

Indirect Emissions(tCO2e) (Scope III)



Reductions In Emissions (Scope-I, Scope-II And Scope-III)

We strive to reduce emissions from our operations, whether direct or indirect.

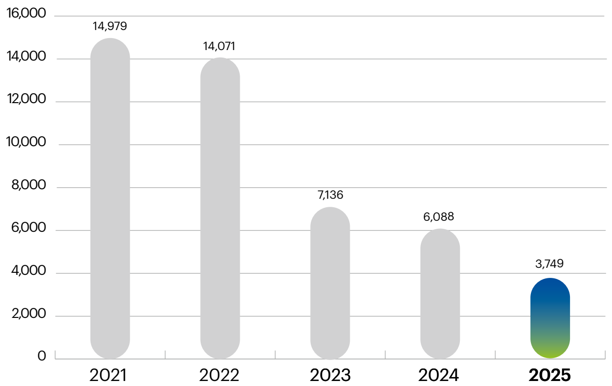
The following graphs illustrate total emissions on an annual basis. Combining all scopes, our total emissions have decreased when compared to the past year primarily because of idling at three of our manufacturing facilities. We review our emission outcomes monthly.

This year, the company recorded a reduction in Scope I emissions to 2,116 metric tons, down from 4,561 metric tons in FY24, mainly due to lower production at the pipe and coating plants. Scope II emissions also fell by 245 metric tons, following last year's larger decline of 2,835 metric tons, reflecting reduced capacity utilization as both CCP and Hadeed remained inoperative during the year.

On the other hand, Scope III emissions rose slightly by 22 metric tons, reaching 142 metric tons compared to the previous year 120 metric tons.

Total emissions decreased was linked to lower production and sales at our production sites. alongside the upgrade of installed solar capacity from 582.4 kW to 1,001.58 kW at one of our production sites.

Total Emissions
(MT) per Year



GHG Emissions Intensity

Emissions Intensity Ratio

	2025	2024	2023
Total Energy Consumption/ Sales ('000)	0.0070	0.0083	0.0139
Total Emissions / Sales ('000)	0.0005	0.0006	0.0014

Emission intensity helps measure and compare the environmental impact of different activities. At Crescent Steel, we use sales as the benchmark for calculating our emissions intensity ratio, as production levels vary across our business units. The calculation covers all three types of GHG emissions—Scope I, Scope II, and Scope III, including the gases defined within each scope. In FY25, total GHG emissions fell by 2,339 MT CO_2/Sales, or 38.4% in absolute terms, compared to the previous year [14.7% reduction in FY24: 1,048 MT CO_2/Sales]. This decline is consistent with a 30.5% drop in sales during the same period and installation of upgradation of Solar capacity. As a result, the emissions intensity ratio stood at 0.0005 MT CO_2/Sales in FY25, down from 0.0006 MT CO_2/Sales in FY24, reflecting a 11.7% year-on-year reduction.

Our production processes do not emit any ozone-depleting substances (ODS); however, we do carry some HVAC units that use R-22 gas which are being phased out and for which ODS emissions are not presently monitored. We plan to commence reporting on ODS emissions if any, starting FY26. The company's health, safety, and environmental policy discourages the use of Ozone-depleting substances as they cause significant harm to the environment. All emissions are recorded with the help of consumption patterns of fuel and output generation.

Energy

Our businesses are manufacturing intensive and financial performance is heavily dependent on reliable sources of energy.

Our energy efficiency strategy calls on us to explore avenues of self—generation and secure reliable power while maintaining cost, quality and environmental leadership.

We constantly explore new methods which can reduce our dependency on the national grid and mitigate the risks of power outages. For instance, at our office, we continue to take measures regarding the conservation of energy by switching off all air conditioners and all unnecessary lights for two hours daily. Through such practices, we can engage employees and develop a culture of energy conservation.

Our energy consumption is measured through our electricity provider and billing for energy use. Policies pertaining to energy are under the jurisdiction of the Health, Safety and Environmental Committee, which are reviewed every year and presented to the CEO for approval.

Energy efficiency

To manage our energy consumption, reduce our dependency on the national grid and mitigate the risk of recurring power outages, we have:

- Back up gas power generators and solar power at our line pipe manufacturing site.
- 1.8KW Solar power at the fabrication facility in Dalowal and at our spinning unit in Jaranwala
- Replaced old lights and air conditioning units with energy efficient ones across all our sites
- 1001.58kWh Solar power installed at the steel plant in Nooriabad.
- CS Energy initially equipped with a 15 MW cogeneration, thermal generation power plant at Bhone, Punjab was augmented with a 16.5 MW condensing and extraction turbine to process steam during off-season periods. Our Energy Scorecard below reflects the energy produced at this plant. The business unit also operates a subsidiary with a mandate to set up a 100 MW Solar Power plant.

Energy and Water Conservation

The following energy conservation measures have been taken in the past:

- Water recycling systems at the ultrasonic testing machines of SP1600 were installed to save electricity at approximately 2 units per hour of production and to conserve water of approximately 10GPH.
- Tungsten bulbs, energy savers and fluorescent lights were replaced with LED bulbs at various locations saving approximately 4.2 units per hour and approximately 33.6 units per day.
- Twenty-five 400-watt lights (10 kW) replaced with twenty-five 200-watt LED lights (5 kW) for yard lighting resulting in 50% savings.
- Replaced five 1.5 MT window air conditioning units with two 1.5 MT and three 1 MT split inverter-type air conditioning units.
- Reduced energy consumption by 3.42kW in total by replacing 40W Tube Lights replaced with 15 and 18Watt LED Bulbs Further, replaced 40W Tube lights replaced with 15W / 18W / 25W LED Saver lights and
- Sodium Bulb 400 W Replaced with 200W LED lights.
- Replaced old lighting fixtures with energy efficient LED lights across hostels, residences, and the UT shed, a total of 1,420 watts of power consumption has been reduced.

Major Advantages

Reduced Consumption

- Recycling water at the ultrasonic testing machines will save water consumption of approximately 10GPH.
- Installed solar power system of 419.18 kWh rating will reduce electricity consumption by approximately 765,000 KWH per year from WAPDA and/or fossil fuel-based generators and will also reduce an estimated 320 MT of CO_2 emissions per year.
- LED lights will help in reducing electricity consumption by up to 40%.
- Inverter air-conditioning will help conserve an estimated 20% of energy consumed as compared to conventional air-conditioning
- Installed skylights for natural light at our pipe plant sheds, through which we are saving an estimated 60 units per day.
- Installed skylights for natural light at our pipe plant sheds, through which we will be saving an estimated 25,000 kWH annually.

Energy Reductions

In 2025, energy consumption decreased by 36%, primarily due to delays in the arrival of HRC, which led to the late commencement of planned orders. This delay directly impacted production schedules and is reflected in a lower sales turnover. Additionally, the energy, billets manufacturing and cotton division remained closed throughout the year. Energy consumption is calculated on an annual basis, using the previous fiscal year as the baseline.

Renewable Energy Initiatives

Solar Panels

As part of its ongoing commitment to environmental sustainability, the company has advanced its transition toward renewable energy through the installation of a solar power system at its steel plant. This initiative is designed to generate clean, cost-efficient energy while reducing greenhouse gas emissions and minimizing reliance on fossil fuels and grid-based electricity. With capacity expanded from 582.4 kW to 1,001.58 kW, the project is expected to save 4,330 GJ of energy and cut CO_2 emissions by 594.1 metric tons annually, reinforcing the company's dedication to sustainable growth and energy efficiency. the analysis done on 0.494 kg CO_2 / kWH.

Energy Scorecard

ENERGY CONSUMPTION (GJ)	2025	2024	2023	2022	2021
Energy Consumption within the Business (GJ)	52,551	89,443	73,390	167,662	182,226
Energy Consumption outside the Business (GJ)	–	–	–	43,158	44,051
Total Energy Consumption (GJ)	52,551	89,443	73,390	210,820	226,277

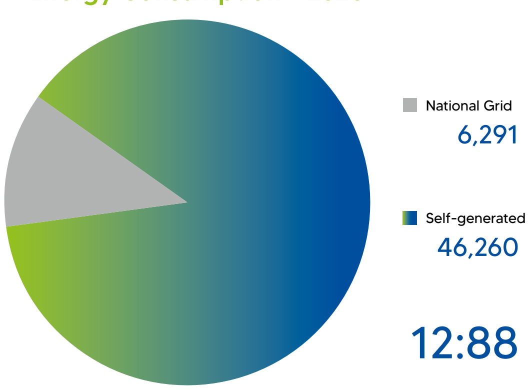
On a deemed revenue basis using client supplied HRC company's revenue to PKR 12,161 Mn for FY'25 and sales per unit of consumption (Rs./GJ) come to 231,413.

Energy Consumption (GJ)	2025	2024	2023	2022	2021	Change (2025 VS. 2024)
Total energy consumption (GJ)	52,551	89,443	73,390	210,820	226,227	(41.2)%
Sales (Rs. in million)	7,500	10,752	5,283	8,300	8,495	(30.2)%
Sales per unit of consumption (Rs./GJ)	142,716	120,213	71,982	39,372	37,542	18.7%
Energy intensity ratio (GJ/Sales in 000')	0.0070	0.0083	0.0139	0.0254	0.0266	(15.7) %

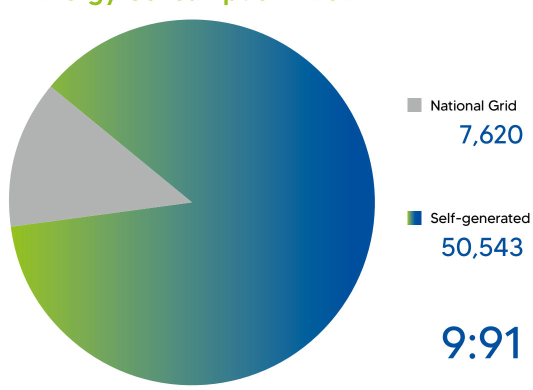
Fuel Type	Self-Generated Energy (GJ) 2025	%	Self-Generated Energy (GJ) 2024	%	Self-Generated Energy (GJ) 2023	%	Self-Generated Energy (GJ) 2022	%	Self-Generated Energy (GJ) 2020	%	Consumption Pattern
Diesel	1,560	3%	6,294	8%	1,273	3%	1,146	1%	1,006	1%	Consumed within the business
Gas	41,529	90%	73,002	89%	47,535	94%	11,381	11%	14,657	13%	Consumed within the business
Bagasse	-	0%	-	0%	-	0%	89,008	87%	97,312	86%	Supplied to the industry and consumed within the business
Solar	3,171	7%	2,527	3%	1,735	3%	945	1%	128	0%	Consumed within the business
Total	**46,260**	100%	**81,823**	**100%**	**50,543**	**100%**	**102,480**	**100%**	**113,103**	**100%**	
Fuel Type	**Purchased Energy (GJ) 2025**		**Purchased Energy (GJ) 2024**		**Purchased Energy (GJ) 2023**		**Purchased Energy (GJ) 2022**		**Purchased Energy (GJ) 2021**		**Consumption Pattern**
WAPDA/ K-Electric	6,291		7,620		22,487		108,340		113,174		Consumed within the business

Proportion of Energy Self-Generated and from the National Grid

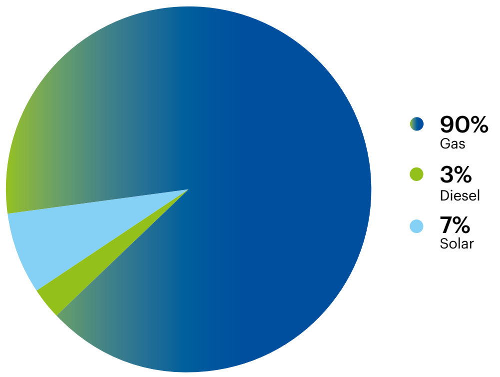
Energy Consumption - 2025



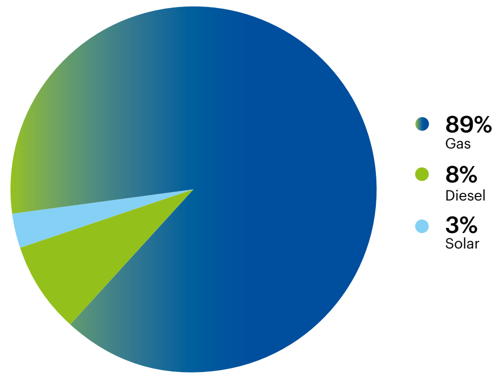
Energy Consumption - 2024



Break-up of Self Generated Energy-2025



Break-up of Self Generated Energy-2024



Energy Consumption Outside the Organization

Measuring energy consumption outside the organization presents several challenges, as there is currently no formal mechanism to track it comprehensively. However, we do monitor energy use related to inbound and outbound logistics, specifically the fuel consumed by company-owned vehicles and certain contracted vehicles operated by our logistics partners.

In FY25, total fuel consumption for company-maintained vehicles reached 2,024 GJ, representing an 18% increase compared to 9.4% 1,718 GJ in FY24. This figure includes fuel used for consignment and scrap metal shipments from Karachi Port to our plant in Nooriabad. Fuel consumption is tracked by using fuel cards issued to drivers. Data initially recorded in liters and subsequently converted into gigajoules. The conversion factor applied is detailed in the glossary.

Waste Management

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We strive to minimize waste generated from our operations by reducing material consumption and maximizing the reuse or recycling of waste materials wherever practicable. Environmental responsibility is embedded in our day-to-day actions and promoted through ongoing advocacy and communications initiatives. Where reuse is not feasible, we ensure all waste is disposed of appropriately, adhering to local regulations and international best practices. Disposal methods include landfilling, recycling, and incineration.

Our commitment to waste minimization is fundamental to fostering a cleaner and healthier environment. The HSE committee guides the development and implementation of relevant policies, supporting the company's precautionary approach toward managing environmental risks and hazards.

In 2025, no monetary fines or sanctions for non-compliance with environmental laws and regulations have been imposed.

Waste Treatment

Hazardous Waste

- Plastic bags, drums
- Tube lights and Sodium Discharge bulbs

These materials are classified as hazardous because of their chemical properties, their potential to harm the environment, and their designation under applicable regulatory frameworks.

Non-hazardous Waste

- Steel scrap
- Miscellaneous Scrap Empty Carton
- Polyethylene/ Polypropylene
- Debris, kitchen waste and others

Waste Treatment

Business Unit	Type	Specification And Units	2025	2024	2023	2022	2021	Treatment
Steel	Hazardous	Plastic bags, drums etc. (in numbers)	43,000	12,000	53,120	10,730	3,000	Sold for recycling/ reuse
		Tube lights and Sodium Discharge bulbs (in Kgs)	-	90	60	-	-	Incinerated
	Non-hazardous	Steel scrap (in MT)	1,553	1,737	359	280	733	Sold for recycling/ reuse
		Miscellaneous Scrap Empty Carton (in numbers)	10	700	1,550	1,000	150	Saleable
		Polyethylene/ Polypropylene (in MT)	97.7	117.6	14.1	7	7	Sold for recycling/ reuse
		Debris, kitchen waste and others (in MT)	14.7	12.8	13.8	13	12	Landfilled
Cotton	Hazardous	Cotton dust (in Kg)	-	-	17	72	39	Sold for reuse
	Non-hazardous	Cotton waste (in MT)	-	-	108	307	379	Sold for reuse
Engineering	Hazardous	Bulbs and lights (in numbers)	-	32	12	223	250	Landfilled
Crescent Hadeed	Non-hazardous	Acid Lining SiO2 (in MT)	-	-	-	582	685	Landfilled
		Slag (in MT)	-	-	-	884	769	Landfilled
		APC Dust (in MT)	-	-	5.47	112	46	Sold to Client

Includes cotton dust, cotton waste and APC dust from Hadeed sold to external parties.

Resource Conservation

Our business depends on the availability of quality materials which primarily include hot rolled coil, raw cotton, bagasse, and scrap. Our cost of doing business and profitability depends on responsible consumption and effective waste management.

The Company has various initiatives in place and barring items necessary for consumption in business operations and production, everyone is encouraged to reduce the use of all materials as far as possible.

Paper

We aim to reduce, recycle and reuse paper in our daily work.

This approach reflects our ongoing commitment to positively contributing to the community and promoting sustainable practices.

Water Management

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Water challenges differ across regions, influenced by local factors such as availability, quality, and regulations. Worldwide, water scarcity has become a pressing concern—threatening ecosystems, public health, and economic stability. Climate change further intensifies these issues, causing more frequent droughts and floods and placing even greater strain on access to clean, reliable water.

Water is fundamental to our operations and the well-being of the communities we serve. In Pakistan—ranked 14th among the 17 countries facing extremely high baseline water stress—these risks are especially severe. We recognize the wide-reaching impacts, not only to our business but also to society, and we are dedicated to using water responsibly and sustainably, now and into the future.

Water Withdrawal

Other than domestic use by employees, our primary utilisation of water in the business process is for cooling and pipe testing purposes at the steel pipe plant and, for the production of steam to generate electricity at the energy division (the latter remained out of operation this fiscal year).

Most of our water needs at Nooriabad are sourced from Keenjhar Lake as well as groundwater. The management of Keenjhar Lake falls under the jurisdiction of the Government of Sindh, and the water inflow is monitored by meters installed by the municipal authority. It's important to note that water is not stored at the Nooriabad plant and therefore has no significant impact. Additionally, there are no protected species residing in the lake.

At the energy plant, during the sugar season, we use condensate from the sugar process (wastewater), and during the off-season, we use groundwater and condensate from the turbine.

All groundwater and water utilised for human consumption undergoes a filtration process either through a reverse osmosis or membrane and UV filtration process; this is across all our operations.

Water Withdrawal from Various Sources (in liters)

Business Unit	Water withdrawal by source in ML/year	2025	2024	2023	2022	2021
	Surface Water					
Steel	Freshwater (≤1,000 mg/L Total Dissolved Solids)	27,597	27,149	22,389	15,361	19,933
	Groundwater					
Steel	Freshwater (≤1,000 mg/L Total Dissolved Solids)	18,398	18,099	14,926	10,241	13,288
Engineering	Freshwater (≤1,000 mg/L Total Dissolved Solids)	200	203	378	408	432
Energy	Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	4	4
Energy	Produced Water-Condensate from sugar Process					
	Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	213	210
Head Office	Municipal Water					
	Freshwater (≤1,000 mg/L Total Dissolved Solids)	911	886	798	796	770
	Total Water Consumption	47,106	46,337	38,490	27,023	34,636

There is no withdrawal of water from water-stressed areas. For uninterrupted circulation of water, we re-cool it for reuse. This cooling method is environmentally friendly and has reduced the withdrawal of fresh water. All water consumed at our facilities for drinking purposes is tested for water quality and falls within the recommended ranges for portable water below 1,000 TDS.

Water discharge by destination in (ML/year)-By Quality and Destination						
Business Unit	**Water discharge by destination in (ML/year)**	**2025**	2024	2023	2022	2021
Steel	Other water (>1,000 mg/L Total Dissolved Solids) Other water (>1,000 mg/L Total Dissolved Solids)	45,609	37,751	29,763	16,316	19,127
Engineering	Other water (>1,000 mg/L Total Dissolved Solids) Other water (>1,000 mg/L Total Dissolved Solids)	188	184	177	189	191
Total Water Discharge		45,797	37,935	29,940	16,506	19,318

No water source was significantly affected by the withdrawal of water.
Note: We do not have a mechanism to measure water withdrawal at the Cotton Division.

Water consumption in (ML/year)	2025	2024	2023	2022	2021
Total	1,309	8,402	8,550	10,517	15,318

Water Reuse and Recycling

We understand that water is a scarce resource and wherever we find opportunities to conserve, reuse or recycle water; we do so.

- Water is redirected and reused for pressure testing of pipes and to cool pipes in the coating process.
- At our bagasse-based energy plant in Bhone, we reuse water for the production of steam to generate electricity.

Percentage and Total Volume of Water Recycled and Reused (ML/year)

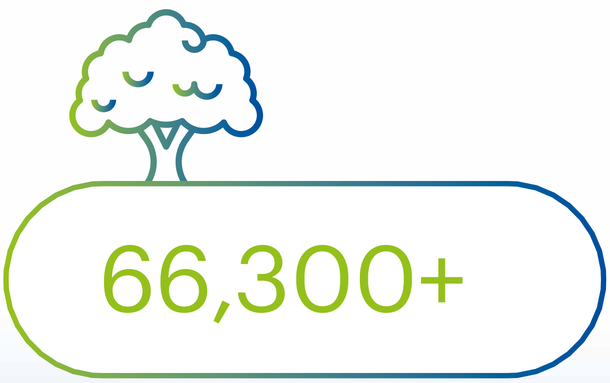
Water recycled/reused	Business Unit	2025	2024	2023	2022	2021
Total water recycled/reuse	Steel	181,562	262,933	27,770	10,545	4,178
% of water recycled/reused		385.4%	565.2%	72.5%	39.0%	12.1%

Starting 2024 we have revised the methodology by which we calculate water re-used in our hydro-tester, therefore past numbers are not comparable. The present methodology calculates actual withdrawal and consumption with some assumptions for evaporation and spilling; in the past this had been reported based on a factor, which we felt was not accurate as our plant is sometimes idling and other times fully operational owing to the industry in which we operate. Additionally pipes of varying sizes use entirely different amounts of water in the hydrotesting process, the factor therefore results in grossly understating reuse. For more details you may refer to the formula index in this report.

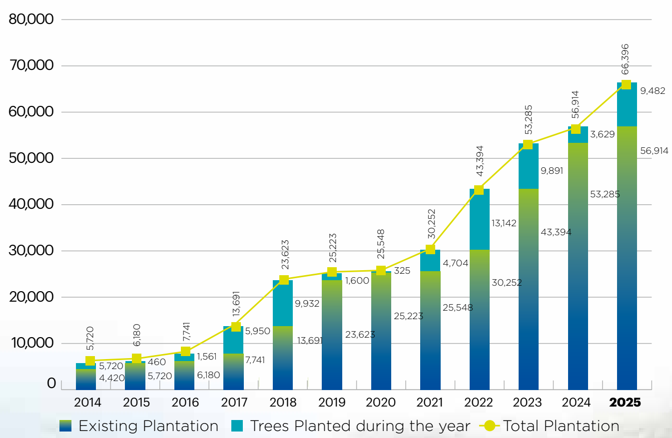
Plantation

At Crescent Steel, we prioritize the protection of our ecological system and fully understand our responsibility to lessen our environmental impact, paving the way for a sustainable tomorrow.

Over the years our plantation size has increased to 66,300+ trees. These trees collectively serve to reduce our carbon footprint by an estimated 393 MT annually. Our tree plantation efforts align with our broader commitment to environmental stewardship and further enhance our environmental performance.



Tree Plantations



Beach Cleaning and Mangrove Plantation Activity

As Pakistan faces a growing climate crisis, ranked as the fifth most vulnerable country in terms of climate change and global warming according to the Global Climate Index, we are increasingly focused on reducing our corporate footprint. One of our primary initiatives in this effort is our annual mangrove plantation activity, conducted in collaboration with WWF (World Wild Fund).

Mangroves are not only relatively easy to grow but also serve as a sanctuary for some of nature's most vulnerable species. These rich and diverse ecosystems are essential for sustaining the health of coastal zones. In Pakistan, however, mangrove forests have suffered greatly due to industrial expansion, coastal settlements, and the construction of beach huts, despite their immense ecological and economic importance. As the lifeline of the Indus Delta, mangroves play a vital role in climate change adaptation, while also protecting local communities from sea storms and cyclones.

Crescent Steel has been an active supporter of WWF in their efforts to safeguard marine life through mangrove plantations. This year, we planted 1,000 mangroves, expanding our total plantation size to 6,700 mangroves.

We also ensure the long-term health of these plantations by funding maintenance, with WWF committed to replacing any sapling that doesn't survive. Collectively, our mangroves help offset 39.59 metric tonnes of carbon emissions annually.

We hope to continue this annual plantation activity over the years to come.

Year	Number Of Trees Planted	Cummulative Yearly Carbon Reduction (In MT)	
2012 (FY13)	50	3.84	This is equivalent to emissions from burning approximately 20,101 gallons of gasoline
2013 (FY14)	75	5.32	
2015 (FY15)	100	5.91	
2015 (FY16)	150	8.87	
2016 (FY17)	150	7.98	
2017 (FY18)	175	8.27	
2018 (FY19)	1,000	41.37	
2021 (FY21)	1,000	23.64	
2022 (FY22)	1,000	17.73	
2023 (FY23)	1,000	11.82	
2023 (FY24)	1,000	11.82	
2024 (FY25)	1,000	5.91	
Total	6,700	152.48	

Celebrating Earth Hour

Earth Hour is a reminder of our collective duty to safeguard the environment and acts as a catalyst for positive change.

On Saturday, March 22, 2025, we celebrated across all our campuses and encouraged our people to join in from home and within their communities by switching off all non-essential lights.

SUPPLY CHAIN

As a socially responsible business with high ethical, social, and environmental standards, Crescent Steel endeavors to propagate a culture of quality, transparency, accountability, and integrity across our supply chain.

Supply chain and logistics play a key role in ensuring efficient and profitable operations of all our businesses. The supply chain function is not limited to sourcing quality products and services with conducive price and volume variables; suppliers are strategic partners for our business. We leverage our relationships with key suppliers and work with them for planning logistics, and the introduction of new products and services.

As the leading line pipe manufacturer engaged in oil and gas transmission projects of national and strategic importance, we have a rigorous protocol for supplier induction, evaluation, and monitoring. We engage with a range of foreign and domestic suppliers, for critical and non-critical goods and services. We assess our suppliers across several factors including inventory optimization, flexibility, quality management systems, visibility, and transparency. We consider labor management practices an indicator of community care and this forms a critical aspect of our supplier engagement criteria. We configure our supply chain model on three basic characteristics: product design and quality, risk assessment and opportunities for business growth.

Our supply chain is geared toward sustainability and is committed to developing indigenous sources where available. In this regard, we have worked with various domestic partners to enhance technical and professional capabilities. We aim to move beyond the boundaries of supplier-buyer relationships to create strategic partners; our suppliers engage with us at many levels, enabling us to generate additional revenue and leverage our relationships for cost savings. Our supplier engagement strategy aims to strengthen supply chain effectiveness, to identify environmental and cost hotspots.

Our major imports include Hot Rolled Coils – we use high-grade alloy steel coils for manufacturing large diameter pipes for high-pressure transmission systems.

During the year we imported 25,327 MT [FY24: 14,248 MT] of hot rolled coils and 1,268 MT of coating material [FY24: 691,700 MT]. The sourcing protocol of our raw material for our pipe and coating operations is critical. In accordance with API specifications, manufacturers of HRC are assessed and compliance of the raw material is verified against Mill Test Certificates, Manufacturing Procedure Specifications, and third-party quality assurance verifications.

The Cotton Division and CS Energy Division remained non-operational during the year.

In addition to this, we purchased various goods and services needed for day to day running of our businesses and office operations, including consumables for smooth manufacturing operations, valuing Rs. 4,699 million [FY24: Rs. 5,831 million].

Our raw material, consumables, and most of our spares and equipment are imported – as we operate in a specialized manufacturing segment, domestic availability of the materials we require is non-existent. Furthermore, in order to ensure the product integrity and to confirm with our quality management system, we are required to evaluate suppliers and as far as possible source materials directly from manufacturers; this enables better quality management as well as commercial terms. As a strategic thrust, our supply chain teams are attempting to indigenize sourcing for certain consumables and equipment, in an effort to develop a sustainable supply chain.

In 2025, there were no significant changes in the supply chain structure. Material for production was imported from Asian, European and Middle Eastern countries i.e. China, UAE, Saudi Arabia, South Korea, France, Poland, and Thailand.

Type and Number of Unique Suppliers Engaged 2025

Operational Area	Local	Import	Total	Local %	Import%
Steel Division	216	43	259	83%	17%
Cotton Division	11	3	14	79%	21%
Corporate Division	61	0	61	100%	0%
IID/CS Capital	3	-	3	100%	0%
Crescent Hadeed	2	0	2	100%	0%
CS Energy	1	0	1	100%	0%
Total	**294**	**46**	**340**	**86%**	**14%**

Procurement Practices with Trusted Business Partners

Suppliers are crucial strategic partners for any business, providing goods and services and enabling business continuity.

Supply Chain is not just an area for suppliers to merely comply with quality, price, and volume variables. Our suppliers are strategic partners that adopt our standards to work towards the end goal of providing high-quality and reliable products to our customers. Crescent Steel aims to maximize indigenous procurement and minimize imports; however, due to a lack of expertise, a range of products and services required for our operations are not available locally and must be imported. This includes our raw material, which accounts for 80% of our procurement cost. In light of prevailing import constraints, we developed a sourcing strategy to indigenize the supply chain for spares. We have worked with our local partners to develop and enhance expertise and capabilities to fabricate spares locally, to reduce reliance on imports. For the K-IV project, which has national significance, we worked with our customer to enable them to design and fabricate trailer beds for outbound logistics of finished 84 inch, externally coated, steel line pipes with a length of 12 meters each, to transport 2 pipes per trailer. As the infrastructure available was designed to handle only 1 pipe per trailer, through this initiative, the number of trailers required to transport finished pipes was reduced from 10,000 to 5,000. This effectively cut down logistics requirements by at least 50% and ultimately resulted in lower fuel consumption and emissions. The core objective of our Supply Chain function is to reduce throughput time by minimizing the use of intermediaries, and by enabling supply chain depth to deliver the right materials, at the right time, at the right price.

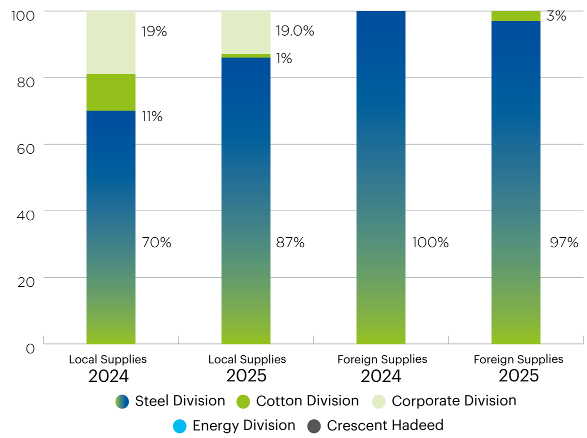
Vendors are evaluated and revaluated as per the policies in our quality management system – vendor retention is based on annual performance, rather that the history of the vendor relationship. Vendor feedback and complaint redressal mechanisms are critical criterion based on which supplier retention is determined. Furthermore, all suppliers, whether critical, non-critical or general are evaluated and approved for purchase prior to placing orders, as per the prescribed framework in our quality management systems.

The proportions of purchases, domestic and imported, are tabulated below:

	Rs. in Million	In Percentage
Purchases in 2025		
Local Vendors	1,165	21.1
Foreign Vendors	4,352	78.9
	5,517	**100**
Purchases in 2024		
Local Vendors	898	17.2
Foreign Vendors	4,210	82.8
	5,208	**100**

Local **21.1%** and Foreign **78.9%**

Composition of Local and Foreign Supplies



Managing a Diverse Supply Chain

Up Stream

Raw Material Sourcing

Hot Rolled Coil, Steel Scrap Raw Cotton and Polyester

(Vendors + Suppliers)

Operations

Manufacturing/ Production

Bare Pipes, Steel Billets and Polyester Cotton Yarn

Down Stream

Down Stream

Storage and distribution of final product

Crescent Steel's Local Procurement Cycle

1. **Purchase Requisition**
   Purchase requisition is issued by user.
2. **Quotations**
   The best three quotations are selected from the approved vendors
3. **Comparative Analysis**
   These three quotations are evaluated on the basis of customer preference, product quality and cost benefit analysis.
4. **Purchase Order**
   The best quotation is selected out of the three. Upon negotiating the price, the order is placed
5. **GRN and Invoice**
   Purchased goods are received at the location along with the invoice for payment

The procurement cycle follows specific steps from identifying requirements and needs to evaluating options and ensuring those needs are optimally met keeping customer preference, quality and price in mind.

The selection of vendors is reviewed annually to assess decision-making quality and evaluate vendors for technical performance, reliability, commercial terms and more. Such reviews enable us in determining if circumstances have changed significantly to trigger a change in vendors.

PRODUCT STEWARDSHIP

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Product Quality

Maintaining product quality and service is a sustainability imperative.

We strive to apply cutting-edge technology and remain client-centric to drive profitability and efficiency, ensuring the highest standards of quality in product delivery. The effectiveness of our Quality Management System is ensured through an independent quality function at each business unit level with direct reporting to the Business Unit Heads.

Crescent Steel strictly adheres to its quality policy to ensure quality control and assurance from the acquisition of raw materials to the delivery of the final product and services i.e. across the value chain. The management ensures that measurable and verifiable quality objectives are set throughout the organization, from the initial inspection of raw materials to the transportation of the finished product to the customer.

The company retains its authorization to use the API monogram of the American Petroleum Institute since its inception in 1987. In 1997, Crescent Steel was awarded ISO 9001 Quality Management Standard Certificate which it continues to maintain as ISO 9001:2015.

By proactively addressing risks and opportunities, upholding sustainability principles, and embedding a "right-first-time" approach, the Company ensures customer satisfaction across all operational levels. With continuous improvement as a core value, performance targets are regularly established to drive process enhancement, optimize operational efficiency, and elevate customer experience across our manufacturing facilities, business operations, and product portfolio.

Steel Division – Pipe Manufacturing and Coatings

Raw material sourcing for line pipe manufacturing is critical for oil and gas/API monogram pipes given the applicability of stringent raw material quality specifications and API standard compliance. Our raw material is purchased from pre-qualified suppliers, against established parameters that form part of our vendor evaluation system.

Our HSAW steel line pipes are manufactured in accordance with the applicable specifications of the American Petroleum Institute ("API"), American Water Works Association (AWWA), American Society for Testing and Materials (ASTM) and the International Organization for Standardization ("ISO"), among other standards. Our products must also satisfy our proprietary standards as well as our customers' requirements.

We maintain an extensive quality assurance and control program, supplemented with highly skilled inspection and testing teams and state of the art equipment. To ensure that our products and services continue to satisfy industry standards and are competitive from a quality standpoint – most of our pipes are supplied against local projects tendered internationally. We currently maintain, testing laboratories supported by a robust Quality Management System certified to API Q1 and ISO 9001 and, API product license granted by API. These are universal requirements for selling high pressure line pipes to major oil and gas companies.

Our Quality Management System ("QMS"), based on the ISO 9001 and API Q1 specifications, assures that products and services comply with customer requirements from the acquisition of raw materials to the delivery of the final product and services. The management ensures measurable and verifiable sustainability and quality objectives are set throughout the organization, across manufacturing processes and operations, upholding the highest standards of safety, quality, performance, and reliability.

Our highly skilled and talented team and strong management focus on quality ensures that we continue to improve our quality management systems beyond API Q1 and ISO 9001 standards.

The pipes we produce, and coating are inspected and tested by sophisticated testing equipment. We have various testing facilities available at our pipe finishing line and coating plant:

Pipe Manufacturing

- On-line Automatic / Offline Ultrasonic Testing of Weld Seam and Pipe Body: To ensure that the entire weld seam, is flawless for both Spiral Pipe Mills
- Radiographic Inspection using X-Rays: To analyze, the defects identified during ultrasonic testing
- Metal Thickness verification using Ultrasonic Waves: Ensures that the pipe wall thickness meets the required standards (e.g., ASTM, API, ISO) for strength, durability, and safety.

  Visual Inspection: To ensure dimensional accuracy and detect surface defects, guaranteeing the pipe meets quality and safety standards
- Hydrostatic Pressure Testing of Pipes: To check the pipe strength, durability, and leakages Each pipe is tested on different water pressure as per API requirement. Our maximum water testing pressure capacity is 210 bar.
- Burst Test: To ensure that the pipe exceeds the minimum design pressure requirement
- Residual Magnetism Measurement: To ensure that residual magnetism is within the limits of the applicable standard or client's requirements.
- Final Inspection: To rigorously inspect the different dimensional parameters.
- Tensile Testing and Guided Bend Tests: To ensure that the coil received, and the pipes manufactured have the required mechanical properties.
- Elongation Testing ensures that the steel pipe material has adequate ductility to withstand stretching and deformation without breaking during service
- CVN Test: To ensure the fracture toughness of the pipe body, weld, and HAZ is in compliance with API standards and client requirements.
- Chemical Tests: To ensure the product has met a client specified chemical requirements.
- Hardness Testing: To check the hardness of the pipe body, weld and HAZ for the sour service pipe

Coating applications

- Online Holiday Inspection or Coating Continuity Testing using medium range voltages up to 25 kV.
- Coating Adhesion Strength Testing
- Coating Thickness verification using Non-Destructive methods
- Measurement of Pipe Surface Roughness or Surface Profile (prior to coating)
- Thermal Analysis coating materials
- Melt Flow Index Verification of coating materials.
- Cathodic Disbondment Testing
- Hot Water Soak Resistance Testing
- Flexibility Bend Testing
- Indentation Hardness Testing

Measuring Customer Satisfaction

The unit continues to maintain a high customer satisfaction score of over 95% for both, pipes and coatings

- The survey identifies many strong areas for improvement like timely product delivery etc.
- The survey provides customer feedback on our product capability for:
    - A) Submerged Arc Welded Helical Seam Steel Pipes in diameters ranging from 8-120 inch in steel grades up to and including API 5L X-100, under API monogram authorization
    - B) Anti-corrosion coating application of steel line pipes in diameters ranging from 4 – 84 inches, as per international standards like DIN 30670
- Our main customer base constitutes the two-state gas utilities operating in Pakistan, SSGC, and SNGPL - headquartered in Karachi and Lahore, respectively - with a footprint across various towns and cities in Pakistan. Our Karachi and Lahore Offices and our Plant Site in Nooriabad are within easy access to our main customer base.

Customer Satisfaction Level over the Years	2025	2024	2023	2022	2021	2020
	95%	92.5%	93%	95.71%	94%	93%

- No incident of non-compliance with regulations and voluntary codes concerning products and services information and labelling occurred during the year.
- No incident of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship have been identified during the year.

Cotton Division - Cotton Spinning

Crescent cotton products is committed to delivering high quality yarn products with prediction approaches for the evaluation of yarn properties. The unit continues to maintain high standards of quality management, performance, and innovation. Our quality control laboratory and trained workforce ensure that all processing methods and products meet the required industry and international standards. Raw material i.e. polyester and viscose is procured from world-renowned synthetic fiber producers locally and from abroad. Raw cotton is checked against established standards prior to procurement, while sophisticated testing infrastructure strengthens quality management and assurance. The quality assurance and testing laboratory at the spinning unit is equipped with necessary testing equipment.

This includes:

FOR FIBER TESTING	FOR YARN TESTING
HVI-Spectrum	Uster Tensojet-4
Fibrograph 530	Uster Tester-5
Micronaire	Count Analyzer
Moisture Meter	Lea Strength Tester
	Twist Tester

Power Division - CS Energy

The unit generates and supplies electricity for own source consumption and to customers and distribution companies, as permitted. The unit has two tribunes with combined capacity of 15 MW and 16.5 MW. The thermal power generation plant uses bagasse in the combustion process to produce power and process steam. Bagasse is a renewable source of power which is in line with our aim to adopt sustainable business practices. The unit was inoperative during FY25.

MATERIAL CONSUMPTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our materials are divided into two basic categories i.e. critical and non-critical. Critical materials are those which have a direct impact on the Company's production and non-critical materials are those which are indirectly associated with the Company's products. It is imperative to understand that we use our critical raw materials efficiently.

As the scarcity of resources is increasing globally, we, as an organization, understand the effective utilization of resources. We continue to strive to strengthen our processes across all our production sites.

We continuously explore new strategies and methodologies through which we can ensure the effective utilization of resources. We make sure that the consumption of materials does not adversely affect the communities in our surroundings. Our purchased materials go through quality control checks and some of our critical raw material suppliers are ISO certified.

While many of our raw materials are non-renewable, we continuously seek opportunities to reduce our environmental footprint. For instance, in the CCP division, materials such as polyester, viscose, and raw cotton are either reused internally or sold to external sources, contributing to our waste reduction efforts. Our focus remains on sourcing sustainable materials and exploring circular economy principles where possible. Although we do not currently use recycled input materials or reclaimed products and packaging, we continue to assess industry developments that could enable greater material reuse in the future.

All the data presented in the table represents accurate measurements of material consumed through gauges and instruments installed at the production lines. The HSE committee also conducts various checks to validate and authenticate the data.

Crescent Steel does not use any recycled input materials or any reclaimed products and their packaging materials.

Material Consumed	Unit Of Quantity	Quantity (Weight / Volume)				
		2025	2024	2023	2022	2021
Non-Renewable Materials						
Steel – Pipe Manufacturing						
HR Coils (comprises 99% of input materials)	MT	49,955	60,857	45,770	5,222	4,822
Welding Wire	kg	130,770	178,612	125,130	21,940	22,429
Welding Flux	kg	144,895	163,095	98,531	27,445	23,945
Steel Grit	kg	29,700	48,800	38,500	12,565	3,345
Steel – Coating						
High Density Polyethylene	kg	1,382,117	2,112,300	1,280,100	334,640	43,220
Co Polymer Adhesive	kg	65,650	122,425	59,315	30,180	5,949
Fusion Bonded Epoxy	kg	125,410	226,340	110,240	47,660	7,446
Cotton						
Yarn Wrapping Cone	Nos	-	-	915,168	3,042,804	3,046,608
Polypropylene Bags	Nos	-	-	38,081	125,386	112,067
Polythene Bags	Kg	-	-	3,750	10,553	9,446
Diesel	Ltr	-	-	1,552	2,438	3,020
Engineering						
Gas LPG	kg	1,404	967	1,085	1,641	519
Gas Oxygen	m3	5,465	3,732	4,534	7,473	2,098
Diesel Oil	Ltr	1,870	2,957	4,648	5,070	804
Disc (Grinding and Cutting)	Nos	4,610	3,515	3,792	4,176	1,161
Welding Electrode	Tonnes	12.86	11.53	7.67	13.72	4.58
Round Bar, Pipes, Nuts, Bolts etc.	Tonnes	53.44	20.36	23.79	23.79	12.72
Sheets Mild Steel	Tonnes	107.17	318.24	425.15	655.28	234.08
Sheets Stainless Steel	Tonnes	6.22	8.12	5.40	15.25	10.78
Renewable Materials						
Energy						
Bagasse	Tonnes	-	-	-	123,719	106,485
Cotton						
Raw Cotton	Tonnes	-	-	907	2,855	2,842
Polyester	Tonnes	-	-	967	3,282	3,266

IT GOVERNANCE

Information Technology today serves as the backbone of a secure, efficient and agile organization and effective implementation of IT Governance is imperative for achieving and sustaining these qualities.

At Crescent Steel, IT Governance is an integral part of Enterprise Governance, ensuring its compliance in line with the required IT practices. IT department plays a vital role in continuous improvements and effective change management in the Company's business processes and its initiatives complement the business objectives and acts as a catalyst in achieving the same.

IT Strategy in Place

Our IT department has a well-defined strategic plan which serves as a guide for IT strategic initiatives over the next three to five years. Special consideration is given to the upcoming technological trends and the same are embedded as part of strategy where applicable.

Digital Transformation is a continues process at CSAPL. As such IT strategy directs towards various initiatives in digitalization, automation and the effective use of AI technologies that will ensure that CSAPL remains at par with fast changing business trends.

Policies and Procedures are in place to ensure consistency and measured Operations. The IT Steering Committee oversees the strategic direction and effectiveness of IT across the organization.

Statement on Cyber Risks

As part of evaluation of all risks facing the business, the Board' Risk Management Committee (RMC) has also assessed the cyber risks and the enforcement of legal and regulatory implications in case of any breaches. The Board's RMC has noted that Crescent Steel is not a customer facing organization and does not undertake any electronic transactions with its customers therefore has minimum risk of losing any sensitive data. However, Crescent Steel has taken sufficient measures to ensure its network security and has implemented stringent controls to protect its data privacy. Further, the Board's RMC has not rated the cyber risks at a high level.

Cybersecurity and Board's Risk Oversight

The Board's RMC, while performing its risk oversight function also reviews and evaluates cybersecurity risks. Budgets and capital expenditure for network upgrades and strengthening cybersecurity enhancements are approved by the Board, after detailed presentation by the management.

Internal Audit checks different controls of governance, change management, and application-level control. The results of which are presented to the Board's Audit Committee, and all remedial actions are evaluated and monitored through the IT Steering Committee

This year, Crescent Steel conducted a Third Party Security Assessment through Trillium Information Security System to perform Vulnerability Assessment and Penetration Testing (VAPT) on the complete infrastructure to identify vulnerabilities and implement remediation.

Information Systems

Our information systems are well integrated and capture near to real time data for process owners consistently providing business intelligence for structured decision making. Implemented in 2008, our Oracle ERP system consists of almost all Modules covering all layers of Financials, Order Management, Inventory, Manufacturing, Supply Chain, and Project Management. Oracle ERP is ably supported by a robust infrastructure ensuring the 99.99% uptime achieved through continues strict monitoring and adoption of new and upcoming applicable technologies.

For reasons of high availability, our Primary Datacenter is located at a Tier-3 Data Centre and secured and protected with a Next Generation Firewall. The ageing servers and storage have been recently replaced with the latest generation of HP servers and SAN storage along with a completely upgraded technology stack to support all equipment and applications. In addition to the existing backup practices, in current year, the Company introduced a complete site-level backup using an FTP-based system located in another city. This setup complements the offsite backup and the Disaster Recovery Site, ensuring comprehensive data protection and business continuity.

Updates During the Year

IT Department continued to take on new initiatives and enhancements in the existing services.

Crescent Steel undertook the initiative of revamping its website facilitated through IT department. The Company is currently upgrading its Payroll Management System by migrating to a cloud-based platform, aimed at leveraging the latest functionalities and efficiencies offered by modern solutions. Additionally, Crescent Steel has collaborated with Pakistan Oxygen to acquire a low-code development tool, enabling the digitalization of internal processes through a centralized portal. This initiative empowers business users to automate and streamline their workflows with minimal dependency on IT resources, thereby optimizing operations and significantly reducing data redundancy.

As part of its ongoing digital transformation, the Company is also working on developing AI-based chatbots to facilitate internal users. These service-based agents, including AI and HR chatbots, are designed to enhance user experience and streamline internal support functions. This initiative reflects Crescent Steel's commitment to adopting artificial intelligence technologies to improve operational efficiency and promote AI adoption across the organization.

Early Warning System

Company has implemented adequate controls and procedures about early warning systems. In this regard, Incident Management policies and procedures are in place. In addition to that, company has also implemented a Next Generation firewall having capability of Intrusion Prevention and Detection System.

Contingency and Disaster Recovery Plan

The Company has an updated Disaster Recovery plan in place for the continuity of the Company's business and operations in case of any extra ordinary circumstances.

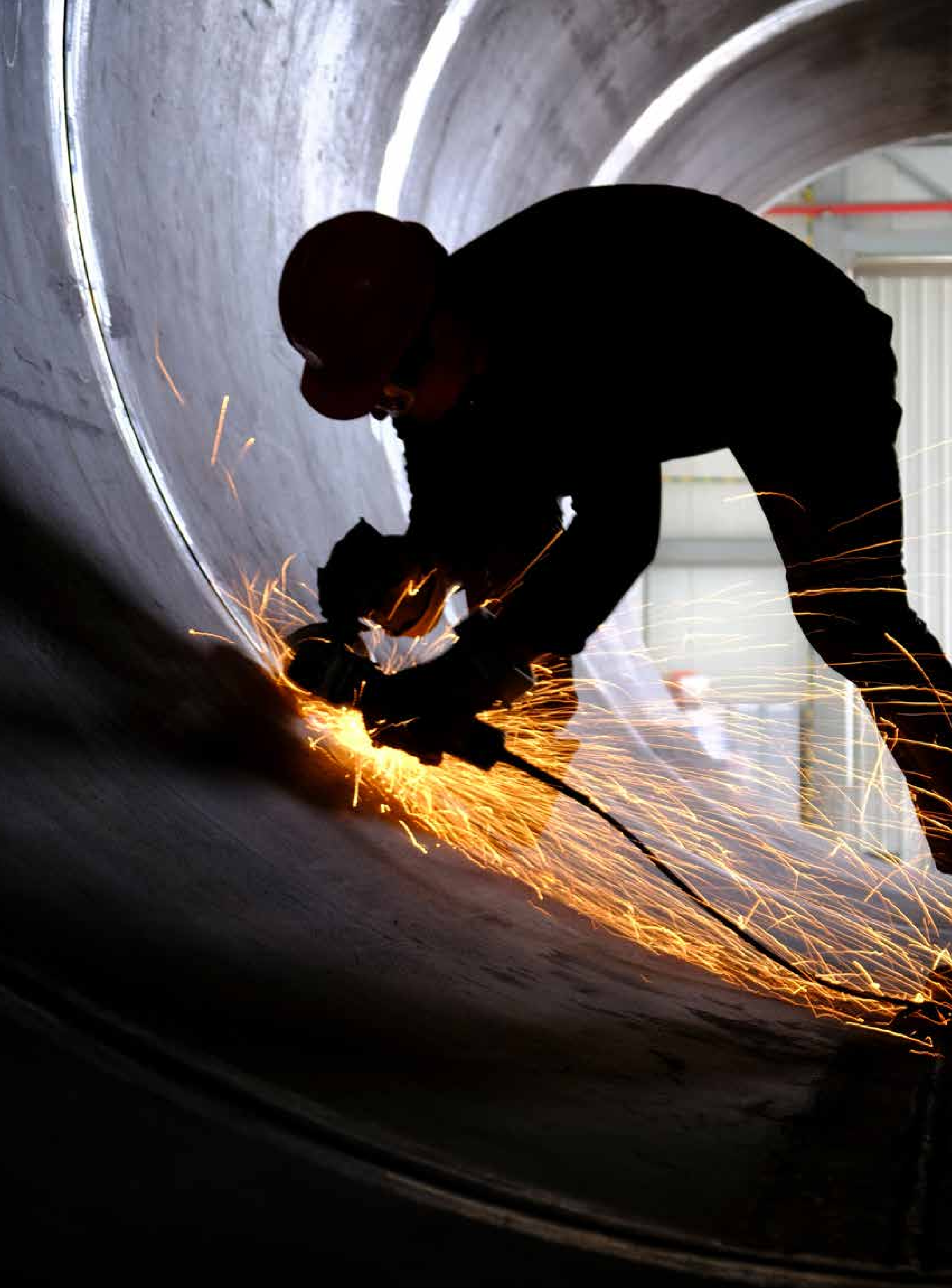
Our Disaster Recovery Plan (DRP) is an action plan devised to recover seamlessly from an unexpected disruption of service due to a man-made disaster or any natural catastrophe. The aim is to get the Company operations resumed in as little time as possible. The data loss and time to recover is measured within the defined concepts of Recovery Time Objective (RTO) and the Recovery Point Objective (RPO) during the mock DR runs.

Backing up of all data is a regimented practice with a copy of the backup stored safely at an offsite location as well besides reflecting it on the Disaster Recovery Site.

Like every year we have conducted successful DR drill while as part of continues improvement policy, we identify the areas where enhancement can be embraced through the use of new technologies.

User Trainings of ERP Software and Cybersecurity Threat

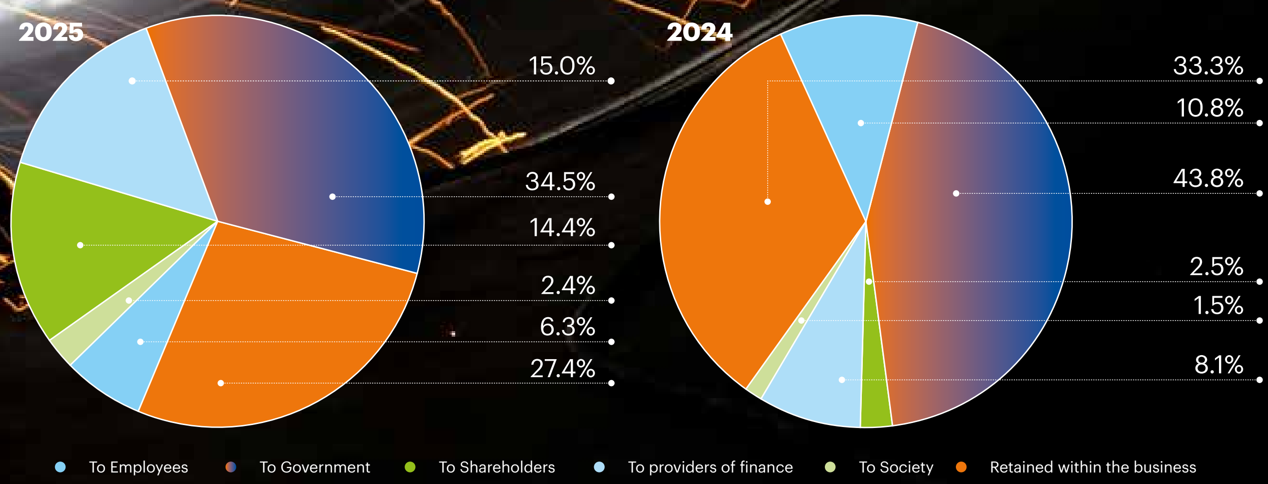
User trainings are held regularly at all sites for ERP modules. Special emphasis is given on newly hired and newly implemented modules. IT team regularly conduct information security awareness sessions and sends security awareness emails on a regular basis. The purpose of security awareness is to focus attention on security, creating sensitivity to the threats and vulnerabilities of computer systems and recognition of the need to protect data, information, and systems. Security awareness emails help users in identifying any upcoming security threats and potential risks.



STATEMENT OF VALUE ADDITION

	2025		2024	
	Rupees in '000	%	Rupees in '000	%
WEALTH GENERATED				
Total revenue	9,068,615	100.0%	12,004,579	100.0%
Bought-in-material and services	(4,471,529)	49.3%	(5,827,522)	48.5%
	4,597,086	50.7%	6,177,057	51.5%
WEALTH DISTRIBUTED				
To Employees				
Salaries, wages and other benefits	691,316	15.0%	666,402	10.8%
To Government				
Income tax, sales tax, custom duties, WWF and WPPF	1,584,054	34.5%	2,703,635	43.8%
To Shareholders				
Dividend	659,877	14.4%	155,265	2.5%
To Providers of Finance				
Finance costs	288,416	6.3%	497,403	8.1%
To Society				
Donation towards education, health and environment	112,359	2.4%	92,483	1.5%
Retained within the business for future growth				
Depreciation, amortization and retained earnings	1,261,064	27.4%	2,061,869	33.3%
	4,597,086	100.0%	6,177,057	100.0%

Distribution of Wealth



EVA AND FCF

Economic Value Added (EVA)

EVA attempts to capture the true economic profit of the Company. It also provides a measurement of a Company's economic success (or failure) over a period of time.

Rupees in '000	**2025**	2024
Profit before interest and tax (PBIT)	2,196,638	3,023,978
Taxes	(564,943)	(920,072)
Net operating profit after tax (NOPAT)	1,631,695	2,103,906
Total capital employed	9,041,837	8,085,914
Cost of capital (%)	18.09%	23.96%
Cost of capital (COC)(Rs.)	1,635,668	1,937,385
	(3,973)	166,521

The negative EVA is primarily due to higher capital employed during the year, which is expected to enhance future returns.

Free cash flow (FCF)

Free cash flow is the cash left over after the company pays for its working costs and capital expenditure requirement.

Rupees in '000	**2025**	2024
Cash flow from operating activities	(1,616,879)	657,471
Capital expenditure	(581,405)	(247,844)
Free cash flow	(2,198,284)	409,627

The negative FCF for the year is primarily attributable to negative cash flow from operating activities, reflecting temporary working capital movements. Management remains focused on improving operational efficiency and cash generation in the upcoming periods.

FINANCIAL AND OPERATIONAL PERFORMANCE

Steel Division - FY25 Performance Overview

Sales Performance:

The Steel Division recorded sales of Rs. 6,346.3 million in FY25, reflecting a year-on-year decline of 29.9% compared to Rs. 9,056.3 million in FY24. The decrease is primarily attributable to delays in the arrival of Hot Rolled Coils (HRC), which postponed the commencement of key orders originally scheduled for execution in Q4FY25.

Major Deliveries:

Supplied 136 KM of Bare Steel Line Pipes in diameters of assorted sizes to Sui Northern Gas Pipelines Limited (SNGPL), valued at Rs. 3,616.8 million.

Delivered 42 KM of Coated Steel Line Pipes in diameters of 84", 68", and 52" to China Harbour Engineering Company – Al Fajr International Joint Venture (CHEC-AFI JV), as part of the K-IV Greater Karachi Bulk Water Supply Project, amounting to Rs. 1,722.4 million.

Sales Composition:

Bare Pipes: Rs. 4,964.5 million
Coated Pipes: Rs. 1,267.0 million
Engineering: Rs. 114.8 million

Gross Profit:

Gross profit stood at Rs. 1,655.9 million, yielding a gross margin of 26.1%, compared to Rs. 2,868.1 million and a margin of 31.7% in FY24. The margin contraction is primarily due to plant idling during the year.

Operating Expenses:

Operating expenses were reduced to Rs. 698.0 million, down from Rs. 711.0 million in FY24, due to decrease in recognition of WPPF and WWF.

Finance Costs:

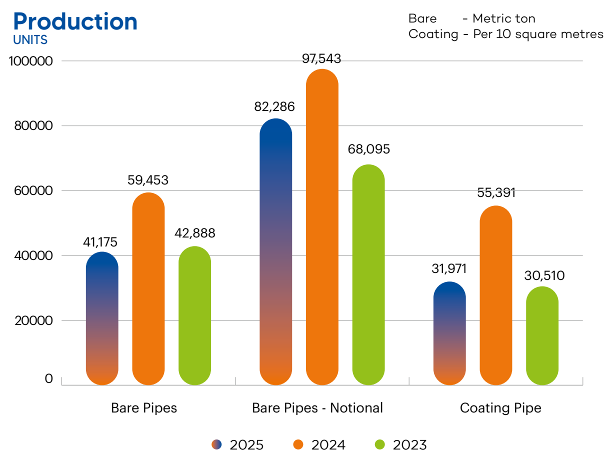
Finance costs declined to Rs. 288.3 million, from Rs. 491.4 million in the prior year, primarily due to a reduction in the Karachi Interbank Offered Rate (KIBOR) during the year, which positively impacted borrowing costs.

Profit Before Tax (PBT):

The Division reported PBT of Rs. 724.2 million, compared to Rs. 1,758.4 million in FY24, impacted by lower sales volume and reduced gross margins.

Production Metrics:

Bare Pipe Production: 41,175.3 tons (FY24: 59,453.3 tons)
Coating Output: 319,711 square meters (FY24: 553,906 square meters)



IID Division

The Equities Market – KSE 100 Index

- The KSE-100 Index started FY25 at 78,444.96 points and closed at 125,627.31 points, reflecting 60.1% gain (47,182.35 points).
- KSE-100 index market capitalization increased by Rs. 1.29 trillion or 52.42% (USD terms: 49.51%) and closed at Rs. 3.75 trillion (USD 13.23 billion).
- Total all-share market capitalization rose by 46.88% amounting to Rs. 15.23 trillion (2024: Rs. 10.4 trillion). In USD terms, it increased by 44.08% amounting to USD 53.7 billion.
- Average traded volume on the all-share index was 631.7 million shares/day, a 37.1% increase YoY. The average daily traded value rose to Rs. 28.2 billion, up 81.5% from the prior year's Rs. 15.5 billion.

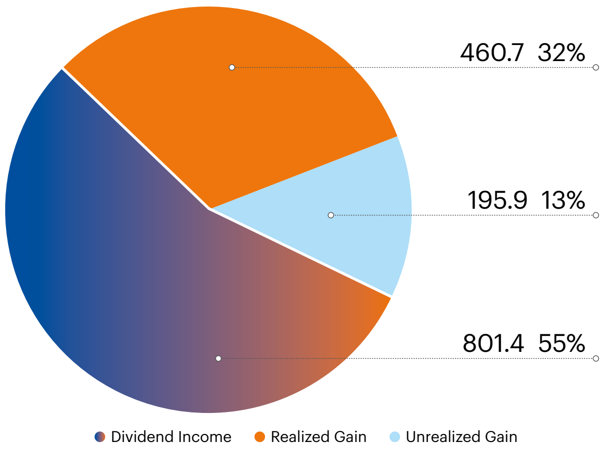
IID Division Performance

Investment Income:

During FY25, the Division generated investment income of Rs. 1,461.7 million, compared to Rs. 1,069.6 million in FY24. This comprises:

- Dividend Income: Rs. 801.4 million
- Realized Gains: Rs. 460.7 million
- Unrealized Gains: Rs. 195.9 million

Investment income Composition



A significant portion of this income was contributed by Altern Energy Limited, which accounted for:

- Dividend Income: Rs. 734.4 million
- Realized Gains: Rs. 399.9 million
- Unrealized Gains: Rs. 21.7 million

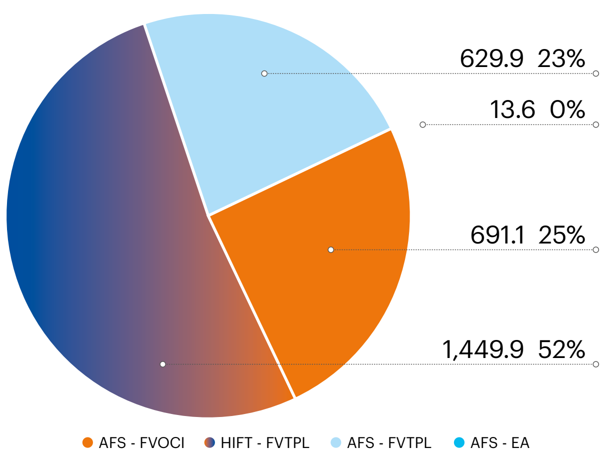
Portfolio Profitability:

The portfolio's accumulated profit before tax (PBT) for the year ended June 30, 2025, stood at Rs. 1,416.8 million, up from Rs. 1,115.4 million in FY24, reflecting strong performance across key investment segments.

Held For Trading (HFT) Performance:

The Division's HFT investments contributed Rs. 229.3 million to PBT during FY25, achieving a return on investment (ROI) of 35.57% on a weighted average investment of Rs. 644.7 million.

IID - Investment Classifications



CS Capital (Private) Limited

- **Investment Income:**

  For the year ended June 30, 2025, the Subsidiary Company earned investment income of Rs. 278.1 million, compared to Rs. 332.3 million in FY24. The income composition is as follows:

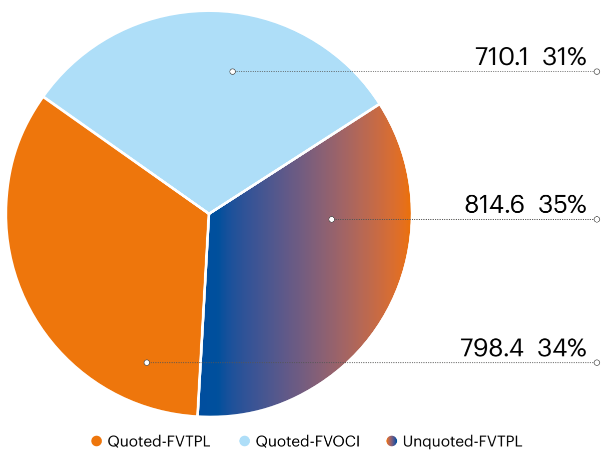
- Dividend Income: Rs. 66.6 million
- Realized Gains: Rs. 44.2 million
- Unrealized Gains: Rs. 159.4 million
- Realized Gain on Commodity Investment: Rs. 3.9 million
- **Profitability:**

  The Company reported profit before tax (PBT) of Rs. 269.6 million, down from Rs. 329.1 million in FY24. Earnings per share (EPS) for FY25 stood at Rs. 2.59, compared to Rs. 4.05 in the previous year.

- **Portfolio Performance:**

  The Company's investment portfolio delivered a positive return on investment (ROI) of 46.29% on a weighted average investment of Rs. 601.72 million, excluding unquoted investments.

CS Capital - Investment Classification



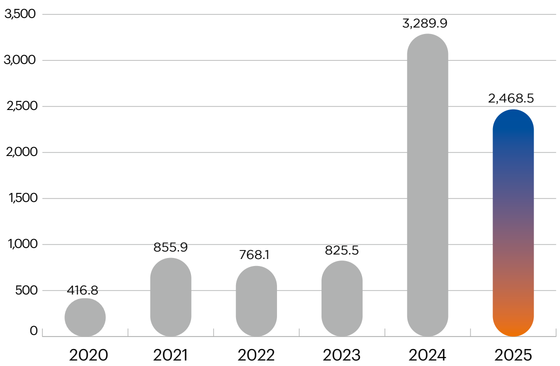
KEY OPERATING AND FINANCIAL DATA

For The Current And Past Six Financial Years

Rupees in million	2025	2024	2023	2022	2021	2020	2019
A - Summary of Profit or Loss							
Sales - net	6,380.7	9,111.6	4,406.2	4,624.3	5,193.9	2,850.3	4,066.5
Cost of sales	4,856.2	6,414.3	3,594.5	4,523.9	4,558.3	2,810.3	3,846.1
Gross profit	**1,524.5**	2,697.3	811.7	100.4	635.6	40.0	220.4
Income from investments - net	1,461.7	1,069.7	207.4	970.0	233.1	389.0	191.5
Distribution, selling and administrative expenses	686.2	570.6	432.6	315.1	242.3	241.2	203.1
Other operating expenses	76.2	271.3	17.0	52.0	25.6	27.9	28.6
Other income	71.9	182.7	84.4	56.0	182.9	30.9	89.0
Operating profit before finance costs	**2,295.7**	3,107.8	653.9	759.3	783.7	190.8	269.2
Finance costs	288.4	497.4	354.3	208.8	184.8	273.1	244.3
Profit / (loss) before taxation from continuing operations	**2,007.3**	2,610.4	299.6	550.5	598.9	(82.3)	24.9
Taxation (charge) / reversal	(564.9)	(920.1)	(57.0)	52.0	(75.0)	101.0	118.6
Net profit for the year from continuing operations	**1,442.4**	1,690.3	242.6	602.5	523.9	18.7	143.5
Net loss from discontinued operation	(99.0)	(83.8)	(65.9)	(235.3)	(171.6)	(36.0)	-
Net profit / (loss) for the year	**1,343.4**	1,606.5	176.7	367.2	352.3	(17.3)	143.5
B - Summary of Statement of Financial Position							
Current assets	10,819.3	4,747.9	3,923.2	2,972.1	3,662.3	4,374.7	2,981.1
Stock-in-trade	2,983.8	1,447.6	1,269.0	1,190.1	1,236.5	2,130.7	821.4
Trade debts	1,641.0	1,472.2	464.0	175.2	137.1	225.8	96.4
Current liabilities	6,875.2	2,341.0	3,058.0	2,155.3	2,528.0	3,926.5	2,505.4
Trade and other payables	4,551.5	1,312.7	1,389.1	1,136.9	755.2	1,068.5	691.9
Property, plant and equipment	2,177.6	2,423.8	2,520.4	2,107.0	1,927.0	2,106.0	2,494.0
Total assets	15,919.8	10,498.2	9,948.3	8,445.1	8,705.6	9,660.8	8,287.0
Total Debt	1,873.8	1,260.8	1,597.3	647.7	1,249.5	2,444.7	1,171.6
Long term financing (excluding current maturity)	290.1	369.9	487.2	117.1	202.2	255.2	280.2
Deferred income (including current maturity)	3.3	3.8	4.3	8.7	13.3	13.3	13.4
Deferred liability - staff retirement benefits	-	67.9	279.8	73.6	-	23.7	100.5
Short term financing (including current maturity of long-term financing)	2,184.2	942.1	1,574.0	947.7	1,710.3	2,771.2	1,738.8
Reserves	7,975.4	6,939.7	5,343.1	5,322.1	5,194.5	4,672.0	4,617.7
Shareholders' equity	8,751.8	7,716.0	6,119.4	6,098.4	5,970.8	5,448.3	5,394.1
C - Summary of Statement of Cash Flows							
Cash and cash equivalents at the beginning of the year	403.0	(433.4)	(334.7)	(659.5)	(558.9)	(818.6)	(172.1)
Cashflow from operations	(701.3)	1,279.5	35.8	137.7	1,227.8	(988.9)	399.5
Net cash (used in) / generated from operating activities	(1,616.9)	657.5	(363.7)	81.7	1,036.0	(1,385.6)	(228.4)
Net cash generated from / (used in) investing activities	685.7	917.3	(646.7)	872.6	80.1	384.2	1,421.6
Net cash generated from / (used in) financing activities	2.7	(738.4)	911.7	(629.5)	(1,216.7)	1,261.1	(590.7)
Net (decrease) / increase in cash and cash equivalents	(928.5)	836.4	(98.7)	324.8	(100.6)	259.7	602.5
Cash and cash equivalents at the end of the year	(525.5)	403.0	(433.4)	(334.7)	(659.4)	(558.9)	(818.6)
Net cash (used in) / generated from operating activities - Discontinued operation	(0.1)	(64.0)	106.0	(68.0)	(225.0)	111.0	(408.0)
Net cash used in investing activities - Discontinued operation	-	-	-	(0.8)	(1.8)	-	(2.5)
Net cash used in financing activities - Discontinued operation	-	-	(6.3)	(37.5)	(32.0)	(33.5)	(86.2)
D - Other Data							
Depreciation and amortization	271.8	265.9	231.7	207.6	217.6	225.8	115.4
Capital expenditure	582.3	247.8	535.5	91.6	65.6	9.2	131.3
No. of ordinary shares (no. of shares in million)	77.6	77.6	77.6	77.6	77.6	77.6	77.6
Payments to National Exchequer	1,584.1	2,703.6	1,031.2	1,620.6	1,527.3	1,047.7	527.2

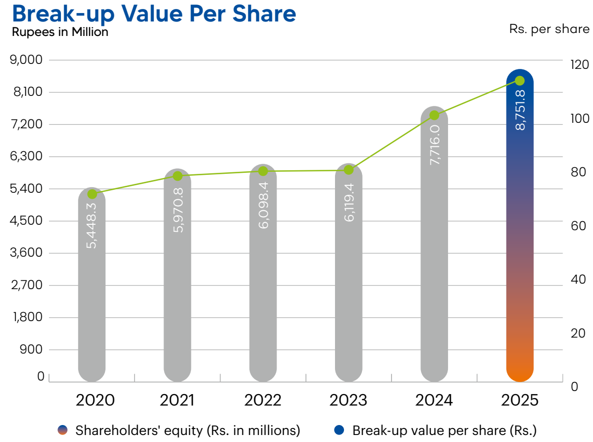
Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA)

Rupees in Million



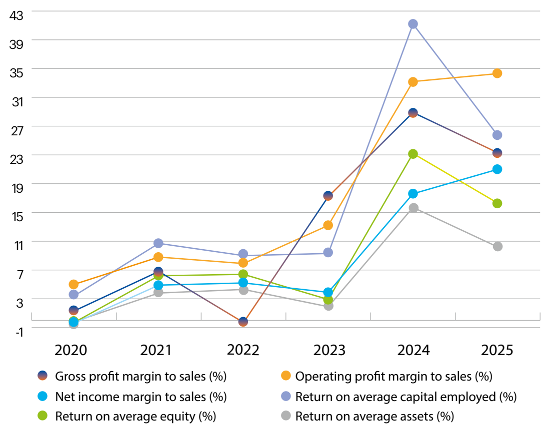
Shareholders' Equity and Break-up Value Per Share

Rupees in Million



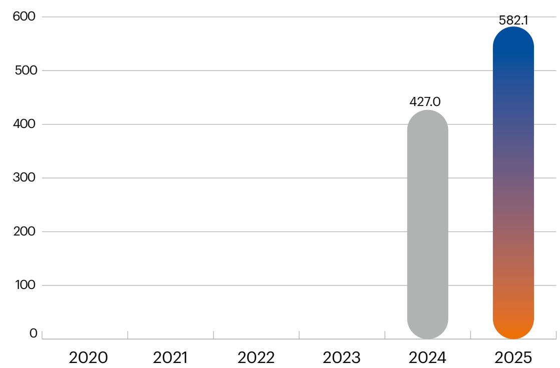
Profitability and Return

Percentage



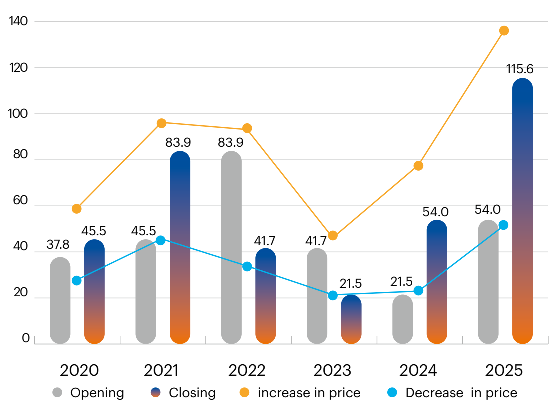
Dividend (Including Final Proposed)

Rupees in Million



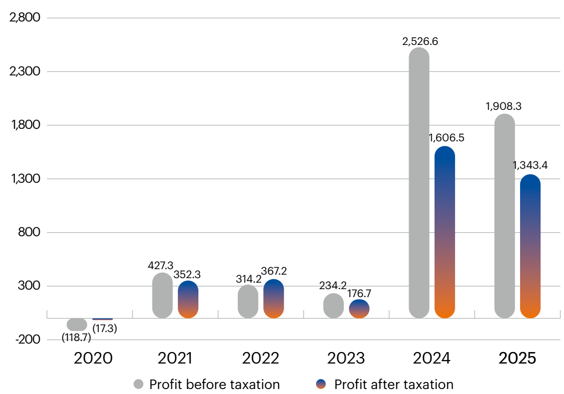
Movement in Stock Prices

Price



Profit Before and After Taxation

Rupees in Million



VERTICAL ANALYSIS

of Unconsolidated Statement of Financial Position and Profit or Loss
For The Last Six Financial Years

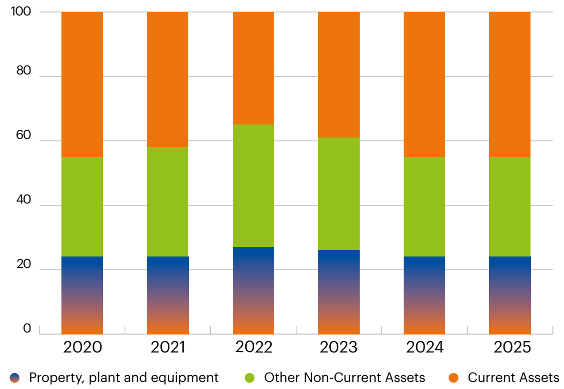
Rupees in million	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
Statement of Financial Position												
Property, plant and equipment	1,999	12.6	2,195	20.9	2,438	24.5	2,107	24.9	1,927	22.1	2,106	21.8
Right-of-use assets	179	1.1	229	2.2	83	0.8	110	1.3	132	1.5	169	1.7
Intangible assets	-	-	-	-	1	0.0	4	0.0	6	0.1	1	0.0
Investment properties	113	0.7	54	0.5	55	0.6	56	0.7	58	0.7	20	0.2
Long term investments	2,240	14.1	2,810	26.8	2,545	25.6	2,363	28.0	2,469	28.4	2,304	23.8
Long term deposits	71	0.4	71	0.7	27	0.3	29	0.3	24	0.3	224	2.3
Deferred taxation - net	85	0.5	392	3.7	876	8.8	805	9.5	428	4.9	463	4.8
Stores, spares and loose tools	385	2.4	405	3.9	340	3.4	171	2.0	163	1.9	169	1.7
Stock-in-trade	2,984	18.7	1,448	13.8	1,269	12.8	1,190	14.1	1,237	14.2	2,131	22.1
Trade debts	1,641	10.3	1,472	14.0	464	4.7	175	2.1	137	1.6	226	2.3
Loan and advances	311	2.0	195	1.9	285	2.9	165	2.0	136	1.6	145	1.5
Trade deposits and short term prepayments	19	0.1	16	0.1	14	0.1	25	0.3	290	3.3	62	0.6
Short term investments	1,537	9.7	667	6.4	552	5.5	419	5.0	222	2.5	125	1.3
Other receivables	3,461	21.7	85	0.8	296	3.0	128	1.5	358	4.1	220	2.3
Taxation - net	406	2.6	156	1.5	673	6.8	691	8.2	1,115	12.8	1,273	13.2
Cash and bank balances	75	0.5	303	2.9	30	0.3	7	0.1	4	0.0	23	0.2
Non-current assets held for sale	414	2.6	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Total assets	**15,920**	**100**	10,498	100	9,948	100	8,445	100	8,706	100	9,661	100
Issued, subscribed and paid-up capital	776	4.9	776	7.4	776	7.8	776	9.2	776	8.9	776	8.0
Capital reserve	1,021	6.4	1,021	9.7	1,021	10.3	1,021	12.1	1,021	11.7	1,021	10.6
Revenue reserves	6,955	43.7	5,919	56.4	4,322	43.4	4,301	50.9	4,174	47.9	3,651	37.8
Shareholders' equity	**8,752**	**55.0**	7,716	73.5	6,119	61.5	6,098	72.2	5,971	68.6	5,448	56.4
Long term loans	132	0.8	157	1.5	425	4.3	50	0.6	128	1.5	190	2.0
Lease liabilities	158	1.0	213	2.0	62	0.6	67	0.8	75	0.9	65	0.7
Deferred income	3	0.0	3	0.0	4	0.0	1	0.0	4	0.0	7	0.1
Deferred liability - staff retirement benefits	-	-	68	0.6	280	2.8	74	0.9	-	-	24	0.2
Trade and other payables	4,551	28.6	1,313	12.5	1,389	14.0	1,137	13.5	755	8.7	1,069	11.1
Unclaimed dividend	112	0.7	26	0.2	16	0.2	26	0.3	26	0.3	26	0.3
Mark-up accrued	27	0.2	60	0.6	78	0.8	37	0.4	28	0.3	54	0.6
Short term borrowings	1,965	12.3	629	6.0	1,290	13.0	812	9.6	1,515	17.4	2,676	27.7
Current portion of long term loans	174	1.1	270	2.6	270	2.7	113	1.3	159	1.8	49	0.5
Current portion of lease liabilities	45	0.3	42	0.4	14	0.1	22	0.3	36	0.4	47	0.5
Current portion of deferred income	1	0.0	1	0.0	1	0.0	8	0.1	9	0.1	6	0.1
Total equity and liabilities	**15,920**	**100.0**	10,498	100.0	9,948	100.0	8,445	100.0	8,706	100.0	9,661	100.0
Statement of Profit or Loss												
Sales - net	6,381	100.0	9,112	100.0	4,406	100.0	4,624	100.0	5,194	100.0	2,850	100.0
Cost of sales	4,856	76.1	6,415	70.4	3,594	81.6	4,524	97.8	4,558	87.8	2,810	98.6
Gross profit	**1,525**	**23.9**	2,697	29.6	812	18.4	100	2.2	636	12.2	40	1.4
Income from investments - net	1,462	22.9	1,070	11.7	207	4.7	970	20.9	233	4.6	389	13.6
Distribution and selling expenses	36	0.6	55	0.6	65	1.5	15	0.3	14	0.3	12	0.4
Administrative expenses	651	10.2	516	5.7	367	8.3	300	6.5	228	4.4	229	8.0
Other operating expenses	76	1.2	271	2.9	17	0.4	52	1.1	26	0.5	28	1.0
Other income	72	1.1	183	2.0	84	1.9	56	1.2	183	3.5	31	1.1
Operating profit before finance costs	**2,296**	**36.0**	3,108	34.1	654	14.8	759	16.4	784	15.1	191	6.7
Finance costs	289	4.5	497	5.4	354	8.0	209	4.5	185	3.6	273	9.6
Profit / (loss) before taxation from continuing operations	**2,007**	**31.5**	2,611	28.7	300	6.8	550	11.9	599	11.5	(82)	(2.9)
Taxation (charge) / reversal	(565)	(8.9)	(920)	(10.1)	(57)	(1.3)	52	1.1	(75)	(1.4)	101	3.6
Net profit for the year from continuing operations	**1,442**	**22.6**	1,691	18.6	243	5.5	602	13.0	524	10.1	19	0.7
Net loss from discontinued operation	(99)	(1.6)	(84)	(1.0)	(66)	(1.5)	(235)	(5.1)	(172)	(3.3)	(36)	(1.3)
Net profit / (loss) for the year	**1,343**	**21.1**	1,607	17.6	177	4.0	367	7.9	352	6.8	(17)	(0.6)

HORIZONTAL ANALYSIS

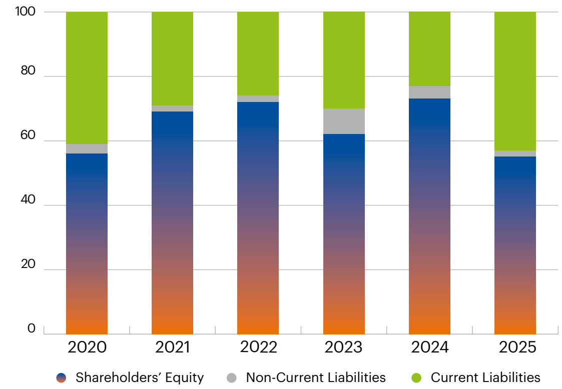
of Unconsolidated Statement of Financial Position and Profit or Loss
For The Last Six Financial Years

Rupees in million	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
Statement of Financial Position												
Property, plant and equipment	1,999	(8.9)	2,195	(10.0)	2,438	15.7	2,107	9.3	1,927	(8.5)	2,106	(15.6)
Right-of-use assets	179	(22.0)	229	175.8	83	(24.5)	110	(16.7)	132	(21.9)	169	100.0
Intangible assets	-	-	-	(100.0)	1	(75.0)	4	(33.3)	6	500.0	1	-
Investment properties	113	110.1	54	(2.4)	55	(1.8)	56	(3.4)	58	190.0	20	(4.8)
Long term investments	2,240	(20.3)	2,810	10.4	2,545	7.7	2,363	(4.3)	2,469	7.2	2,304	1.7
Long term deposits	71	(0.8)	71	164.4	27	(6.9)	29	20.8	24	(89.3)	224	(3.9)
Deferred taxation-net	85	(78.2)	392	(55.3)	876	8.8	805	88.1	428	(7.6)	463	58.6
Stores, spares and loose tools	385	(5.0)	405	19.1	340	98.8	171	4.9	163	(3.6)	169	(9.1)
Stock-in-trade	2,984	106.1	1,448	14.1	1,269	6.6	1,190	(3.8)	1,237	(42.0)	2,131	159.6
Trade debts	1,641	11.5	1,472	217.3	464	165.1	175	27.7	137	(39.4)	226	135.4
Loan and advances	311	59.2	195	(31.5)	285	72.7	165	21.3	136	(6.2)	145	17.9
Trade deposits and short term prepayments	19	22.3	16	12.1	14	(44.0)	25	(91.4)	290	367.7	62	24.0
Short term investments	1,537	130.4	667	20.9	552	31.7	419	88.7	222	77.6	125	(25.1)
Other receivables	3,461	3,967.5	85	(71.3)	296	131.3	128	(64.2)	358	62.7	220	(11.6)
Taxation-net	406	160.7	156	(76.8)	673	(2.6)	691	(38.0)	1,115	(12.4)	1,273	1.0
Cash and bank balances	75	(75.4)	303	910.7	30	328.6	7	75.0	4	(82.6)	23	(17.9)
Non-current assets held for sale	414	100.0	-	-	-	-	-	-	-	-	-	-
Total assets	**15,920**	**51.6**	10,498	5.5	9,948	17.8	8,445	(3.0)	8,706	(9.9)	9,661	16.6
Issued, subscribed and paid-up capital	776	-	776	-	776	-	776	-	776	-	776	-
Capital reserve	1,021	-	1,021	-	1,021	-	1,021	-	1,021	-	1,021	-
Revenue reserves	6,955	17.5	5,919	36.9	4,322	0.5	4,301	3.0	4,174	14.3	3,651	1.5
Shareholders' equity	**8,752**	**13.4**	7,716	26.1	6,119	0.3	6,098	2.1	5,971	9.6	5,448	1.0
Long term loans	132	(15.8)	157	(63.0)	425	750.0	50	(60.9)	128	(32.6)	190	7.3
Lease liabilities	158	(25.8)	213	243.1	62	(7.5)	67	(10.7)	75	15.4	65	(36.9)
Deferred income	3	(15.2)	3	(17.5)	4	300.0	1	(75.0)	4	(42.9)	7	-
Deferred liability-staff retirement benefits	-	(100.0)	68	(75.8)	280	278.4	74	100.0	-	(100.0)	24	(76.2)
Trade and other payables	4,551	246.7	1,313	(5.5)	1,389	22.2	1,137	50.6	755	(29.4)	1,069	54.5
Unclaimed dividend	112	326.3	26	63.8	16	(38.5)	26	-	26	-	26	(3.7)
Mark-up accrued	27	(54.1)	60	(23.7)	78	110.8	37	32.1	28	(48.1)	54	28.6
Short term borrowings	1,965	212.2	629	(51.2)	1,290	58.9	812	(46.4)	1,515	(43.4)	2,676	69.7
Current portion of long term loans	174	(35.7)	270	0.1	270	138.9	113	(28.9)	159	224.5	49	(55.5)
Current portion of lease liabilities	45	5.7	42	202.1	14	(36.4)	22	(38.9)	36	(23.4)	47	(7.8)
Current portion of deferred income	1	-	1	(50.0)	1	(87.5)	8	(11.1)	9	50.0	6	-
Total equity and liabilities	**15,920**	**51.6**	10,498	5.5	9,948	17.8	8,445	(3.0)	8,706	(9.9)	9,661	16.6
Statement of Profit or Loss												
Sales-net	6,381	(30.0)	9,112	106.8	4,406	(4.7)	4,624	(11.0)	5,194	82.2	2,850	(29.9)
Cost of sales	4,856	(24.3)	6,415	78.5	3,594	(20.5)	4,524	(0.8)	4,558	62.2	2,810	(26.9)
Gross profit / (loss)	**1,525**	**(43.5)**	2,697	232.3	812	708.5	100	(84.2)	636	1,491.3	40	(81.8)
Income from investments-net	1,462	36.6	1,070	415.9	207	(78.6)	970	316.3	233	(40.1)	389	102.6
Distribution and selling expenses	36	(35.1)	55	(15.8)	65	345.3	15	3.9	14	14.1	12	(17.5)
Administrative expenses	651	26.1	516	40.4	367	22.3	300	31.7	228	(0.3)	229	21.7
Other operating expenses	76	(71.9)	271	1,494.7	17	(67.3)	52	103.4	26	(8.4)	28	(3.7)
Other income	72	(60.7)	183	116.6	84	50.6	56	(69.4)	183	491.3	31	(65.2)
Operating profit before finance costs	**2,296**	**(26.1)**	3,108	375.3	654	(13.9)	759	(3.1)	784	310.7	191	(29.1)
Finance costs	289	(42.0)	497	40.4	354	69.6	209	13.0	185	(32.3)	273	11.9
Profit / (loss) before taxation from continuing operations	**2,007**	**(23.1)**	2,611	771.4	300	(45.6)	550	(8.1)	599	827.4	(82)	(429.3)
Taxation (charge) / reversal	(565)	38.6	(920)	(1,513.7)	(57)	(209.6)	52	169.3	(75)	(174.3)	101	(14.4)
Net profit for the year from continuing operations	**1,442**	**(14.7)**	1,691	597.0	243	(59.7)	602	15.0	524	2,706.5	19	(86.9)
Net loss from discontinued operation	(99)	(18.1)	(84)	(27.2)	(66)	72.0	(235)	(37.1)	(172)	(377.0)	(36)	(100.0)
Net Profit for the year	**1,343**	**(16.4)**	1,607	809.4	177	(51.9)	367	4.2	352	2,136.4	(17)	(112.1)

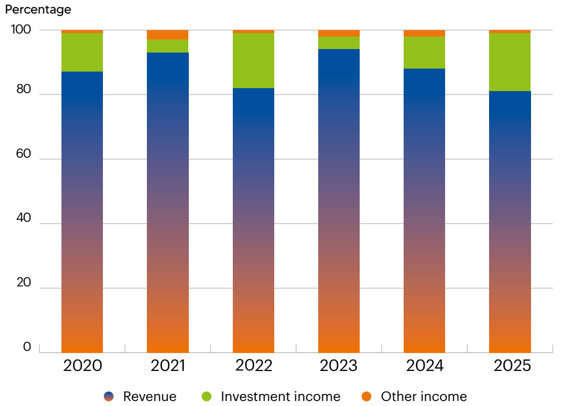
Statement of Financial Position Analysis (Assets)



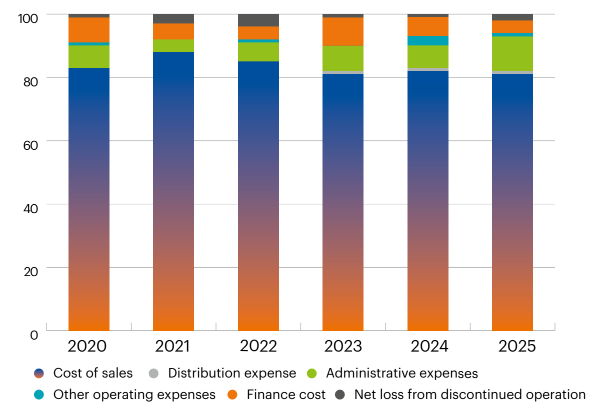
Statement of Financial Position Analysis (Equity and Liabilities)



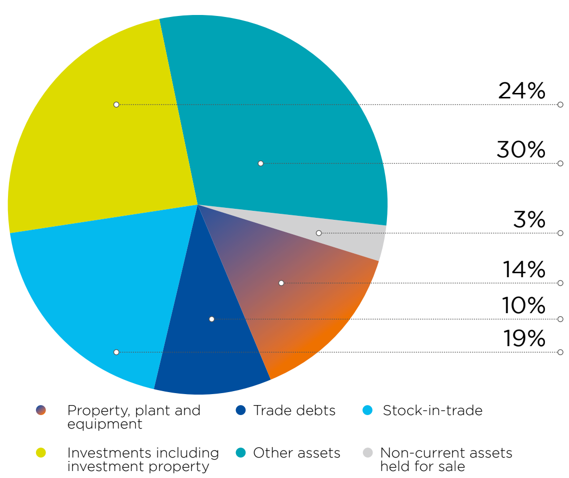
Profit or Loss Analysis (Revenue and Income)



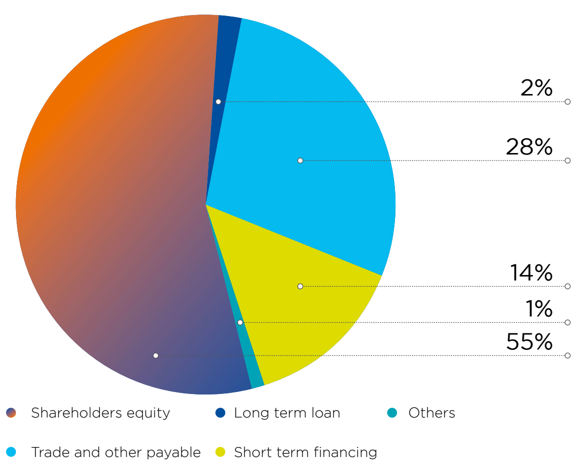
Profit or Loss Analysis (Expenses)



Total Assets as of June 30, 2025



Total Equity and Liabilities as of June 30, 2025



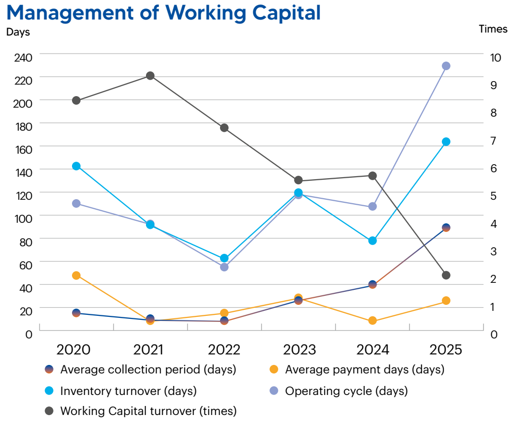
SUMMARY DATA AND PERFORMANCE INDICATORS

For The Current And Past Six Financial Years

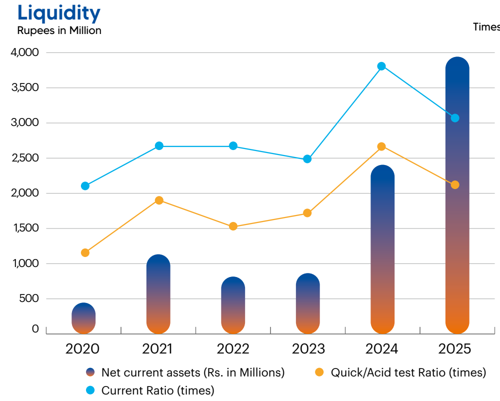
Performance Indicators	2025	2024	2023	2022	2021	2020	2019
A - Profitability Ratios							
Earnings before interest, taxation, depreciation and amortization (EBITDA) (Rs. in million)	2,468.5	3,289.9	824.6	768.6	855.9	416.8	384.4
Profit before taxation and depreciation (Rs. in million)	2,180.1	2,791.1	462.1	520.3	643.6	107.6	140.2
Gross profit / (loss) ratio (%)	23.9	29.6	18.4	2.2	12.2	1.4	5.4
Operating profit margin to sales (net) (%)	36.0	34.1	14.8	16.4	15.1	6.7	6.6
Net profit / (loss) margin to sales (net) (%)	21.1	17.6	4.0	7.9	6.8	(0.6)	3.5
EBITDA margin to sales (net) (%)	38.5	36.1	18.3	10.8	11.8	10.9	9.5
Earnings before interest and taxation (EBIT) (Rs. in million)	2,196.7	3,024.0	593.5	561.5	638.3	190.4	269.0
Operating leverage ratio	0.9	4.02	(0.16)	5.16	2.62	4.87	1.84
Return on equity (%)	15.4	20.8	2.9	6.0	5.9	(0.3)	2.7
Return on average equity (%)	16.3	23.2	2.9	6.4	6.2	(0.3)	2.6
Shareholders' funds (%)	55.0	73.5	61.5	72.2	68.6	56.4	65.1
Return on shareholders' funds (%)	15.4	20.8	2.9	6.0	5.9	(0.3)	2.7
Return on capital employed (RoCE) (%)	24.3	37.4	9.0	9.0	10.3	3.3	4.7
Return on average capital employed (%)	25.7	41.2	9.3	9.1	10.7	3.3	4.2
Return on average assets (%)	10.2	15.7	1.9	4.3	3.8	(0.2)	1.6
Return on investment (%)	39.6	32.3	6.6	32.1	9.1	16.1	7.8
Total Shareholder Return (%)	128.0	176.8	(48.4)	(50.3)	84.4	20.4	(58.6)
B - Liquidity Ratios							
Current ratio	1.6 : 1	2 : 1	1.3 : 1	1.4 : 1	1.4 : 1	1.1 : 1	1.2 : 1
Quick / Acid-test ratio	1.1 : 1	1.4 : 1	0.9 : 1	0.8 : 1	1 : 1	0.6 : 1	0.9 : 1
Cash to current liabilities (%)	(7.6)	17.2	(14.2)	(15.5)	(26.1)	(14.2)	(32.7)
Cash flow from operations to sales (%)	(25.2)	7.2	(8.1)	1.2	14.3	(36.3)	(5.6)
Working capital (Rs. in million)	3,944.1	2,406.9	865.2	816.8	1,134.3	447.0	475.7
Working capital turnover (times)	2.0	5.6	5.4	7.3	9.2	8.3	4.7
Cash flow to Capital Expenditure (times)	(1.2)	5.2	0.1	1.5	18.7	(107.5)	3.0
Cashflow coverage ratio (times)	(0.4)	1.0	0.0	0.2	1.0	(0.4)	0.3
C - Activity / Turnover Ratios							
Debtors turnover ratio (times)	4.1	9.4	14.1	45.4	40.0	23.7	40.1
No. of days in receivables / Average collection period (days)	89	39	26	8	9	15	9
Inventory turnover ratio (times)	2.2	4.8	3.0	5.9	4.0	2.6	3.3
No. of days in inventory (days)	164	77	120	62	91	143	112
Creditors turnover ratio (times)	14.9	45.8	13.1	23.7	43.4	7.6	3.5
No. of days in creditors / Average payment period (days)	25	8	28	15	8	48	103
Property, plant and equipment turnover (times)	2.9	3.8	1.8	3.4	3.8	1.8	1.6
Total assets turnover (times)	0.4	0.9	0.5	0.8	0.8	0.4	0.5
Operating cycle (days)	229	107	118	55	92	110	18
D - Investment / Market Ratios							
Basic and diluted earnings / (loss) per share (Rs.)	17.30	20.69	2.28	4.72	4.53	(0.22)	1.85
Price earnings ratio (times)	6.7	2.6	9.4	8.8	18.5	-	20.4
Price to book ratio (times)	1.0	0.5	0.3	0.5	1.1	0.6	0.5
Dividend yield (%) *	6.5	10.2	-	-	-	-	-
Dividend payout ratio (%) *	43.4	26.6	-	-	-	-	-
Dividend cover ratio (times) *	2.3	3.8	-	-	-	-	-
Cash dividend (Rs. in million) *	582.1	427.0	-	-	-	-	-
Cash dividend per share (Rs.) *	7.5	5.5	-	-	-	-	-
Market value per share (at the end of the year) (Rs.)	115.6	54.0	21.5	41.7	83.9	45.5	37.8
- Lowest during the year (Rs.)	51.6	23.1	21.5	34.0	45.8	27.8	27.4
- Highest during the year (Rs.)	136.3	77.9	46.3	93.3	96.4	58.7	101.9
Break-up value per share (Rs.)	112.8	99.4	78.9	78.6	76.9	70.2	69.5
Break-up value per share including RP investment at MV (Rs.)	141.1	137.0	110.2	109.1	119.6	111.2	116.4
E - Capital Structure Ratios							
Financial leverage ratio (%)	28.3	17.0	33.7	17.4	32.0	55.6	37.4
Long term debt to equity ratio (%) - Book value	3.3	4.8	8.0	1.9	3.4	4.7	5.2
Long term debt to equity ratio (%) - Market value	3.2	8.8	29.2	3.6	3.1	7.2	9.6
Weighted average cost of debt (%)	9.29	21.53	16.85	12.08	6.24	8.93	8.84
Long term debt : Equity ratio	3 : 97	5 : 95	7 : 93	2 : 98	3 : 97	4 : 96	5 : 95
Total liabilities to total assets (%)	45.0	26.5	38.4	27.8	31.4	43.5	34.8
Gearing ratio (%)	21.5	11.6	24.9	14.8	24.2	35.5	27.0
Interest coverage (times)	7.6	6.1	1.6	2.3	3.0	0.6	1.1
Net assets per share (Rs.)	112.8	99.4	78.9	78.6	76.9	70.2	69.5
F - Non-Financial Ratio							
Plant availability (%)							
- Steel Division	61.8	89.2	95.0	47.7	96.3	88.3	-
- Cotton Division	-	-	26.0	97.8	98.3	82.7	-
- Hadeed Division	-	-	-	126.5	104.5	70.7	-
- Energy Division	-	-	-	106.5	100.5	90.8	-
Customer satisfaction index (%)	95.0	92.5	93.2	95.7	94.0	92.3	-
Production per employee							
- Steel Division (In tons per employee)	168.1	227.8	144.4	46.0	82.8	41.9	-
- Cotton Division (In Kgs per employee)	-	-	64,627.8	17,695.4	18,544.7	15,043.2	-
- Hadeed Division (In mtons per employee)	-	-	-	-	748.2	473.7	-
Revenue per employee (Rs. in million)	15.7	21.0	5.8	9.5	4.9	5.4	8.9
No. of employees	406	431	778	755	789	481	891
Staff turnover ratio (%) **	41.7	23.0	209.7	112.8	89.9	90.1	88.8
Spares inventory as percentage of assets cost (%)	2.4	3.9	3.4	1.9	1.8	1.8	2.2
Maintenance cost as percentage of operating expenses (%)	54.4	41.9	62.2	40.6	136.1	33.7	95.1

Notes:
* This includes declaration of final cash dividend recommended by the Board of Directors subsequent to year end.
** Major reason to high turnover rate in 2023 is due to non operation of Cotton division.
Customer retention ratio cannot be calculated due to nature of business.

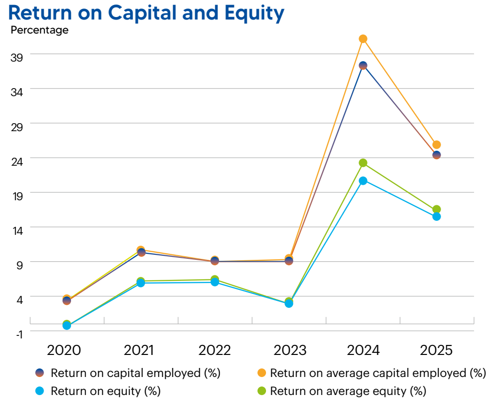
Management of Working Capital



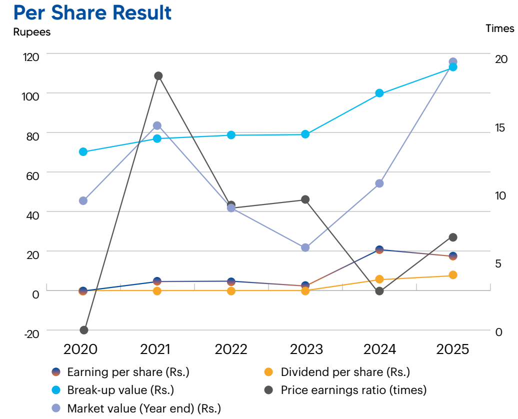
Liquidity



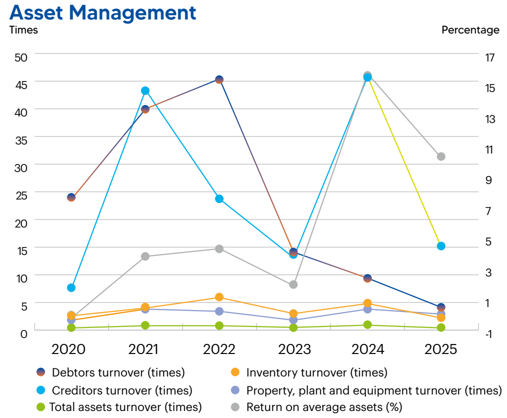
Return on Capital and Equity



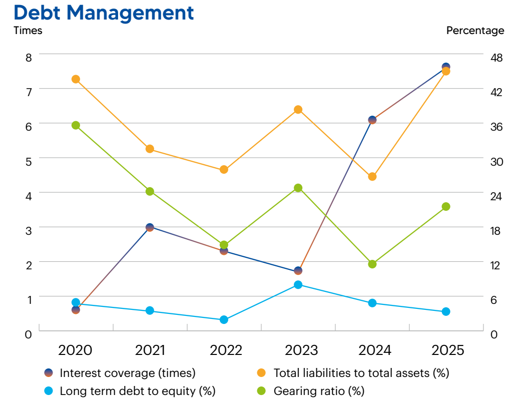
Per Share Result



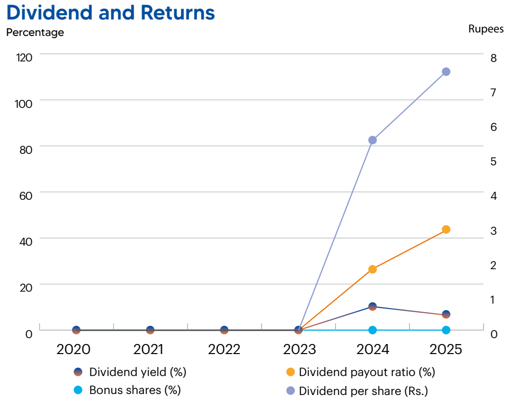
Asset Management



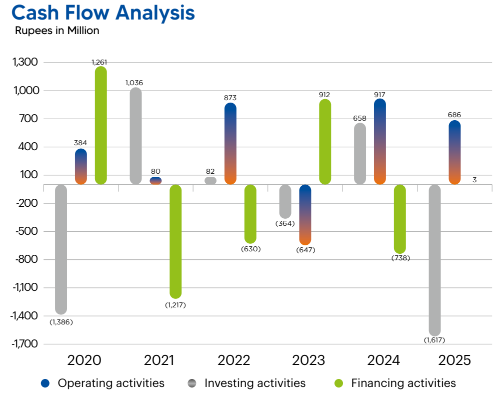
Debt Management



Dividend and Returns

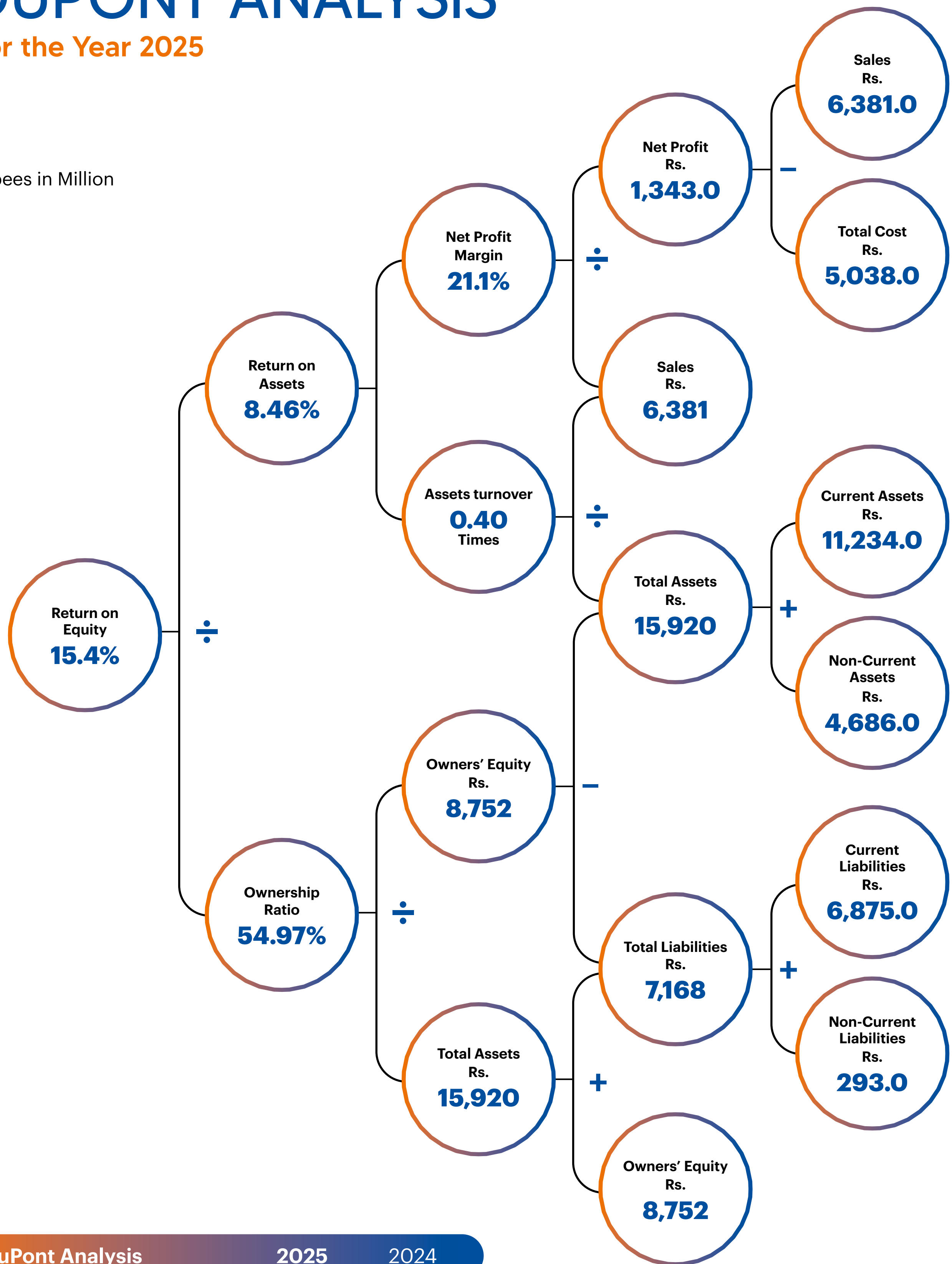


Cash Flow Analysis



DUPONT ANALYSIS
For the Year 2025

Rupees in Million



DuPont Analysis	2025	2024
Tax burden	-28.1%	-36.4%
Interest burden	14.4%	19.7%
EBIT margin	36.0%	34.1%
Asset turnover (times)	0.4	0.9
Leverage	28.3%	17.0%
Return on equity	15.4%	20.8%

QUARTERLY ANALYSIS

Sales Performance

Annual Sales:
The company recorded total net sales of Rs. 6,412.0 million in FY25. The Steel division, amounting to Rs. 6,346.3 million, was the primary contributor to revenue, accounted for 99% of the total sales. Cotton and Energy divisions remained non-operational while the operation of Hadeed (Billet) division had been classified as discontinued operation during the year.

Quarterly Sales Breakdown:

Q1FY25

Sales were entirely driven by the Steel division, which contributed Rs. 1,145.8 million. The division supplied 16.9 km of bare pipes and 16.6 km of coated pipes to CHEC, contributing to Rs. 707.6 million. Additionally, 14 km of bare pipes were delivered to SNGPL, generating Rs. 402.1 million. Other divisions remained non-operational during this quarter.

Q2FY25

This quarter saw a significant increase in the Company's sales, which was mainly contributed by the Steel division amounting to Rs. 1,965.6 million, in which 48.6 km of bare pipes were supplied to SNGPL amounting Rs. 1,061.9 million, and coated pipes (84.0" and 15.9") worth Rs. 381.0 million, were supplied to CHEC.

Q3FY25

The highest quarterly sales were recorded in Q3, amounting to Rs. 2,423.9 million. The Steel division again being the sole contributor, with major supplies of 72.9 km of bare pipes to SNGPL, amounting to Rs. 2,144.6 million.

Q4FY25:

Sales declined to Rs. 844.9 million, with the Steel division remaining dominant at Rs. 811.0 million, while the Cotton Division contributed Rs. 33.8 million. The decline was due to the delayed arrival of HRC, which prevented the execution of planned contracts for the quarter. However, these contracts are expected to be executed in Q1FY26. Other divisions remained non-operational during this quarter.

Income from Investment

During FY25, investment income amounted to Rs. 1,461.7 million, primarily driven by dividend income received from Altern Energy Limited (ALTN), which contributed Rs. 734.4 million. The highest investment income was recorded in Q3FY25, amounting to Rs. 909.4 million. which includes dividend income amounting to Rs. 407.8, out of which Rs. 376.5 million was contributed by dividend from ALTN. Additionally, a realized gain of Rs. 389.8 was recorded in this quarter, of which Rs. 378.6 million generated from disposal of ALTN's shares.

This was followed by Q2FY25, with investment income of Rs. 585.5 million, supported by dividend income of Rs. 357.9 million from ALTN. However, Q4FY25 posted a negative investment income of Rs. 48.1 million, mainly due to a loss of Rs. 27.9 million on investment in Shakarganj Food Products Limited.

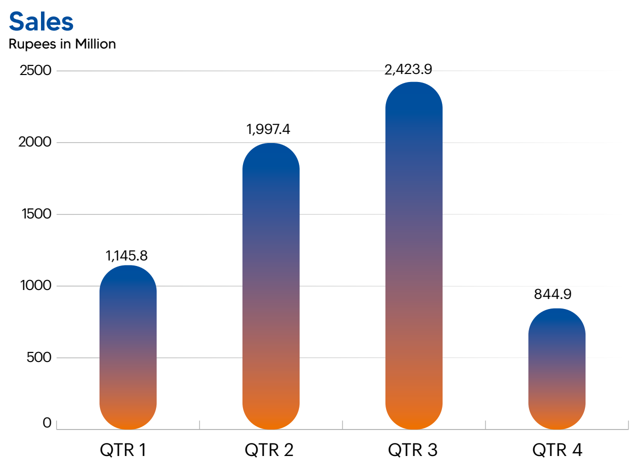
Profit Before Taxation (PBT)

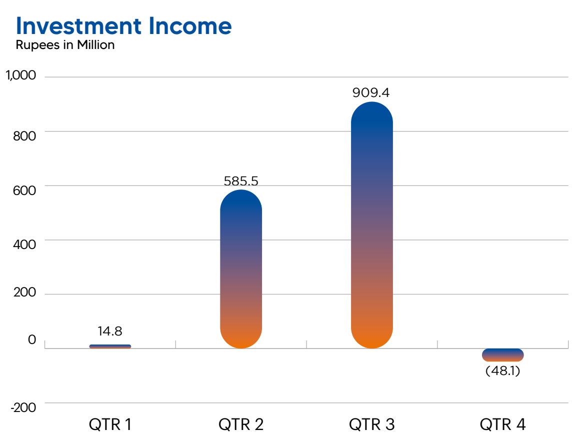
The company reported PBT of Rs. 1,908.2 million for FY25. In Q1FY25, Steel division contributed 152% with Rs. 128.9 million, and IID contributed 11%, while Cotton, Energy, and Hadeed posted combined losses of Rs. 53.1 million. In Q2FY25, IID division led with Rs. 577.5 million posting 69% on quarter's PBT, followed by the Steel division with Rs. 307.6 million, representing 37% of quarter's PBT.

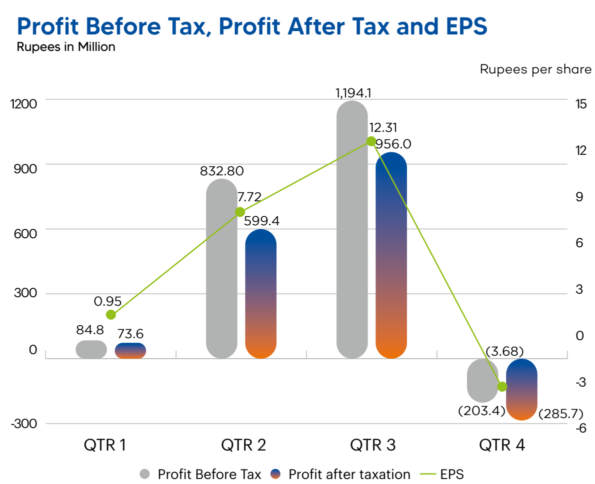
Q3FY25 marked the highest quarterly PBT at Rs. 1,194.1 million, mainly driven by IID, contributing 74% (Rs. 888.7 million) and followed by the Steel division, contributing 32% (Rs. 385.7 million), which was partially offset by losses of Rs. 80.3 million from other divisions. However, Q4FY25 recorded a total loss of Rs. 203.4 million, with all divisions reporting negative PBT.

Profit After Taxation (PAT)

The company's Profit After Tax (PAT) for FY25 stood at Rs. 1,343.3 million. Quarterly performance showed significant growth in the first three quarters, with Rs. 73.6 million in Q1, Rs. 599.4 million in Q2 and peaking at Rs. 956.0 million in Q3. However, Q4FY25 recorded a decline, posting a net loss of Rs. 285.7 million.



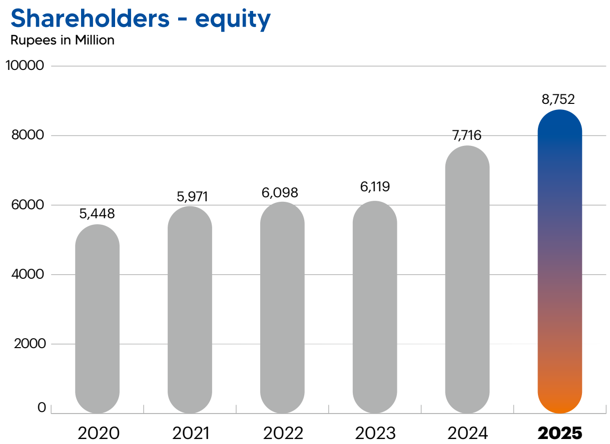




COMMENTS ON SIX-YEAR STATEMENT OF FINANCIAL POSITION

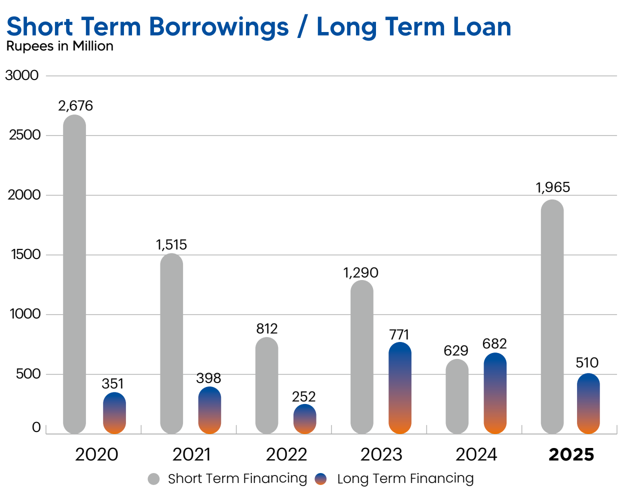
Equity

Over the past six years, the company's equity has grown from Rs. 5,448 million in FY20 to Rs. 8,752 million in FY25. This consistent increase is attributed to the company's sustained profitability, highlighting a positive trend in equity growth.



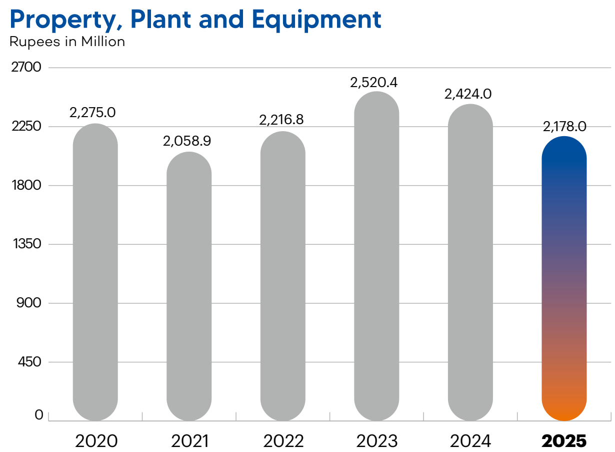
Short Term Borrowings / Long Term Loan

Short-term borrowings were highest in FY20, amounting to Rs. 2,676 million, declined to Rs. 1,515 million in FY21 and hit their lowest level in FY24 amounting to Rs. 629 million. As of June 30, 2025, borrowing was Rs. 1,965 million, mainly to finance the raw material for the orders in hand which were planned for execution in FY26. Meanwhile, long-term loans were Rs. 351 million in FY20, reported the lowest in FY22, amounting to Rs. 252 million. The highest loans were reported in FY23 amounting to Rs. 771 million, driven by the issuance of Rs. 800 million in 3-year long-term SUKUK.



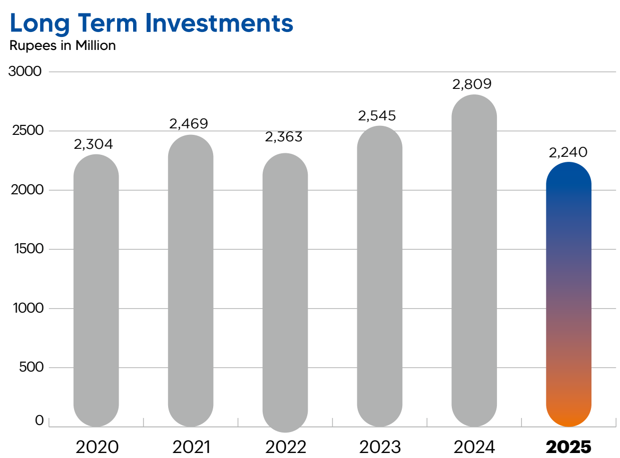
Property, Plant and Equipment

The book value of property, plant, and equipment reduced from Rs. 2,275 million in FY20 to Rs. 2,178 million in FY25. The reduction in FY25 was primarily due to reclassification of Hadeed's assets to non-current assets held for sale. The highest book value of property, plant, and equipment was reported in FY23, amounting to Rs. 2,520.4 million due to the capitalization of Hydrotesting machine along with its shed. The lowest value of property, plant, and equipment was reported in FY21, amounting to Rs. 2,058.9 million.



Long Term Investments

Long-term investments decreased from Rs. 2,304 million in FY20 to Rs. 2,240 million in FY25. The highest investment was reported in FY24, amounting to Rs. 2,809 million. The increase in long term investment in last six-year period is mainly contributed by increase in investment in subsidiaries, amounting to Rs. 350 million and increase in fair value of other long term investment, which is compensated by the disposal of investment in associate, Altern Energy Limited.

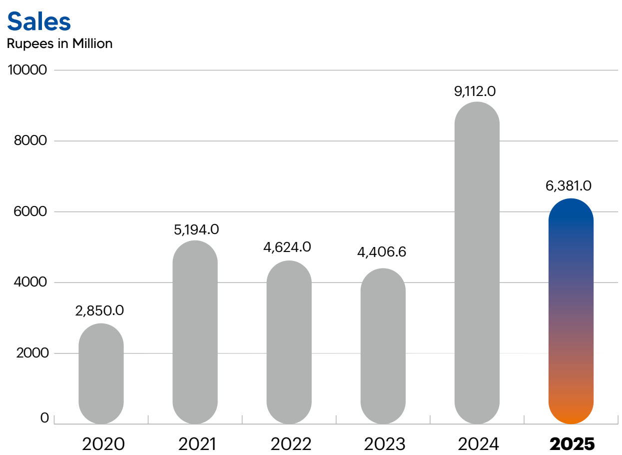


COMMENTS ON SIX-YEAR PROFIT OR LOSS

The Company has four core businesses i.e., Steel line pipe (Steel segment), Cotton spinning (Cotton segment), Electricity supply (CS Energy Division) and Billets manufacturing (Hadeed-Billet Division). Infrastructure and development projects of oil and gas industry directly impact the top and bottom lines of Steel segment. During FY24 and FY25, the Steel line pipe segment remained the main contributor to sales on the back of pipe distribution projects initiated by WAPDA (K-IV project) and the Gas Companies, During the year, the Cotton division and Energy division remained non-operational, and the Hadeed division was classified as "discontinued operation".

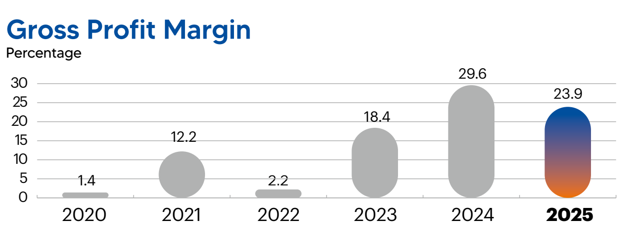
Sales

Sales increased by 124% over the six-year period, rising from Rs. 2,850 million in FY20 to Rs. 6,381 million in FY25. The highest sales were recorded in FY24 at Rs. 9,111.6 million, primarily driven by the CHEC contract. The lowest sales occurred in FY20 due to low order intakes, high idling costs, and COVID-19-related staffing and supply chain disruptions. FY23 reported the second-lowest sales amounting to Rs. 4,406.6 million.



Gross Profit

The gross profit margin improved significantly over the six-year period, rising from 1.3% in FY20 to 23.9% in FY25. The highest margin of 29.6% was recorded in FY24, driven by the execution of major orders. The lowest margin was in FY20, reported a gross loss ratio of 1.4% due to COVID-19. FY22 reported the second-lowest margin at 2.2%, due to rising steel prices, global supply chain disruptions, and extended plant idling.



Operating Expense

Distribution and selling expenses amounted to Rs. 35.7 million in FY25, compared to Rs. 12.0 million in FY20. The increase is broadly aligned with the growth in sales over the period. The highest expense was recorded in FY23, amounting to Rs. 65.2 million.

Administrative expenses rose significantly from Rs. 229.1 million in FY20 to Rs. 650.6 million in FY25, reflecting increased operational activity and inflationary pressures.

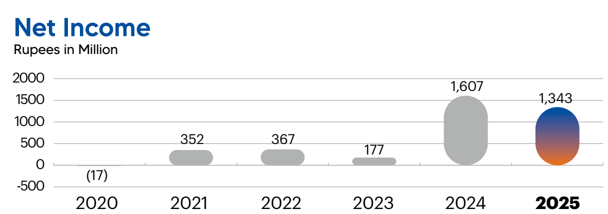
Other operating expenses increased significantly from Rs. 28.0 million in FY20 to Rs. 76.2 million in FY25, primarily driven by higher provisions for Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF). These provisions are directly correlated with the company's profitability, which saw a notable rise during the period.

Finance Cost

Finance costs for FY25 decreased to Rs. 288.4 million as compared to Rs. 273.1 million in FY20. The trend in finance costs from FY20 to FY25 reflects the shifts in monetary policy during this period. In FY20, the policy rate remained at 13.25% for most of the year, contributing to a finance cost of Rs. 273.1 million. Although the rate was subsequently reduced to 7% in FY21, it began rising again, reaching a peak of 22% in FY24, resultantly finance costs amounting to Rs. 497.4 million was recorded. However, with the easing of rates to 11% in FY25, finance cost reduced to Rs. 288.4 million, indicating a partial relief in financial pressure.

Profit or Loss After Taxation

Fluctuations in the Profit or loss after taxation over the six-year period were largely influenced by changing market dynamics across various business segments. Despite these variations, the Company successfully sustained overall profitability throughout the period, except for FY20. During that year, performance was adversely impacted by the broader economic downturn caused by the COVID-19 pandemic.



Cash Flows

Cash used in operations decreased to Rs. 701.3 million in FY25 from Rs. 988.8 million in FY20, reflecting improved operational cash management. Working capital increased from Rs. 1,025.6 million in FY20 to Rs.

1,818.5 million in FY25, indicating continued investment. The highest positive change was recorded in FY21 at Rs. 722.2 million, primarily due to reduction in stock-in-trade and trade debtors, followed by FY22 at Rs. 372.8 million. The most significant increase occurred in FY25 due to a sharp increase in stock-in-trade and other receivables. This increase reflects higher business activity and inventory buildup to support future sales growth.

Net cash used in operating activities amounted to Rs. 1,616.8 million in FY25, compared to Rs. 1,385.6 million in FY20. During last six years, cash from operating activities was generated in FY21, FY22, and FY24 amounting to Rs. 1,036 million, Rs. 81.7 million, and Rs. 657.5 million respectively, mainly due to effective management of working capital.

Net cash generated from investing activities increased to Rs. 685.7 million in FY25 from Rs. 384.2 million in FY20. The highest cash inflow from investing activities was recorded in FY24, amounting to Rs. 917.3 million, mainly contributed by dividend income of Rs. 819.3 million, while the highest cash outflow occurred in FY23 amounting to Rs. 646.7 million. Over the six- year period, capital expenditure remained the only cash outflow from investing activities.

The highest cash inflow from financing activities was observed in FY20 amounting to Rs. 1,261.1 million, primarily contributed by borrowing of short term loan, which was subsequently repaid in FY21 resulting in outflow of Rs. 1,261.7. During FY25, net cash inflow from financing activities amounted to Rs. 2.7 million was primarily supported by proceeds from short-term borrowings amounting to Rs. 785.6 million which was partially set off by dividend payment of Rs. 574.4 million and repayments of long-term loans amounting Rs. 120.2 million.

Ratio Analysis

Profitability Ratios

During FY25, the company reported an EBITDA of Rs. 2,468.5 million (FY24: Rs. 3,289.9 million) and profit before taxation and depreciation of Rs. 2,180.1 million (FY24: Rs. 2,791.1 million), reflecting stable operational performance. The gross profit margin was recorded at 23.9%, compared to 29.6% in FY24. This slight reduction in gross profit margin was primarily due to absorption of fixed costs in Q4FY25, during which orders could not be executed due to delayed arrival of HRC. Operating profit margin to sales improved slightly to 36.0% from 34.1% in FY24, while the net profit margin to sales increased to 21.1% (FY24: 17.6%), indicating consistent bottom-line growth. The EBITDA margin to sales increased to 38.5%, up from 36.1% in the previous year, highlighting enhanced operational efficiency. These results demonstrate the company's continued ability to generate strong earnings and sustain operational efficiency, reflecting sound financial management and strategic execution.

Liquidity Ratios

In FY25, the company maintained a stable liquidity position with a current ratio of 1.6 (FY24: 2) and a quick ratio of 1.1 (FY24: 1.4), reflecting its ability to meet short term obligations. Working capital reached Rs. 3,944.1 million (FY24: Rs. 2,406.9 million), due to significant increase in short-term investments, and other receivables. While cash flow metrics showed temporary pressure, the overall liquidity structure remains sound, supported by prudent financial controls.

Activity / Turnover Ratios

Inventory turnover days increased to 164 (FY24: 77 days), and debtor turnover days rose to 89 (FY24: 39 days), reflecting extended credit terms. Creditors' turnover reached 25 days from 8 days, indicating favorable and strong relationship with suppliers, while total asset turnover remained steady at 0.4 times, ensuring consistent asset utilization.

Investment / Market Ratios

Earnings per share (EPS) remained strong at Rs. 17.30 (FY24: Rs. 20.69) and price-to-earnings (P/E) ratio rose to 6.7 times (FY24: 2.6 times), reflecting improved investor sentiment. The market value per share closed at Rs. 115.5 (FY24: Rs. 54.0), while the dividend payout ratio was recorded at 43.4% (FY24: 26.6%), indicating a balanced approach to shareholder returns.

Capital Structure Ratios

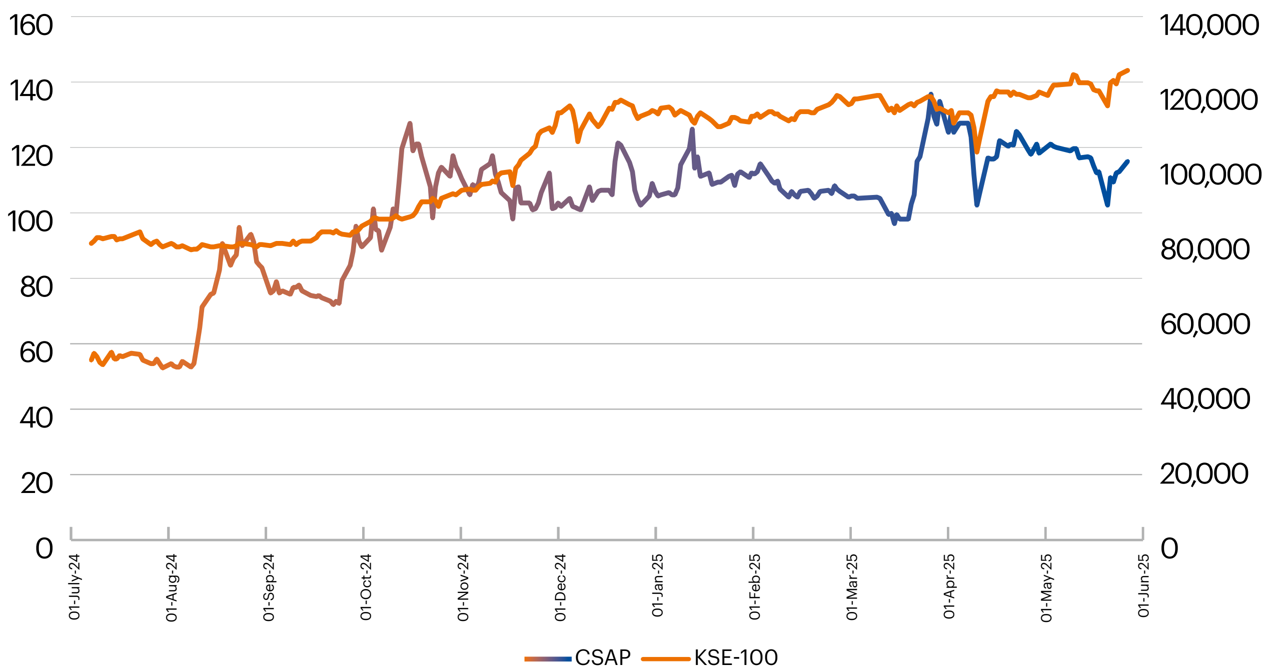
The financial leverage ratio increased to 28.3% (FY24: 17.0%) primarily driven by higher short-term financing, while long term debt-to-equity declined to 3.3% (FY24: 4.8%) reflecting repayments of long-term borrowings on committed dates. The interest coverage ratio improved to 7.6 times (FY24: 6.1 times), primarily due to a reduction in finance costs from Rs. 497.3 million in FY24 to Rs. 288.9 million in FY25, ability to payback and sustainable profit, indicating enhanced debt servicing capacity.

SHARE PRICE SENSITIVITY ANALYSIS

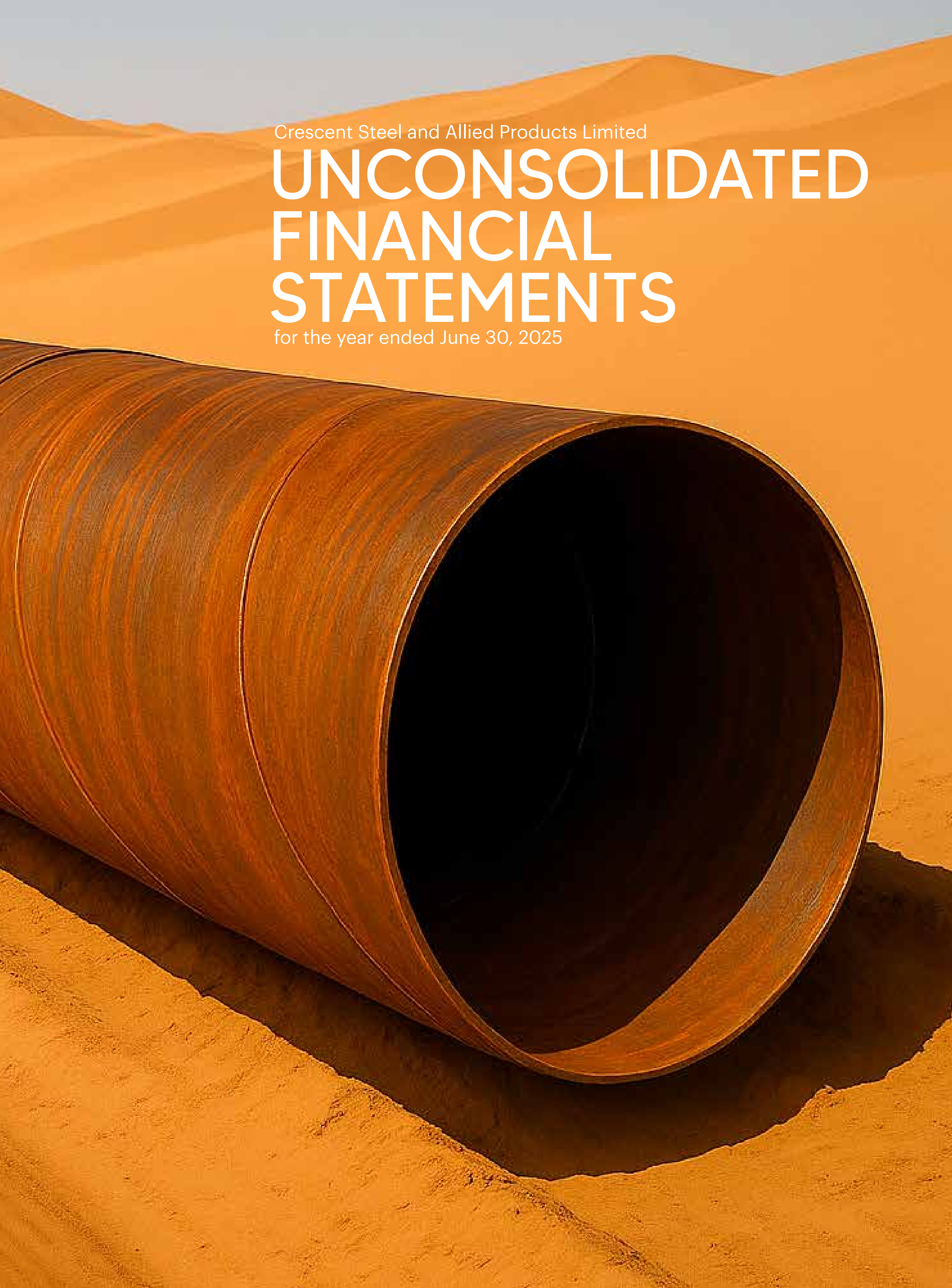
CSAP opened FY25 at Rs. 54.01 and closed at Rs. 115.63, delivering a stellar annual return of 114%. The stock traded within a wide range of Rs. 51.01 to Rs. 139.90, reflecting heightened market volatility. Average daily trading volumes rose significantly to 1.78 million shares compared to 0.49 million in FY24, underscoring strong investor participation. The rally was supported by robust earnings performance, with EPS rebounding from Rs. 2.28 in FY23 to Rs. 20.69 in FY24 and sustained at Rs. 17.30 in FY25, highlighting improved profitability and operational resilience. Moreover, FY25 marked a year of stabilization for Pakistan's economy, supported by the IMF Stand-By Arrangement, improved external account management, and credit rating upgrades from global agencies. Inflation trended downward from double-digit levels, the current account swung into surplus in several months, and remittances posted record inflows, collectively strengthening macroeconomic stability. KSE-100 also performed strongly, with the KSE-100 index posting a 60.15% YoY gain.

CSAP Vs KSE-100

Rupees per Share




ENGINEERING VALUE.
BUILDING TRUST.



Crescent Steel and Allied Products Limited

UNCONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2025

pwc

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Crescent Steel and Allied Products Limited
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Crescent Steel and Allied Products Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Afferguson & Co

A. F. Ferguson & Co
Chartered Accountants
Karachi
Dated: October 05, 2025

UDIN: CR202510056Zl3sMPLYn

A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State life Building. No. 1-C, 1.1. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6 / 32426711-5; Fax: +92 (21) 32415007 / 32427938 / 32424740; <www.pwc.com/pk>

KARACHI LAHORE ISLAMABAD

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INDEPENDENT AUDITOR'S REPORT

To the members of Crescent Steel and Allied Products Limited
Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Crescent Steel and Allied Products Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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KARACHI LAHORE ISLAMABAD

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Valuation of the Company's Long Term Investments	How the matter was addressed in our audit
	(Refer notes 4, 6.4, 19.3 and 46.1 to the unconsolidated financial statements) The 'other long term investments' include Company's investments in shares of Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs 313.484 million and Rs 316.401 million respectively as at June 30, 2025. Fair values of these investments are not measured in an active market and are determined through the application of valuation techniques under accounting and reporting standards and use of unobservable inputs that involve the exercise of judgments over assumptions and estimates used by the management of the Company for this purpose. Due to the level of judgements involved in determining fair values of these unquoted investments, we considered this to be a key audit matter.	Our audit procedures, amongst others, included the following: • Obtained understanding of the management's process of valuation; • Read report of management's expert which included the methods of valuation and details about the inputs to the valuation models; • Involved internal valuation specialists to review the valuation methodologies and assumptions used by the management's expert; • Discussed the rationale of the inputs to the valuation models and assessed their reasonableness; • Checked mathematical accuracy of the calculations; and • Assessed whether the related disclosures made in the unconsolidated financial statements are in accordance with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

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

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

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Osama Moon.

A. F. Ferguson & Co
Chartered Accountants
Karachi
Dated: October 05, 2025

UDIN: AR202510056EOdiYVHU4

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital	7	776,325	776,325
Capital reserve	8	1,020,908	1,020,908
Revenue reserves	8	6,954,534	5,918,816
		8,751,767	7,716,049
LIABILITIES			
Non-current liabilities			
Long term loans	9	132,289	157,163
Lease liabilities	10	157,781	212,702
Deferred income	11	2,763	3,300
Deferred liability – staff retirement benefits	45	–	67,937
		292,833	441,102
Current liabilities			
Trade and other payables	12	4,551,503	1,312,672
Unclaimed dividend		111,697	26,188
Mark-up accrued	13	27,284	59,522
Short term borrowings	14	1,964,959	629,493
Current portion of long term loans	9	174,469	270,303
Current portion of lease liabilities	10	44,727	42,285
Current portion of deferred income	11	537	537
		6,875,176	2,341,000
Total liabilities		7,168,009	2,782,102
Contingencies and commitments	15		
Total equity and liabilities		15,919,776	10,498,151

Rupees in '000	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	16	1,999,071	2,194,965
Right-of-use assets	16	178,578	228,869
Intangible assets	17	–	–
Investment properties	18	112,804	53,730
Long term investments	19	2,239,541	2,809,511
Long term deposits	20	70,798	71,369
Deferred taxation - net	21	85,265	391,768
		4,686,057	5,750,212
Current assets			
Stores, spares and loose tools	22	384,837	404,968
Stock-in-trade	23	2,983,801	1,447,594
Trade debts	24	1,641,032	1,472,246
Loans and advances	25	310,898	195,507
Trade deposits and short term prepayments	26	19,166	15,720
Short term investments	27	1,537,401	667,732
Other receivables	28	3,461,381	85,147
Taxation - net	29	406,233	155,824
Cash and bank balances	30	74,586	303,201
		10,819,335	4,747,939
Non-current assets held for sale	31	414,384	–
Total current assets		11,233,719	4,747,939
Total assets		15,919,776	10,498,151

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive	Director	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
Sales	32	7,499,843	10,752,196
Less: Sales tax		1,119,193	1,640,585
		6,380,650	9,111,611
Cost of sales	33	4,856,212	6,414,343
Gross profit		1,524,438	2,697,268
Income from investments - net	34	1,461,678	1,069,683
		2,986,116	3,766,951
Distribution and selling expenses	35	35,678	55,202
Administrative expenses	36	650,502	515,359
Other operating expenses	37	76,227	271,302
		762,407	841,863
		2,223,709	2,925,088
Other income	38	71,922	182,700
Operating profit before finance costs		2,295,631	3,107,788
Finance costs	39	288,416	497,403
Profit before taxation from continuing operations		2,007,215	2,610,385
Taxation charge	40	(564,943)	(920,072)
Net profit for the year from continuing operations		1,442,272	1,690,313
Net loss from discontinued operation		(98,993)	(83,810)
Net profit for the year		1,343,279	1,606,503
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) - net of tax		5,371	228
Gain on remeasurement of staff retirement benefit plans - net of tax		346,945	145,151
Other comprehensive income for the year		352,316	145,379
Total comprehensive income for the year		1,695,595	1,751,882

		(Rupees)	
Basic and diluted earnings per share	41	17.30	20.69
Basic and diluted - earnings per share from continuing operations	41	18.58	21.77

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
Cash flows from operating activities			
Cash (used in) / generated from operations	42	(701,320)	1,279,546
Tax paid		(509,472)	(58,041)
Finance costs paid		(285,321)	(468,828)
Contribution to gratuity and pension funds	45.1.3	(45,628)	(36,769)
Contribution to Workers' Profit Participation Fund	12.4	(91,875)	(16,134)
Contribution to Workers' Welfare Fund		(19,015)	–
Long term deposits – net		35,752	(42,303)
Net cash (used in) / generated from operating activities		(1,616,879)	657,471
Cash flows from investing activities			
Capital expenditure		(581,405)	(247,844)
Proceeds from disposal of operating fixed assets		13,696	224,384
Amount received against non–current assets held for sale	31	250,000	–
Investments – net		176,824	16,029
Dividend income received	34	802,580	819,278
Interest income received		23,991	105,419
Net cash generated from investing activities		685,686	917,266
Cash flows from financing activities			
Repayments of long term loans – net		(120,191)	(269,370)
Payments against finance lease obligations		(88,329)	(77,248)
Proceeds from / (repayments of) short term loans – net		785,571	(246,594)
Dividends paid		(574,368)	(145,158)
Net cash generated from / (used in) financing activities	42.1	2,683	(738,370)
Net (decrease) / increase in cash and cash equivalents		(928,510)	836,367
Cash and cash equivalents at beginning of the year		402,979	(433,388)
Cash and cash equivalents at end of the year	43	(525,531)	402,979

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive | Director | Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2025

Rupees in '000	Issued, subscribed and paid-up capital	Capital reserve (note 8.1)	Revenue reserves (note 8.2)			Total revenue reserves	Total
		Share premium	Fair value reserve	General reserve	Unappropriated profit		
Balance as at July 01, 2023	776,325	1,020,908	1,609	3,642,000	678,590	4,322,199	6,119,432
Total comprehensive income for the year ended June 30, 2024							
Profit for the year	–	–	–	–	1,606,503	1,606,503	1,606,503
Other comprehensive income for the year	–	–	228	–	145,151	145,379	145,379
Total comprehensive income for the year	–	–	228	–	1,751,654	1,751,882	1,751,882
Transaction with owners of the Company – distributions							
– Interim dividend @ 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2024	–	–	–	–	(155,265)	(155,265)	(155,265)
Balance as at June 30, 2024	776,325	1,020,908	1,837	3,642,000	2,274,979	5,918,816	7,716,049
Total comprehensive income for the year ended June 30, 2025							
Profit for the year	–	–	–	–	1,343,279	1,343,279	1,343,279
Other comprehensive income for the year	–	–	5,371	–	346,945	352,316	352,316
Total comprehensive income for the year	–	–	5,371	–	1,690,224	1,695,595	1,695,595
Transaction with owners of the Company – distributions							
– Final dividend @ 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024	–	–	–	–	(271,714)	(271,714)	(271,714)
– Interim dividend @ 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2025	–	–	–	–	(155,265)	(155,265)	(155,265)
– Interim dividend @ 30% (i.e. Rs. 3.00 per share) for the year ended June 30, 2025	–	–	–	–	(232,898)	(232,898)	(232,898)
	–	–	–	–	(659,877)	(659,877)	(659,877)
Balance as at June 30, 2025	776,325	1,020,908	7,208	3,642,000	3,305,326	6,954,534	8,751,767

The annexed notes from 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive | Director | Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
For the year ended June 30, 2025

1. THE COMPANY AND ITS OPERATIONS

1.1 Crescent Steel and Allied Products Limited ("the Company") was incorporated on August 1, 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Company is located at E-floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore. Whereas its principal office is situated at 9th floor Sidco Avenue Centre 264 R. A. Lines, Karachi.

1.2 The Company's steel segment is manufacturing large diameter spiral arc welded steel line pipes at Nooriabad, District Jamshoro, Sindh. The Company has a coating facility capable of applying three layers high density polyethylene coating on steel line pipes. The coating plant commenced commercial production from November 16, 1992. The Company's fabrication unit is engaged in fabrication and erection of machinery located at Dalowal, District Faisalabad, Punjab.

1.3 The Company is running cotton spinning unit at Jaranwala, District Faisalabad. This activity is carried out by the Company under the name and title of "Crescent Cotton Products" a division of the Company.

1.4 The Company is also managing a portfolio of equity investments and real estate through its Investment and Infrastructure Division from the principal office of the Company.

1.5 The Company's energy segment's activity is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to Pakistan Electric Power Company (PEPCO) / Distribution Companies (DISCOs) under an agreement with the Government of Pakistan or to any other consumer as permitted. The generation plant use bagasse in the combustion process to produce power and processed steam. The plant of the Company is located at Bhone, district Jhang, Punjab.

1.6 The Company's Hadeed (Billet) Segment manufactures the billets that are used by re-rolling mills to manufacture bars and other steel long products for use in the construction and engineering sectors. The plant of the Company is located at Bhone, district Jhang, Punjab. As stated in note 31 to these unconsolidated financial statements, the Company's Hadeed (Billet) segment has been classified as 'Discontinued Operation'. The comparative figures of the unconsolidated statement of profit or loss and other comprehensive income for the year ended June 30, 2024 has been represented accordingly.

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

The Company's net sales from continuing operations aggregated to Rs. 6,380.65 million (2024: Rs. 9,111.61 million), out of which 99.46% was generated from Steel division and 0.54% percent from Cotton division.

During the year, KSE-100 index benchmark increased by 60.15 percent closing at 125,627.31 points as of reporting date. The Company generated dividend income amounting to Rs. 801.39 million including dividend income amounting to Rs. 734.42 million received from the associated company.

3. BASIS OF PREPARATION

3.1 Unconsolidated financial statements

These are the unconsolidated financial statements of the Company in which investments in subsidiaries and associates are stated at cost less accumulated impairment, if any. The consolidated financial statements of the Company are prepared and presented separately.

3.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP) as are 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 IFRS Accounting Standards or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise specifically stated.

3.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistan Rupees which is also the Company's functional currency. The amounts have been rounded to the nearest thousand of Pakistan Rupees.

4. USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

In preparing these unconsolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively in the period in which the estimates are 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.

Significant accounting estimates and areas where judgements were made by the management in the application of the accounting policies are as follows:

- Property, plant and equipment and Right-of-use assets (refer note 6.1)
- Investments (refer note 6.4)
- Stores, spares and loose tools and stock-in-trade (refer notes 6.7 and 6.8)
- Deferred liability - staff retirement benefits (refer note 6.11)
- Leases (refer note 6.13)
- Taxation (refer note 6.16)
- Provisions (refer note 6.2)
- Impairment (refer notes 6.1, 6.3, 6.4, 6.5 and 6.6)
- Contingencies (refer note 6.25)

5. NEW STANDARDS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS

5.1 Amendments to published accounting and reporting standards which became effective during the year:

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and financial reporting and have, therefore, not been disclosed in these unconsolidated financial statements

5.2 Standards and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

Standards and amendments	Effective date (Accounting period beginning on or after)
– IFRS 9 'Financial Instruments' (Amendments)	January 1, 2026
– IFRS 7 'Financial Instruments: Disclosures' (Amendments)	January 1, 2026
– IAS 21 'The Effects of Changes in Foreign Exchange Rates' (Amendments)	January 1, 2025

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan

Standards

– IFRS 1 'First-time Adoption of International Financial Reporting Standards'

– IFRS 18 'Presentation and Disclosure in Financial Statements'

– IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The management is in the process of assessing the impact of these standards and amendments on these unconsolidated financial statements.

6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies are consistently applied in the preparation of these unconsolidated financial statements and are the same as those applied in earlier periods presented.

6.1 Property, plant and equipment

Owned assets

Property, plant and equipment, except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is measured at cost less impairment, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other cost directly attributable to bring the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs, if any.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The carrying amount of the part so replaced is derecognized. The costs relating to day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is charged to profit or loss on a straight line basis at the rates specified in note 16.1 to these unconsolidated financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off or retained.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted, if material. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in these unconsolidated financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal

Disposal of an item of property, plant and equipment is recognized when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the profit or loss.

Right-of-use assets

The Right-of-use assets is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Depreciation is charged on the same basis as used for owned assets.

Capital work-in-progress

Capital work in progress is stated at cost less accumulated impairment, if any and consists of expenditure incurred and advances made in respect of tangible and intangible assets during the course of their construction and installation. Transfers are made to relevant assets category as and when assets are available for intended use.

Impairment

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount is the higher of its fair value less cost to sell and value in use . An impairment is recognized in the profit or loss if the carrying amount exceeds its estimated recoverable amount.

6.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed out as incurred.

Amortization

Amortization is charged to profit or loss on a straight line basis at the rates specified in note 17 to these unconsolidated financial statements, over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off. The assets' residual values, useful lives and amortization methods are reviewed at each reporting date, and adjusted if material.

Impairment

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount, it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists than the assets' recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

6.3 Investment properties

Investment property, principally comprising of land and buildings, is held for long term rental yields / capital appreciation. The investment property of the Company comprises of land and buildings and is valued using the cost method i.e. at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs, if any.

Depreciation

Depreciation is charged to the profit or loss on the straight line method at the rates specified in the note 18 to these unconsolidated financial statements so as to allocate the depreciable amount over its estimated useful life. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off.

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

Impairment

The Company assess at each reporting date whether there is any indication that an investment property may be impaired. If such indication exists then the assets recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. An impairment loss is recognized in the profit or loss if the carrying amount exceeds its estimated recoverable amount.

Disposal

Disposal of an investment property is recognized when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in the profit or loss.

6.4 Financial instruments

6.4.1 Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

6.4.2 Financial asset

Classification

On initial recognition, a financial asset is classified as measured at:

– Amortized cost;
– Fair value through other comprehensive income (FVOCI) - Debt investment;
– Fair value through other comprehensive income (FVOCI) - Equity investment; or
– Fair value through profit and loss (FVTPL).

The classification depends on the Company's business model for managing financial assets and the contractual terms of the financial assets cash flows.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

– the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI - Debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI - Equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in investment's fair value in Other comprehensive income. This election is made on an investment-by-investment basis.

FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL.

Subsequent measurement and derecognition

Financial assets are not reclassified subsequently to the initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets classified at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments classified as FVOCI are subsequently measured at fair value. Interest income calculated using effective method, foreign exchange gain and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments classified as FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, when the Company's right to receive payments is established. This category only includes equity instruments, which the Company intends to hold for the foreseeable future. On de-recognition, there is no reclassification of fair value gains and losses to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.

The financial assets classified at FVTPL are subsequently measured at fair value and net gains and losses, including any interest or dividend income, are recognized in profit or loss. Net gains and losses (unrealized and realized), including any interest or dividend income, are recognized in profit or loss.

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.

Impairment of financial assets

The Company recognizes a loss for "expected credit loss" (ECL) for financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The financial assets at amortized cost consist of trade debts, cash and cash equivalents, loans and other receivables.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance. For other debt financial assets (i.e., loans etc.), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due and a financial asset in default when contractual payments are 90 days past due.

6.4.3 Financial liabilities

Classification and subsequent measurement

The Company classifies its financial liabilities as those to be measured subsequently at amortized cost using the effective interest method, if they are not:

- contingent consideration of an acquirer in a business combination;
- held-for-trading; or
- designated as at FVTPL.

The Company does not classify any of its financial liabilities under FVTPL.

Derecognition

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the profit or loss.

Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the unconsolidated statement of financial position when the Company currently has a legally enforceable right to offset the amounts and it intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

6.5 Investments in subsidiaries

Investments in subsidiaries are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense in the profit or loss.

6.6 Investments in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Investment in associate is initially recognized at cost. At subsequent reporting dates, the recoverable amount is estimated to determine the extent of impairment loss, if any, and carrying amounts of investment is adjusted accordingly. Impairment losses are recognized as an expense in the profit or loss.

6.7 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon less impairment if any.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimate regarding their future usability and is charged to profit or loss.

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

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are classified as fixed assets under the 'plant and machinery' category and are depreciated over a time period not exceeding the useful life of the related assets.

6.8 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is arrived at on a weighted average basis. Cost of work-in-process and finished goods include cost of materials and appropriate portion of production overheads. The cost of finished goods of Steel segment is assigned by using specific identification of their individual costs. Scrap stocks are valued at their estimated net realizable value.

Net realizable value is the estimated selling prices of products in the ordinary course of business less estimated cost of completion and cost necessary to be incurred in order to make the sale.

6.9 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortized cost. Trade debts and other receivables are recognized and carried at original invoice amount (unless there is a significant financing component) less an estimated allowance made for doubtful debts and receivables based on 'ECL' model. Balances considered bad and irrecoverable are written off when identified. Subsequent recoveries of amounts previously written off are credited in the profit or loss.

6.10 Cash and cash equivalents

Cash and cash equivalents are carried at cost and comprise of cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

6.11 Employee benefits

6.11.1 Compensated absences

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences. No actuarial valuation of compensated absences is carried out as management considers its financial impact would be immaterial.

6.11.2 Post retirement benefits

6.11.2.1 Defined contribution plan - Provident fund

The Company operates a provident fund scheme for its permanent employees. Equal monthly contributions are made by the Company and its employees. Obligation for contributions to the fund are recognized as an expense in the profit or loss when they are due.

Cotton segment

Provision and collection from employees are made at the rate of 6.25% of basic pay of Cotton segment employees. A trust has been established and its approval has been obtained from the Commissioner of Income Tax.

All employees except Cotton segment

Contributions to the fund are made at the rate of 8.33% of basic pay for those employees who have served the Company for a period of less than five years and after completion of five years, contributions are made at the rate of 10%.

6.11.2.2 Defined benefit plans

Pension and gratuity fund schemes

The Company provides gratuity benefits to all its permanent eligible employees who have completed their minimum qualifying period as per the terms of employment. The pension scheme provides life time pension to retired employees or to their spouses. The liability recognized in the unconsolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The Company's obligation is determined through actuarial valuations carried out under the "Projected Unit Credit Method". Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense, current service cost and any past service cost are recognized in profit or loss. Any assets resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. The latest actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

6.11.2.3 Staff benevolent fund

The Company has established staff benevolent fund as separate legal entity under the Trust Act, 1882 and registered under Income Tax Ordinance, 2001. The objective of this fund is to provide at the discretion of the trustees, post retirement medical cover / facilities for retired employees and other hardship cases of extraordinary nature of existing employees of the Company. Contributions to the fund are recognized as expense in the profit or loss when they are incurred.

6.12 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the profit or loss over the period of the borrowings on an effective interest basis.

6.13 Leases liabilities

Leases are recognized as Right-of-use (RoU) asset and a lease liability at the lease commencement date except for short term or low value leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method i.e. it is increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For sale and lease back if the Company has obtained control of the underlying asset and the transfer is classified as a sale in accordance with IFRS 15 and measures a right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The gain (or loss) recognized is limited to the proportion of the total gain (or loss) that relates to the rights transferred.

If the consideration for the sale is not equal to the fair value of the asset, any resulting difference represents either a prepayment of lease payments (if the purchase price is below market terms) or an additional financing (if the purchase price is above market terms).

If the transfer is not a sale (i.e., the Company does not obtain control of the asset in accordance with IFRS 15), it does not derecognize the transferred asset and accounts for the cash received as a financial liability.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

6.14 Government grants

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. Loans at below-market rates to be initially measured at their fair value - i.e. at the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the Government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

6.15 Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

6.16 Taxation

The tax expense comprises current and deferred tax. Tax is recognized in the profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Group taxation

The Parent company has opted for Group taxation under section 59AA of the Income Tax Ordinance, 2001 along with its subsidiary CS Capital (Private) Limited. These companies are taxed as one fiscal unit under this scheme. The current and deferred income taxes have been estimated on income of each of the companies according to the applicable law and are recognized by each company separately within the Group, regardless of who has the legal liability for settlement or the legal right for recovery of the tax. Any adjustments arising solely due to Group taxation in respect of result of the subsidiary is recognized in the Parent Company and the amounts paid to or receivable from the Parent company are adjusted accordingly.

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and contains impacts of group taxation as explained above.

Current tax assets and tax liabilities are offset where the Company has the legally enforceable right to offset and intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount 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 realization or settlement of the carrying amount of assets and liabilities, using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits or taxable temporary difference will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority."

6.17 Revenue recognition

Revenue comprises of sales to third parties and is measured based on the consideration specified in contracts with customers and excludes rebates and amounts, if any, collected on behalf of third parties. Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies the performance obligations as specified in the contract with the customer, and when it transfers control over the promised good or service to the customer. The Company has generally concluded that it is the principal in its revenue arrangements.

The Company manufactures and contracts with customers for the sale of bare pipes, coated pipes, billets, cotton and electricity products which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when the control of the product has been transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognized at that point in time. Delivery occurs when the products have been shipped or delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product. The customer has accepted the product as per the sales contract or lapse of acceptance provision specified in the contract or the Company has objective evidence that all criteria for acceptance have been satisfied. Contract for the sale of bare and coated pipes contains penalty clause on account of delay in supply (liquidated damages). Under IFRS 15, these amounts are referred to as 'variable consideration'. The consideration which the Company receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. Revenue is measured based on the consideration specified in a contract with a customer, net of liquidity damages (penalties) and excludes amounts collected on behalf of third parties. A receivable is recognized when the goods are delivered.

6.18 Investment and other income

Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive the same is established i.e. the book closure date of the investee company declaring the dividend.

Sale of investments are accounted for when the commitment (trade date) for sale of security is made.

Rental income (net of any incentives given to lessees) from investment property is recognized on a straight line basis over the lease term.

6.19 Non-current assets held for sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less cost to sell. Property, plant and equipment once classified as held for sale is not depreciated. A discontinued operation is a component of the Company's business that has been discontinued or disposed off or is held for sale. Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative period.

6.20 Provisions

A provision is recognized in the unconsolidated statement of financial position when the Company has a present legal or constructive obligation as a result of past events, 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.21 Foreign currency translation

Foreign currency transactions are translated into Pakistan Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the reporting date. Exchange differences, if any, are recognized in the profit or loss.

6.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets. Transactions between reportable segments are reported at cost.

Segment results that are reported for review and performance evaluation include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, income tax assets / liabilities and related income and expenditure.

6.23 Proposed dividend and transfer between reserves

Dividend distributions to the Company's shareholders are recognized as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the reporting date is considered as a non-adjusting event and is recognized in the period in which such transfers are made.

6.24 Earnings per share

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

6.25 Contingencies

Contingencies are disclosed when the Company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025	2024		2025	2024
Number of shares			Rupees in '000	
37,756,686	37,756,686	Ordinary shares of Rs. 10 each fully paid in cash	377,567	377,567
39,875,805	39,875,805	Ordinary shares of Rs. 10 each issued as bonus shares	398,758	398,758
77,632,491	77,632,491		776,325	776,325

7.1 Ordinary shares of the Company held by related parties as at year end are as follows:

	2025		2024	
	(Percentage of holding)	(Number of shares)	(Percentage of holding)	(Number of shares)
Crescent Steel and Allied Products Limited – Gratuity Fund	3.49%	2,712,000	2.50%	1,938,354
Crescent Steel and Allied Products Limited – Pension Fund	7.24%	5,614,435	5.20%	4,038,578
Crescent Steel and Allied Products Limited – Staff Provident Fund	0.16%	124,200	0.16%	124,200
Crescent Cotton Products – Staff Provident Fund	0.10%	74,800	0.10%	74,800
CSAPL – Staff Benevolent Fund	0.75%	578,000	0.05%	36,178
Premier Insurance Limited	0.18%	141,500	0.18%	141,500
The Crescent Textile Mills Limited	11.00%	8,538,303	11.00%	8,538,303
Suraj Cotton Mills Limited	0.64%	500,129	1.57%	1,222,000
Pak–Qatar Asset Allocation Plan	5.80%	4,500,000	–	–
Pak Qatar Family Takaful Limited	–	–	8.76%	6,800,000
Shakarganj Limited	0.23%	180,000	0.23%	180,000
Trustees Shakarganj Mills Limited – Provident Fund	0.22%	168,500	0.22%	168,500
Trustees Shakarganj Mills Limited – Gratuity Fund	0.09%	67,000	0.09%	67,000
Trustees Shakarganj Mills Limited – Pension Fund	0.14%	112,000	0.14%	112,000
M/s. Muhammad Amin Muhammad Bashir Limited	0.001%	848	0.00%	-

7.2 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

8. RESERVES

8.1 Capital Reserve

This includes share premium reserve amounting to Rs. 1,020.9 million and as per section 81 of the Companies Act, 2017, this can be used for following purposes:

- to write off preliminary expenses of the Company;
- to write off expenses of, or the commission paid or discount allowed on, any issue of shares of the Company;
- in providing for the premium payable on the redemption of any redeemable preference shares of the Company; and
- to issue bonus shares to its members.

8.2 Revenue Reserves

Fair Value Reserve

This reserve has been maintained by the Company for the purposes of cumulative changes in fair value in investments classified as FVOCI.

General reserve

The balance in general reserve has been accumulated by way of transfer from unappropriated profit on an yearly basis.

Rupees in '000	Note	2025	2024
9. LONG TERM LOANS			
Secured - Under shariah arrangement			
Long Term Sukuk Certificates	9.1	133,333	400,000
Less: Transaction cost	9.1.1	(517)	(2,381)
		132,816	397,619
Secured - Under non-shariah arrangement			
Allied Bank Limited	9.2	150,000	–
JS Bank Limited	9.3	23,942	29,847
		306,758	427,466
Less: Current portion shown under current liabilities		(174,469)	(270,303)
		132,289	157,163

9.1 During the year ended June 30, 2023, the Company issued 8,000 unlisted, privately placed and secured Sukuk certificates (SUKUK-Al-Istisna) on October 11, 2022, having face value of Rs. 100,000 each, amounting to Rs. 800 million. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk-al-istisna was received on October 11, 2022. The Sukuk certificates carry profit at the rate of 6-months KIBOR + 2% per annum with semi-annual rental payments having tenure of three years from the issue date on arrear basis. Principal repayment installment had commenced from April 2023. During the year, the Company has made repayments of Rs. 266.67 million (June 30, 2024: Rs. 266.67 million) and profit on such arrangement ranged from 14.09% to 24.76% (June 30, 2024: 24.08% to 24.76%) per annum.

9.1.1 This represents the cost incurred with respect to issuance of SUKUK certificates, amortized using effective interest rate.

9.2 During the year ended June 30, 2025, the Company entered into a loan arrangement with Allied Bank Limited for a term of 3 years with a grace period of 1 year. The principal amount of loan is repayable quarterly starting from March 31, 2026. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 1.5% per annum. During the year, the interest rate charged on such arrangement ranging from 12.63% to 13.68% per annum.

9.3 During the year ended June 30, 2021, the Company entered into a loan arrangement with JS Bank Limited in which 5 tranches were received. The tranches were converted into the State Bank of Pakistan's (SBP) "SBP Financing scheme for Renewable Energy". The term of the loan is 10 years from the date of disbursement with a grace period of 3 months, repayable in monthly installments starting from June 2021. Mark-up was payable quarterly at the rate of 1 month KIBOR plus 1% per annum up till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.

9.4 The benefit of the subsidized loan under note 9.3 has been recognized as deferred income under note 11.

10. LEASE LIABILITIES

	Minimum lease payments		Future finance costs		Present value of minimum lease payments	
Rupees in '000	**2025**	2024	**2025**	2024	**2025**	2024
Not later than one year	67,746	89,736	23,019	47,451	44,727	42,285
Later than one year but not later than five years	180,441	286,753	22,660	74,051	157,781	212,702
	248,187	376,489	45,679	121,502	202,508	254,987
Less: Current portion shown under current liabilities					44,727	42,285
					157,781	212,702

10.1 The Company has entered into lease arrangements with leasing companies for lease of plant and machinery and motor vehicles. The lease term of these arrangments is from three to five years (2024: three to five years) and the liability is payable by the month ranging from six to sixty months (2024: six to sixty months). The periodic lease payments include built-in rates of mark-up ranging from 18.22% to 31.53% (2024: 17.04% to 31.12%) per annum. Included in the gross present value of minimum lease payments, is a sum aggregating Rs. 189.60 million (2024: Rs. 193.33 million) which pertains to obligations arising from sale and leaseback of assets.

The Company intends to exercise its options to purchase the leased assets upon completion of the lease term. The Company's obligations under these arrangements are secured by the lessor's title to the leased assets.

Rupees in '000	Note	**2025**	2024
11. DEFERRED INCOME			
Opening balance		3,837	4,375
Income recognized during the year	38	(537)	(538)
		3,300	3,837
Less: Current portion shown under current liabilities		(537)	(537)
Closing balance		2,763	3,300

Rupees in '000		Note	2025	2024
12.	**TRADE AND OTHER PAYABLES**			
	Trade creditors		131,596	43,777
	Bills payable		38	38
	Commission payable		385	385
	Accrued liabilities		666,451	685,538
	Contract liabilities	12.1	2,907,252	11,354
	Deposits	31	250,000	–
	Infrastructure fee, sales tax and damages	12.2	394,984	323,752
	Due to related parties	12.3	24,380	26,234
	Payable to provident fund		232	47
	Contribution payable to staff retirement benefit funds		–	102
	Retention money		2,256	110
	Withholding tax payable		5,243	3,268
	Workers' Profit Participation Fund	12.4	41,213	94,975
	Workers' Welfare Fund		33,879	41,562
	Others		93,594	81,530
			4,551,503	1,312,672

12.1 The contract liabilities amounting to Rs. 11.35 million at the beginning of year are recognized as revenue in the ordinary course of business.

12.2 Movement in infrastructure fee, sales tax and damages

Rupees in '000	Infrastructure fee (Note 12.2.1)	Sales Tax (Note 12.2.2)	Liquidated damages (Note 12.2.3)	Total
Opening balance as at July 1, 2024	275,089	3,242	45,421	323,752
Accrual for the year	75,047	–	–	75,047
Payments during the year	–	–	(3,815)	(3,815)
Closing balance as at June 30, 2025	350,136	3,242	41,606	394,984

12.2.1 This provision has been recognized against the continuing charge of infrastructure fee/cess on the value of goods imported at a rate of up to one-point-eight-five percent (1.85%), levied by the Government of Sindh through Sindh Finance Act, 1994, and its subsequent versions including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Act). The Act validates the fees/cess levied through the earlier versions of the law and continues the levy. The imposition of an Infrastructure Cess by the Government of Sindh was challenged by the Company in the Sindh High Court (SHC).

The petitions pending against all the versions of the law have been decided by a consolidated judgment dated June 4, 2021 whereby the Court has declared that the first four versions of the law up to the Sindh Finance (Second Amendment) Ordinance, 2001, and their applicability on the petitioners who litigated and were appellants in the earlier round has attained finality and is a past and closed transaction. The SHC judgement validated the recovery of cess/fee effective from December 28, 2006, through the subsequent versions of the law. The Honourable Division Bench of the SHC suspended its judgment till September 3, 2021 and interim arrangement of payment of fifty percent (50%) of the amount of cess and furnishing of bank guarantees for remaining 50% would continue, after which guarantees provided would be encashed and 100% of infrastructure cess would be payable.

The Company challenged the judgement of the SHC in the Honorable Supreme Court of Pakistan (SCP); the SCP granted a stay against the judgement of the SHC on September 1, 2021 and instructed that the amount equal to the levy shall be deposited with the Sindh Excise and Taxation Office (ETO) in the form of a Bank Guarantee, until such time that a detailed order is issued by the Court. A final judgement on the appeal filed remains pending. The Company continued to use the option of a 50% Bank Guarantee and 50% payment to the ETO. During the year, the Company had opted to issue bank guarantee of 100% ETO on imports.

After promulgation of the Act, the Company instituted legal proceedings against the levy in the SHC, where interim stay was granted on similar terms of payment of 50% of the amount of cess to the GoS and on furnishing of bank guarantees for remaining 50%. Under the arrangement if the Company succeeded in the petition, GoS would refund the amount subject to their right to appeal before SCP.

As of June 30, 2025, the Company has provided bank guarantees amounting to Rs. 271.88 million (2024: Rs. 196.83 million) in favour of Excise and Taxation Department, GoS.

The current year charge has been estimated on the value of imports during the year and forms a component of cost of such imported items. Any subsequent adjustment with respect to increase or decrease in the estimate has been recognized in the profit or loss. Based on the opinion of the Company's legal counsel, the management is confident of favourable outcome of litigation, however, on a prudent basis, full provision has been recognized.

12.2.2 These have been made against long outstanding sales tax claims with the sales tax department.

12.2.3 The provision represents liquidated damages on account of delayed supply of bare pipes and coated pipes. On a prudent basis full provision has been recognized.

Rupees in '000	Note	2025	2024
12.3 Due to related parties			
Premier Insurance Company Limited		–	1,445
Shakarganj Limited		24,380	24,789
		24,380	26,234
12.4 Workers' Profit Participation Fund			
Opening balance		94,975	18,529
Allocation for the year	37	38,113	92,580
		133,088	111,109
Amount paid to the trustees of the fund		(91,875)	(16,134)
Closing balance		41,213	94,975
13. MARK-UP ACCRUED			
Mark-up accrued on:			
– Lease obligations		24	241
– Long term loans		3,074	20,739
– Short term borrowings	13.1	24,186	38,542
		27,284	59,522

13.1 This includes mark-up accrued amounting to Rs. Nil million (2024: Rs. 24.82 million) on shariah based finance arrangement.

Rupees in '000		Note	2025	2024
14.	**SHORT TERM BORROWINGS**			
	Secured from banking companies			
	Running finances under mark-up arrangements	14.1	600,117	50,222
	Short term loans	14.2 &14.4	1,364,842	579,271
			1,964,959	629,493

14.1 Short term running finance / money market facilities are available from conventional side of various commercial banks under mark-up arrangements amounted to Rs. 950 million (2024: Rs. 950 million) out of which Rs. 300 million (2024: Rs. 400 million), Rs. 100 million (2024: Rs. 100 million) and Rs. 900 million (2024: Rs. 400 million) are interchangeable with letter of credit, letter of guarantee facility and short term loan, respectively. During the year, mark-up on such arrangements ranged between 12.69% to 23.71% (2024: 22.23% to 24.91%) per annum.

14.2 Short term loans available from various commercial banks under mark-up arrangements amounted to Rs. 6,565 million (2024: Rs. 4,500 million) out of which Rs. 2,900 million (2024: Rs. 4,000 million), Rs. 300 million (2024: Rs. 205 million) and Rs. 400 million (2024: Rs. 400 million) are interchangeable with letters of credit, letter of guarantee and short term running finance facilities, respectively. During the year, mark-up on such arrangements ranged between 13.12% to 23.46% (2024: 21.91% to 25.22%) per annum.

14.3 The facilities for opening letters of credit amounted to Rs. 6,050 million (2024: Rs. 4,650 million) out of which Rs. 765 million (2024: Rs. 400 million), Rs. 4,200 million (2024: Rs. 4,000 million) and Rs. 200 million (2024: Rs. 205 million) are interchangeable with short term running finance, short term loans and letter of guarantee, respectively as mentioned in notes 14.1 and 14.2 above. The facility for letters of guarantee as at June 30, 2025 amounted to Rs. 4,597.3 million (2024: Rs. 2681.28 million). Amounts unutilized for letters of credit and guarantees as at June 30, 2025 were Rs. 4,486.71 million and Rs. 895.54 million (2024: Rs. 3,489.60 million and Rs. 995.03 million), respectively.

14.4 This includes an amount of Rs. 147.84 million (2024: Rs. 579.28 million) outstanding against Islamic mode of financing.

14.5 The above facilities are expiring on various dates with maturity period upto March 31, 2026. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock-in-trade, trade debts and other current assets, pledge of shares (refer note 27.2.2), and lien over import / export documents. Further, these facilities (refer notes 14.1 to 14.3) are also secured against pledge of shares amounting to Rs. 190.76 million owned by CS Capital (Private) Limited (subsidiary company).

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 During 2014-2015, a show cause notice was issued by the Deputy Director, Directorate of Post Clearance Audit (Customs) Karachi for payment of duties and taxes on import of certain raw materials. In response the Company had contested that the said imports were exempt under bilateral agreement between Government of Pakistan and Government of Japan for projects under grant and accordingly these were cleared by the customs. However, the collector customs issued an order dated May 22, 2015 for recovery of the said duty and taxes and penalty thereon amounting to Rs. 35.77 million. The Company has filed an appeal with Appellate Tribunal (Customs) against the order. No provision has been recognized in these unconsolidated financial statements as the case is under appeal and management considers that the same would be decided in the Company's favour.

15.1.2 During 2015-2016, a show cause notice was received from Sindh Revenue Board (SRB) in respect of registration as a service provider and a demand aggregating to Rs. 60 million in respect of sales tax on services was raised thereby. The Company filed a constitutional writ in the SHC against the SRB and GoS in which SHC granted interim relief to the Company.

Subsequently, the writ was decided in light of SCP's orders in similar writs where SCP had decreed for a 50% payment of tax demand in order to keep the writs maintainable.

Following closure of petition, the Company received show cause notices and demands for Sindh Sales Tax payments amounting to Rs. 79 million, which were challenged in SHC in a civil suit as well as at the Appellate forums of the tax authority, where the cases are pending adjudication.

Furthermore, after the closure of the original petition, the SHC has decided the matter in the Company's favor, ruling against the SRB. However, the SRB has now filed a petition at the SCP, arguing that sales tax on toll manufacturing before June 30, 2022 should fall under their jurisdiction."

No provision has been recognized in these unconsolidated financial statements in this respect, since based on the opinions of tax consultant and the Company's legal counsel, the management is confident of favorable outcome of litigation in relation to the said matter.

15.2 Commitments

15.2.1 Aggregate amount of guarantees issued on behalf of the Company against various contracts aggregated Rs. 3,701.80 million (2024: Rs. 1,687.20 million). This includes guarantees issued by Islamic banks amounting to Rs. 50.18 million (2024: Rs. 204.35 million).

15.2.2 Commitments in respect of capital expenditure contracted for as at June 30, 2025 amounted to Rs. Nil million (2024: Rs. 46.08 million).

15.2.3 Commitments under letters of credit (L/C) as at June 30, 2025 amounted to Rs. 1,563.29 million (2024: Rs. 434.97 million).

Rupees in '000	Note	2025	2024
16. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	16.1	1,929,642	2,064,089
Capital work-in-progress	16.4	69,429	130,876
		1,999,071	2,194,965
Right-of-use-assets	16.1	178,578	228,869
		2,177,649	2,423,834

16.1 Operating fixed assets and right-of-use assets

Description		Land		Buildings		Office	Plant	Electrical/	Furniture	Computers	Motor	Total	Right-of-use assets		Total	Total
Rupees in '000	Note	Freehold	Leasehold including improvements	On freehold land	On leasehold land	premises	and machinery owned*	office equipment and installation	and fittings		vehicles owned	operating fixed assets	Plant and machinery	Motor vehicles	right-of-use assets	
Net book value as at June 30, 2025																
Balance as at July 1, 2024 (NBV)		249,226	42,448	399,473	18,478	1,725	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	228,869	2,292,958
Additions / transfers		-	4,072	56,396	-	-	399,018	75,472	6,137	7,667	48,492	597,254	-	-	-	597,254
Disposals / transfer (at NBV)		-	-	-	-	-	-	-	-	-	(3,001)	(3,001)	-	(615)	(615)	(3,616)
Transfer to investment properties (at NBV)	18	(41,823)	(19,465)	-	-	-	-	-	-	-	-	(61,288)	-	-	-	(61,288)
Inter-transfer (at NBV)	16.1.1	-	-	-	-	-	-	-	-	-	2,540	2,540	-	(2,540)	(2,540)	-
Transfer to non-current assets held for sale (at NBV)	31	-	-	(187,410)	-	-	(259,981)	(129)	-	-	-	(447,520)	-	-	-	(447,520)
Depreciation charge	16.1.2	-	(2,170)	(19,943)	(1,593)	(900)	(139,453)	(3,816)	(1,578)	(4,900)	(48,079)	(222,432)	(36,175)	(10,961)	(47,136)	(269,568)
Balance as at June 30, 2025 (NBV)		207,403	24,885	248,516	16,885	825	1,125,259	95,868	8,999	10,385	190,617	1,929,642	153,938	24,640	178,578	2,108,220
Gross carrying value as at June 30, 2025																
Cost	16.2	207,403	33,627	496,338	97,627	27,481	3,214,036	162,207	38,461	83,763	326,858	4,687,801	235,585	53,352	288,937	4,976,738
Accumulated depreciation		-	(8,742)	(247,822)	(80,742)	(26,656)	(2,088,777)	(66,339)	(29,462)	(73,378)	(136,241)	(2,758,159)	(81,647)	(28,712)	(110,359)	(2,868,518)
Net book value		207,403	24,885	248,516	16,885	825	1,125,259	95,868	8,999	10,385	190,617	1,929,642	153,938	24,640	178,578	2,108,220
Net book value as at June 30, 2024																
Balance as at July 1, 2023 (NBV)		249,226	30,884	352,695	2,564	2,606	1,165,202	11,717	6,107	7,368	106,444	1,934,813	26,568	56,284	82,852	2,017,665
Additions / transfers		-	17,839	75,225	17,541	-	314,150	15,492	-	5,794	118,761	564,802	210,000	-	210,000	774,802
Disposals / transfers (at NBV)	16.1.1	-	-	-	-	-	(210,000)	-	-	(326)	(9,064)	(219,390)	(16,092)	(778)	(16,870)	(236,260)
Depreciation charge	16.1.2	-	(6,275)	(28,447)	(1,627)	(881)	(143,677)	(2,868)	(1,667)	(5,218)	(25,476)	(216,136)	(30,363)	(16,750)	(47,113)	(263,249)
Balance as at June 30, 2024 (NBV)		249,226	42,448	399,473	18,478	1,725	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	228,869	2,292,958
Gross carrying value as at June 30, 2024																
Cost	16.2	249,226	60,906	760,526	97,627	27,481	3,323,591	92,854	32,487	76,097	306,261	5,027,056	235,586	60,566	296,152	5,323,208
Accumulated depreciation		-	(18,458)	(361,053)	(79,149)	(25,756)	(2,197,916)	(68,513)	(28,047)	(68,479)	(115,596)	(2,962,967)	(45,473)	(21,810)	(67,283)	(3,030,250)
Net book value		249,226	42,448	399,473	18,478	1,725	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	228,869	2,292,958
Depreciation rates (% per annum)		-	1 - 5	5 - 10	5 - 10	10	5 - 20	5 - 20	10	33.33	20		10	20		

16.1.1 During the year, assets having net book value Rs. 2.54 million (2024: Rs. 16.09 million) were transferred from right-of-use assets to operating assets.

Rupees in '000	Note	2025	2024
16.1.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	33.1	227,141	240,502
Distribution and selling expenses	35	902	902
Administrative expenses	36	42,439	21,845
		270,482	263,249

16.2 Property, plant and equipment as at June 30, 2025 include items having an aggregate cost of Rs. 1,566.90 million (2024: Rs. 1,568.67 million) that have been fully depreciated and are still in use by the Company.

16.3 Particulars of Company's immovable operating fixed assets are as follows:

Particulars	Location	Area	
Building			
Office premises	Saddar, Karachi	14,504.4	Sq. feet
Building	Nooriabad, District Jamshoro	261,257.1	Sq. feet
Building	Jaranwala, District Faisalabad	340,455.0	Sq. feet
Building	Dalowal, District Faisalabad	30,484.0	Sq. feet
Land			
Lease hold	Nooriabad, District Jamshoro	30.0	Acre
Freehold land	Dalowal, District Faisalabad	13.9	Acre
Freehold land	Jaranwala, District Faisalabad	35.5	Acre

Rupees in '000	Note	2025	2024
16.4 Capital work-in-progress			
Advance to contractors		22,135	22,135
Civil work		–	4,579
Plant and machinery		47,294	104,162
	16.4.1	69,429	130,876

16.4.1 Following is the movement in capital work-in-progress during the year:

Rupees in '000	Land	Building	Plant and machinery	Others	Total
Balance as at July 1, 2024	22,135	4,579	104,162	–	130,876
Additions	–	63,883	334,962	30,953	429,798
Transfer to non-current assets held for sale	–	–	(16,864)	–	(16,864)
Transfer to long term deposits	–	(28,625)	–	–	(28,625)
Transfers to operating fixed assets	–	(39,837)	(405,919)	–	(445,756)
Balance as at June 30, 2025	22,135	–	16,341	30,953	69,429

17. INTANGIBLE ASSETS

The intangible assets represent various computer software. Movement during the year is as follows:

Rupees in '000	Note	2025	2024
Net book value as at July 1		–	1,427
Amortization	17.1	–	(1,427)
Net book value as at June 30		–	–
Gross carrying value as at June 30			
Cost		82,099	82,099
Accumulated amortization		(79,459)	(79,459)
Accumulated impairment loss		(2,640)	(2,640)
		(82,099)	(82,099)
Net book value		–	–
Amortization rate (% per annum)		33.33	33.33

17.1 The amortization for the year has been charged to administrative expenses (note 36).

18. INVESTMENT PROPERTIES

Description Rupees in '000	Note	Freehold land	Leasehold including improvements	Freehold building	Office premises	Total
Net book value as at June 30, 2025						
Opening balance		45,497	–	8,233	–	53,730
Transfers from operating fixed assets	16.1	41,823	19,465	–	–	61,288
Depreciation charge	18.1	–	(914)	(1,300)	–	(2,214)
Balance as at June 30, 2025 (NBV)		87,320	18,551	6,933	–	112,804
Gross carrying value as at June 30, 2025						
Cost	18.2	87,320	19,465	13,000	29,830	149,615
Accumulated depreciation		–	(914)	(6,067)	(29,830)	(36,811)
Net book value		87,320	18,551	6,933	–	112,804
Net book value as at June 30, 2024						
Opening balance		45,497	–	9,533	–	55,030
Depreciation charge		–	–	(1,300)	–	(1,300)
Balance as at June 30, 2024 (NBV)		45,497	–	8,233	–	53,730
Gross carrying value as at June 30, 2024						
Cost		45,497	–	13,000	29,830	88,327
Accumulated depreciation		–	–	(4,767)	(29,830)	(34,597)
Net book value		45,497	–	8,233	–	53,730
Depreciation rates (% per annum)		–	1 – 5	10 – 20	5 – 10	

18.1 Depreciation for the year has been charged to administrative expenses (note 36).

18.2 Fair value of the investment properties amounting to Rs. 294.26 million (2024: Rs. 224.92 million), which is determined by external valuer on the basis of market value.

18.3 Particulars of the Company's investment properties are as follows:

Particulars	Location	Area	
Building			
Office premises	Saddar, Karachi	4,854.2	Sq. feet
Building	Ferozpur, Lahore	35,839.8	Sq. feet
Land			
Freehold land	Gawadar	3.0	Acre
Freehold land	Ferozpur, Lahore	5.1	Acre
Freehold land	Bhone, District Jhang	19.1	Acre

Rupees in '000	Note	2025	2024
19. LONG TERM INVESTMENTS			
Subsidiary companies - at cost	19.1	905,001	905,001
Associated companies - at cost	19.2	691,106	1,286,401
Other long term investments	19.3	643,434	618,109
		2,239,541	2,809,511

19.1 Subsidiary companies - at cost

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
		Unquoted			
70,500,000	70,500,000	CS Capital (Private) Limited (Chief Executive Officer - Ms. Hajerah Ahsan Saleem)	19.1.1	705,000	705,000
2	2	Crescent Continental Gas Pipelines Limited (US $ 1 each)	19.1.2	–	–
20,000,100	20,000,100	Solution de Energy (Private) Limited (Chief Executive Officer - Mr. Muhammad Saad Thaniana)	19.1.3	200,001	200,001
				905,001	905,001

19.1.1 This represents the Company's investment in 100% ordinary shares of CS Capital (Private) Limited. The Company has acquired CS Capital (Private) Limited on September 26, 2011.

19.1.2 This represents investment in subsidiary of Rs. 90 only. The subsidiary company has not commenced operation and accordingly no financial statements have been prepared.

19.1.3 This represents the Company's investment in 100% ordinary shares of Solution de Energy (Private) Limited that was acquired through amalgamation on June 30, 2019.

19.2 Associated companies - at cost

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
		Quoted			
–	60,663,775	Altern Energy Limited	19.2.1	–	595,293
		(Chief Executive Officer -			
		Mr . Umer Shehzad Sheikh)			
27,409,075	27,409,075	Shakarganj Limited	19.2.2	691,106	691,108
		(Chief Executive Officer -			
		Mr. Muhammad Saifullah)			
				691,106	1,286,401

19.2.1 The Company holds 4.86% (2024: 16.69%) shareholding in Altern Energy Limited (ALTN) and has representation on its Board of Directors. The Company has disposed shares of ALTN during the year and evaluated based on the revised shareholding that the Company directly and / or indirectly has no significant influence as per the requirements of IAS 28 'Investment in Associates'. Accordingly, the outstanding shareholding i.e. 4.86% has been classified as 'Investment held at fair value through profit or loss' as per the requirements of IFRS-9 'Financial Instruments'.

19.2.2 The Company holds 21.93% (2024: 21.93%) shareholding in Shakarganj Limited (SL) and there is no common directorship in the investee company. However, the Company directly and / or indirectly has significant influence as per requirement of IAS 28 'Investments in Associates'. Accordingly, the Company has accounted for investment in SL as 'Investment in Associate'.

19.2.2 Market value of investments in associates is as follows:

Rupees in '000	2025	2024
Altern Energy Limited	–	1,421,352
Shakarganj Limited	1,872,862	1,089,785
	1,872,862	2,511,137

Percentage of holding	2025	2024
19.2.3 Percentage of holding of equity in associates is as follows:		
Altern Energy Limited	–	16.69
Shakarganj Limited	21.93	21.93

19.2.5 The latest financial statements / condensed interim financial information of associated company as at June 30, 2025 are not presently available. The following is summarized financial information of associated companies as at March 31, 2025 and for the period ended March 31, 2025 based on respective unaudited consolidated condensed interim financial information prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim reporting:

Rupees in '000	Note	Statement of financial position: Non current assets	Current assets	Non current liabilities	Current liabilities	Attributable to NCI	Attributable to owners of the investee company	Profit of loss: Revenues	Profit/ (loss) after tax	Other comprehen-sive income/ (loss)	Total comprehen-sive income/ (loss)
		(As at March 31)						(for the period ended March 31)			
2025											
Altern Energy Limited		-	-	-	-	-	-	-	-	-	-
Shakarganj Limited		19,056,146	6,528,162	4,665,944	14,488,538	1,356,563	5,073,263	19,120,811	(3,416,209)	146,508	(3,269,701)
2024											
Altern Energy Limited	19.2.5.1	10,863,081	21,744,353	1,047,602	5,527,516	11,232,140	14,800,176	14,271,966	5,210,235	1,790	5,212,025
Shakarganj Limited		20,121,661	7,759,901	4,724,383	13,096,428	1,768,736	8,292,015	23,906,876	(2,546,125)	(271,555)	(2,817,680)

19.2.5.1 These figures were based on the unaudited condensed interim consolidated financial information as at March 31, 2024 of ALTN including its wholly owned subsidiary company Power Management (Private) Limited and Rousch (Pakistan) Power Limited, subsidiary of Power Management Company holding 59.98% shares.

Rupees in '000	Note	2025	2024
19.3 Other long term investments			
Fair value through other comprehensive income (FVOCI)	19.3.1	13,549	7,555
Fair value through profit or loss (FVTPL)	19.3.2	629,885	610,554
		643,434	618,109

19.3.1 Fair value through other comprehensive income (FVOCI)

The Company holds investment in ordinary shares of Rs. 10 each in the following listed investee company.

2025 Number of shares	2024 Number of shares	Name of Investee Company	2025 Rupees in '000	2024 Rupees in '000
		Quoted		
565,473	565,473	The Crescent Textile Mills Limited	13,549	7,555
			13,549	7,555

19.3.1.1 The Company has irrevocably designated at initial application of IFRS 9 to recognize in this category. This is strategic investment and management considers this classification to be more relevant. Up till June 30, 2018, these investments were classified as available for sale under IAS 39. Unlike IAS 39, the accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

19.3.2 Fair value through profit or loss (FVTPL)

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
		Unquoted			
14,110,817	14,110,817	Shakarganj Food Products Limited	19.3.2.1	313,484	397,135
9,625,000	9,625,000	Central Depository Company of Pakistan Limited (CDC)	19.3.2.1	316,401	213,419
2,403,725	2,403,725	Crescent Bahuman Limited	19.3.2.1	24,037	24,037
1,047,000	1,047,000	Crescent Industrial Chemicals Limited	19.3.2.1	10,470	10,470
				664,392	645,061
		Less: Provision for impairment		(34,507)	(34,507)
				629,885	610,554

19.3.2.1 This investment had been fully charged to profit or loss in earlier periods.

Rupees in '000	Note	2025	2024
20. LONG TERM DEPOSITS			
Security deposits			
– leasing companies		54,529	55,099
– others		16,269	16,270
		70,798	71,369
21. DEFERRED TAXATION – NET			
Deferred tax credits / (debits) arising in respect of:			
Taxable temporary differences			
Accelerated tax depreciation / amortization		386,366	331,802
Fair value adjustment in unquoted investment through reserves		30,119	30,119
Unrealized gain on fair value through profit or loss investments		184,878	150,555
		601,363	512,476
Deductible temporary differences			
Deferred liability – staff retirement benefits		–	(7,468)
Lease obligations – net		(9,257)	(10,186)
Provision for slow moving stores, spares and loose tools		(44,218)	(39,971)
Provisions for doubtful trade debts, doubtful advances and others		(163,533)	(134,271)
Discounting on long term deposit		(1,582)	(2,262)
Realized loss on fair value through profit or loss investments		23	(1,683)
Unrealized loss on fair value through OCI		53	(570)
Provisions for impairment of fixed assets		(53,455)	(33,954)
Provision of Gas Infrastructure Development Cess		(6,316)	(6,316)
Excess of minimum tax over corporate tax	21.2	(107,289)	(229,810)
Excess of alternate corporate tax over minimum tax	21.2	–	(136,658)
Tax losses	21.2	(287,596)	(287,637)
Provision for diminution in the value of investments		(13,458)	(13,458)
		(686,628)	(904,244)
		(85,265)	(391,768)

Rupees in '000	Note	2025	2024
21.1 Break up of deferred tax charge / (reversal) is as following:			
Profit or loss	40	305,880	344,655
Other comprehensive income		623	136,717
Set-off of losses with the Subsidiary Company		–	3,218
		306,503	484,590

21.2 The accumulated tax losses, excess of minimum tax over corporate tax and excess of alternate corporate tax of the Company as at June 30, 2025 aggregated Rs. 1,105.7 million (2024: Rs. 1,363.89 million) in respect of which the Company has recognized deferred tax asset amounting to Rs. 401.58 million (2024: Rs. 654.11 million). The existing unutilized tax losses solely represents tax depreciation and tax amortization which can be utilized for an indefinite period against future taxable profits. The Company carries out periodic assessment to determine the benefit of the loss and minimum tax that the Company would be able to set off against the taxable profits and tax liability in future years. The amount of this benefit has been determined based on the projected taxable profits of the Company for future years and the expected applicable tax rate. The determination of future taxable profits is most sensitive to certain key assumptions such as sales volume, gross margin percentage, product pricing and inflation rates which have been considered in that determination.

Rupees in '000	Note	2025	2024
22. STORES, SPARES AND LOOSE TOOLS			
Stores		86,585	132,941
Spare parts		406,612	369,758
Loose tools		5,168	4,759
		498,365	507,458
Less: Provision for slow moving items	22.1	(113,528)	(102,490)
		384,837	404,968
22.1 Movement in provision for slow moving items:			
Opening balance		102,490	80,325
Provision made during the year	37	11,038	22,165
Closing balance		113,528	102,490
23. STOCK-IN-TRADE			
Raw materials			
Hot rolled steel coils (HR Coils)		1,713,626	441,151
Coating materials		311,976	480,129
Steel scrap		2,327	11,999
Others		353,078	331,071
Raw cotton		100,206	–
Stock-in-transit		25,913	–
	23.2	2,507,126	1,264,350
Work-in-process	23.2 & 33.1	57,023	60,546
Finished goods - net	23.2 & 33.1	398,907	99,278
Scrap / cotton waste		20,745	23,420
		476,675	183,244
		2,983,801	1,447,594

23.1 Stock amounting to Rs. 0.158 million (2024: Rs. 0.158 million) is held by third party.

23.2 Stock-in-trade as at June 30, 2025 includes items valued at net realisable value (NRV). Charge in respect of stock written back to NRV amounting to Rs. 20.6 million (2024: Rs. 11.29 million) has been recognized in cost of goods sold.

Rupees in '000	Note	2025	2024
24. TRADE DEBTS			
Secured			
Considered good		196,540	437,386
Unsecured			
Considered good	24.1	1,444,492	1,034,860
Considered doubtful		27,529	23,774
		1,472,021	1,058,634
Impairment loss on trade debts	24.3	(27,529)	(23,774)
		1,641,032	1,472,246

24.1 This includes amount due from Pak Elektron Limited (related party) amounting to Rs. 23.47 million (2024: Rs. 45.55 million). Maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balance was Rs. 41.63 million (2024: Rs. 74.17 million).

Rupees in '000	Note	2025	2024
24.2 The ageing of amount due from related party:			
Not past due		5,890	40,484
Past due 1 - 30 days		5,138	5,000
Past due 30 - 180 days		12,377	–
Past due 180 days		62	62
		23,467	45,546
24.3 Movement in impairment loss on trade debts			
Opening balance		23,774	18,401
Charge of impairment	37	3,755	5,373
Closing balance		27,529	23,774

24.3.1 This includes provision recorded against the amount due from the related party amounting to Rs. 0.38 million.(2024: Rs. 0.74 million).

Rupees in '000	Note	2025	2024
25. LOANS AND ADVANCES			
Unsecured			
Loan to related party - considered good			
Solution de Energy (Private) Limited	25.1	2,672	–
Advances - considered good			
Staff		123	3
Suppliers for goods and services		44,654	193,725
Contract cost		261,890	–
Others		1,559	1,779
Advances - considered doubtful			
Suppliers for goods and services		47	47
Provision for doubtful advances		(47)	(47)
		–	–
		310,898	195,507

25.1 The Company has provided short term interest bearing loan to the Subsidiary Company in order to meet its requirements for the purposes of feasibility, legal approvals and other related activities in respect of its project of 100 MW Solar Power Plant in Solar Power Park being established by the Government of Punjab in the Cholistan desert. The Company charged interest amounting to Rs. 0.32 million (2024: Rs. 79 million) at the Company's average borrowing rate. Maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balance was Rs. 2.67 million (2024: Rs. 117.36 million).

Rupees in '000	Note	2025	2024
26. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits		6,894	3,954
Prepayments		12,272	11,766
		19,166	15,720
27. SHORT TERM INVESTMENTS			
Amortized cost	27.1	87,000	244,360
Fair value through profit or loss (FVTPL)	27.2	1,450,401	423,372
		1,537,401	667,732

27.1 This represents investment in term deposit receipt carrying markup ranging from 8.94% to 18% (2024:18% to 18.75%) maturing on June 27, 2026.

27.2 Fair value through profit or loss (FVTPL)

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
25,086,698	4,193,249	Quoted - investments	27.2.1	1,450,401	423,372
		Unquoted			
1,996	1,996	Innovative Investment Bank Limited		2,777	2,777
		Less: Provision for impairment		(2,777)	(2,777)
				–	–
			27.2.3	1,450,401	423,372

27.2.1 Quoted - investments

The Company holds investments in ordinary shares / units of mutual funds of the following investee entities:

Shariah Compliant Investments

2025	2024	Name of investees	2025	2024
Number of shares / units			Rupees in '000	
63,500	–	AGP Limited	12,126	–
10,000	–	At-Tahur Limited	402	–
300,000	159,500	Avanceon Limited	14,637	8,616
200,000	–	Cherat Cement Company Limited	58,060	–
20,000	–	Citi Pharma Limited	1,679	–
232,822	338,000	Engro Fertilizer Limited	43,209	56,182
372,000	–	Engro Holdings Limited	67,912	–
100,000	–	Engro Polymer and Chemicals Limited	3,155	–
485,000	–	Fauji Cement Company Limited	21,665	–
750,000	–	Faysal Bank Limited	52,290	–
12,500	–	Haleon Pakistan Limited	9,204	–
500,000	72,100	Interloop Limited	33,880	5,107
122,400	125,700	International Industries Limited	21,666	24,601
4,500	14,000	Lucky Cement Limited	1,599	12,694
25,000	–	Maple Leaf Cement Limited	2,107	–
152,700	5,000	Mari Energies Limited	95,726	13,562
400,000	164,225	Meezan Bank Limited	132,820	39,314
102,500	–	Millat Tractors Limited	57,263	–
30,000	–	Nishat Chunian Power Limited	729	–
308,000	72,700	Oil and Gas Development Company Limited	67,932	9,841
–	1,040,424	Pak Qatar Dividend Plan Fund	–	104,043
4,020	–	Pak Qatar Income Plan Fund	532	–
350,000	155,800	Pakistan Petroleum Limited	59,560	18,246
290,000	101,800	Pakistan State Oil Company Limited	109,484	16,920
38,000	–	Sazgar Engineering Works Limited	43,313	–
10,000	–	Sui Northern Gas Pakistan Limited	1,167	–
25,000	–	Systems Limited	2,679	–
50,000	50,000	Tariq Glass Industries Limited	12,559	5,828
613,000	400,000	The Hub Power Company Limited	84,478	65,232
5,570,942	2,699,249		1,011,833	380,186

Non-Shariah Compliant Investments

2025	2024	Name of investees	2025	2024
Number of shares / units			Rupees in '000	
17,663,256	–	Altern Energy Limited	195,002	–
210,000	102,500	Fauji Fertilizer Company Limited	82,406	16,746
852,500	852,500	HBL Growth Fund – Class A	9,548	5,942
–	500,000	HBL Investment Fund – Class A	–	1,390
50,000	–	Lalpir Power Limited	1,305	–
500,000	–	MATCO Foods Limited	24,550	–
3,000	–	Pakistan Aluminium Beverage Cans Limited	433	–
162,000	39,000	Pakistan Oilfields Limited	95,608	19,108
75,000	–	Thal Limited	29,717	–
19,515,756	1,494,000		438,568	43,186
25,086,698	4,193,249		1,450,401	423,372

27.2.2 The market value of investments which have been pledged with financial institutions as security against financing facilities (refer note 14.5) are as follows:

Rupees in '000	2025	2024
Name of investees		
Altern Energy Limited	171,327	1,421,353
The Crescent Textile Mills Limited	13,549	6,044
AGP Limited	6,684	–
Avanceon Limited	14,637	7,833
Cherat Cement Company Limited	58,060	–
Engro Fertilizer Limited	26,168	56,182
Engro Holdings Limited	63,896	–
Engro Polymer and Chemicals Limited	3,155	–
Fauji Cement Company Limited	20,548	–
Fauji Fertilizer Company Limited	68,672	16,746
Faysal Bank Limited	52,290	–
HBL Growth Fund – Class A	9,548	5,942
HBL Investment Fund – Class A	–	1,390
Interloop Limited	33,880	5,107
International Industries Limited	21,666	24,600
Lucky Cement Limited	–	12,694
Mari Energies Limited	80,242	13,562
MATCO Foods Limited	24,550	–
Meezan Bank Limited	122,859	39,314
Millat Tractors Limited	55,866	–
Oil and Gas Development Company Limited	54,633	9,841
Pakistan Oilfields Limited	88,526	10,289
Pakistan Petroleum Limited	59,560	18,246
Pakistan State Oil Company Limited	78,904	14,128
Sazgar Engineering Works Limited	34,195	–
Tariq Glass Industries Limited	12,559	5,827
Thal Limited	29,717	–
The Hub Power Company Limited	79,930	65,232
	1,285,617	1,734,330

27.2.3 This represents investment in ordinary shares of listed companies and units of mutual funds. Under IAS 39, these were classified as held for trading whereas under IFRS 9 these have been classified and held as FVTPL. Under IAS 39, these were classified as available for sale and reclassified to FVTPL on initial application of IFRS 9 as management has not designated it as FVOCI.

Rupees in '000	Note	2025	2024
28. OTHER RECEIVABLES			
Dividend receivable		946	2,132
Provision there against		(886)	(886)
		60	1,246
Receivable against sale of investment		36,110	–
Claim receivable		461	461
Due from related parties	28.1	6,004	8,757
Sales tax refundable	28.2	689,894	20,867
Margin on letter of credit		3,471	–
Margin on letter of guarantees		2,411,491	21,464
Receivable from staff retirement benefits funds	45	312,797	29,640
Others		1,093	2,712
		3,461,381	85,147
28.1 Due from related parties			
CS Capital (Private) Limited		4,298	4,298
Solution de Energy (Private) Limited		2	–
The Crescent Textile Mills Limited		571	552
Premier Insurance Limited		54	–
Shakarganj Food Products Limited		1,079	3,907
		6,004	8,757

28.1.1 Maximum aggregate amount outstanding from related parties at any time during the year from related parties calculated by reference to month-end balance is as follows:

Rupees in '000	2025	2024
CS Capital (Private) Limited	7,640	4,298
Solution de Energy (Private) Limited	10	134
The Crescent Textile Mills Limited	817	996
Premier Insurance Limited	791	–
Shakarganj Food Products Limited	4,138	4,437
	13,396	9,865
28.1.2 The aging of amount due from related parties:		
Not yet due	852	4,356
Past due 1 - 30 days	740	454
Past due 31 - 180 days	1,602	983
Past due 180 days	2,810	2,964
	6,004	8,757

28.2 Sales tax refundable

28.2.1 This includes payment made to Punjab Revenue Authority (PRA) against order received for non withholding of Punjab sales tax on services and its deposit with Punjab Revenue Authority. Currently, the appeal is pending adjudication at the Appellate Tribunal Inland Revenue - PRA. After consultation with legal advisor, the management considers that the appeal would be decided in the Company's favour.

28.2.2 During the year ended June 30, 2020, order under section 11 of the Sales Tax Act, 1990 has been issued and a demand of Rs. 1.83 million was raised in respect of alleged short deposit of sales tax to Hadeed (Billet) division [before amalgamation, it was Crescent Hadeed (Private) Limited)]. An appeal was preferred with the Commissioner Appeals which was decided in the Company's favour. The Tax Department has filed an appeal before the Appellate Tribunal against the order of commissioner appeals which is pending adjudication.

28.2.3 During the year ended June 30, 2021, sales tax audit under section 11 of the Sales Tax Act, 1990 has been conducted and a demand order of Rs. 1.01 million has been issued in respect of Hadeed (Billet) division [before amalgamation, it was Crescent Hadeed (Private) Limited)]. An appeal has been preferred with the Commissioner Appeals which is pending adjudication.

28.2.4 During the year ended June 30, 2023, input tax amounting to Rs. 0.46 million was disallowed by the tax authorities under section 8(1) of the Sales Tax Act, 1990, asserting that the purchases were not related to taxable activity. The Company preferred an appeal under Section 45B of the said Act before the Commissioner Inland Revenue (Appeals), which is currently pending adjudication. Based on the legal advice, the management is confident that the matter will be decided in the Company’s favor.

28.2.5 During the year ended June 30, 2023, an assessment order was passed by the Assistant Commissioner Inland Revenue under Section 11 of the Sales Tax Act, 1990, whereby input tax amounting to Rs. 6.69 million was disallowed in respect of purchases relating to Tax Year 2023.

28.2.6 In the previous years, the Company adopted fixed regime of sales tax for Hadeed (Billet) division whereby sales tax liability was discharged on the basis of units of electricity consumed at Rs. 13 per unit, supported by judgement of the Lahore High Court (LHC) in writ petition no. 243530/2018 instead of ad valorem basis. Subsequently, the department filed Intra Code Appeal (ICA) wide no. 23517/2019 before High Court which is sub-judice. No proceedings have been held till date.

Rupees in ‘000	2025	2024
29. TAXATION - NET		
Advance taxation	4,194,350	3,684,878
Provision for taxation	(3,788,117)	(3,529,054)
	406,233	155,824

29.1 The income tax assessments of the Company have been finalized up to and including Tax Year 2024. Deemed assessments for certain tax years have been amended by the tax authorities on account of various issues as explained below:

(a) Income tax assessment for Tax Year 2006 has been amended by the Additional Commissioner Inland Revenue (ACIR) by making amendments to reassess loss from Rs. 410.59 million to Rs. 296.87 million. The Company being dissatisfied, contested the same before Commissioner Inland Revenue Appeals (CIRA) after the appeal filed before Appellate Tribunal Inland Revenue (ATIR) was dismissed in entirety. Department has now filed case in the Lahore High Court (LHC) challenging the ATIR decision, which is pending at adjudication.

(b) Income tax assessments of the Company for the Tax Year 2013 have been amended by the Commissioner Inland Revenue (CIR) whereby, tax demands of Rs. 95.94 million have been raised. Appeals had been preferred with the Commissioner (Appeals) where most of the issues were decided in favour of the Company whereas for remaining issues, appeals were preferred before the ATIR by both FBR and the Company. ATIR decided the Company's appeal in the favor of the Company. Department has filed references in LHC against the decisions of ATIR.

(c) The Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment of the Company for the Tax Years 2009 and 2011 thereby raising demands of Rs. 4.94 million and Rs. 22.22 million, respectively. The Company filed appeals with the CIRA in which majority of the issues were decided in the Company's favour in case of Tax Year 2009 and the case was remanded back to the assessing officer for Tax Year 2011. The Company filed appeal with the ATIR for Tax Year 2009 which is pending adjudication whereas for Tax Year 2011, set aside proceedings have been initiated which have been duly responded to.

(d) Orders under section 161/205 of the Income Tax Ordinance, 2001 have been issued by the ACIR, whereby demand aggregating to Rs. 8.69 million (inclusive of default surcharge) has been raised in respect of Tax Year 2014 and Rs. 5.79 million in respect of Tax Year 2010. Majority of the matters have been decided in favour of the Company at the Commissioner (Appeals) level, whereas appeals have been preferred in ATIR for remaining issues.

(e) During the year ended June 30, 2021, order under section 122(5A) of the Income Tax Ordinance, 2001 has been passed by the CIR in respect of Crescent Hadeed (Private) Limited (previously wholly owned subsidiary - now amalgamated with and into the Company) where expenses to the tune of Rs. 9.5 million have been disallowed. Appeal was preferred with the Commissioner Appeals which was decided against the Company. The Company has now preferred appeal with the ATIR which is pending adjudication.

(f) During the year ended June 30, 2018, Orders under section 161/205 of the Income Tax Ordinance, 2001 have been issued by the ACIR, whereby demand aggregating to Rs. 4.25 million (inclusive of default surcharge) has been raised in respect of Tax Year 2017. Appeal was preferred with the CIRA where majority of issues were decided in the Company's favour along with rectification of original order. Appeal has been preferred with the ATIR for remaining issues which is pending adjudication.

(g) Order in respect of Crescent Hadeed (Private) Limited (previously wholly owned subsidiary - now amalgamated with and into the Company) for the Tax Year 2017 under section 214D of the Income Tax Ordinance, 2001 was issued whereby tax demand of Rs. 27.31 million was raised against the Company. The order was challenged at the Commissioner Appeals which was rejected. The Company has now preferred an appeal with the ATIR which is pending adjudication.

(h) During the year ended June 30, 2021, Orders under section 161/205 of the Income Tax Ordinance, 2001 were issued by the ACIR in respect of Tax Years 2016 through 2019 whereby demands aggregating Rs. 1 million (approximately) were raised for CS Energy (Private) Limited (previously wholly owned subsidiary - now amalgamated with and into the Company). Associated expense has been recognized accordingly in these unconsolidated financial statements.

(i) During the year ended June 30, 2023, Orders under section 4C of the Income Tax Ordinance, 2001 were issued by the ACIR in respect of Tax Year 2022 whereby demands aggregating Rs. 126.46 million were raised against the Company. An expense of Rs. 54 million related to these demands have been recognized in these unconsolidated financial statements. For remaining, the Company has obtained stay from LHC through writ petition. Currently, the appeal is pending adjudication at the CIRA for remaining issue. Based on the consultation with legal advisor, the management considers that the appeal would be decided in the Company's favour.

(j) During the year ended June 30, 2023, the tax department has revised the assessment due to an objection raised regarding the incorrect add-back of normal depreciation on the addition made in plant and machinery for the Tax Year 2016 for Hadeed (Billet) Division [before amalgamation, it was Crescent Hadeed (Private) Limited]. The assessment order alleges that the Company claimed significant initial allowance and depreciation allowance whereas minimal amount added back as accounting depreciation. Based on the consultation with legal advisor, the management considers that the appeal would be decided in the Company's favour.

(k) During the year ended June 30, 2023, the Company has been selected by the tax department for an audit under section 177 of the Income Tax Ordinance, 2001 for the Tax Year 2020. A Pre Audit Report has been issued, highlighting observations and requesting data and supporting documentation. The Company has submitted the required information to the Assistant/Deputy Commissioner of the Federal Board of Revenue (FBR) in response to the report. The case is pending at department level for hearing.

(l) Income tax assessment of the Company for the Tax Year 2016 have been amended by the CIR whereby tax demand of Rs. 143.8 million has been raised. The Company preferred an appeal before CIRA who vide its order dated April 30, 2019 partially accepted the Company's contentions and reduced the demand to Rs. 18.6 million. The Company filed against the order before the ATIR which is yet to be fixed for hearing and the department has also filed cross appeal against the decision of CIRA before the ATIR. The ATIR decided in favour of the Company by upholding the order of CIRA.
No provision has been made in these unconsolidated financial statements in respect of demands raised by the tax authorities for tax years as mentioned above. The management, based on the tax consultant's advice, is confident of favourable outcome of these appeals.

Rupees in '000	Note	2025	2024
30. CASH AND BANK BALANCES			
With banks			
– in saving accounts	30.1	47,280	2,209
– in current accounts		27,306	300,992
	30.2	74,586	303,201

30.1 Saving accounts carry mark-up ranging from 9.5% to 18% (2024: 19.5% to 20.5%) per annum.

30.2 This includes balances amounting to Rs. 3.02 million (2024: Rs. 203.56 million) with Shariah compliant banks.

31. NON-CURRENT ASSETS HELD FOR SALE

The Board of Directors in their meeting held on October 3, 2024 has approved the disposal of plant and machinery and certain other related assets of Hadeed (Billet) segment. Consequently, the operation of Hadeed (Billet) segment has been classified as discontinued operation and presented in note 44.2.

Further, the Company has entered into an 'Equipment Purchase Agreement' dated February 21, 2025, with respect to the aforementioned assets for a consideration of Rs. 637 million. An amount of Rs. 250 million has been received and presented under trade and other payables. The buyer shall complete the purchase of all assets from the Company in due course.

The carrying amount of the assets classified as non-current assets held for sale are presented below:

Rupees in '000	Note	Building on freehold land	Plant and machinery	Electrical / office equipment and installation	Capital work-in-progress (note 16.4.1)	Total
Cost		320,584	531,045	4,839	16,864	873,332
Accumulated depreciation		(133,174)	(271,064)	(4,710)	–	(408,948)
Net book value	16.1	187,410	259,981	129	16,864	464,384
Accumulated impairment	37					(50,000)
						414,384

Rupees in '000	Note	2025	2024
32. SALES - NET			
Continuing operations			
Local sales			
Bare pipes	32.1	4,888,284	6,415,711
Pipe coating		90,205	440,750
Coated pipes	32.2	2,175,977	3,423,193
Cotton yarn / raw cotton / polyester		40,559	65,291
Others	32.3	135,493	165,788
Scrap / waste		169,325	241,463
		7,499,843	10,752,196
Sales tax		(1,119,193)	(1,640,585)
		6,380,650	9,111,611
Discontinued operation			
Scrap / waste		35,172	–
Sales tax		(3,870)	–
		31,302	–
		6,411,952	9,111,611

32.1 This is presented net of liquidated damages amounting to Rs. 6.42 million (2024: Rs. Nil million).

32.2 This includes revenue amounting to Rs. 2,030.13 million (2024: Rs. 2,461.64 million) where HRC (Hot Rolled Coil) was supplied by the customer.

32.3 This represents revenue earned from manufacturing of metal structures by cutting, bending and assembling processes.

32.4 Revenue is disaggregated by operating segments under note 44.2. Additionally revenue by major customers is disclosed in note 44.4.

Rupees in '000	Note	2025	2024
33. COST OF SALES			
Continuing operations			
Steel segment	33.1	4,690,400	6,188,178
Cotton segment	33.1	107,376	164,972
Energy segment	33.1	58,436	61,193
		4,856,212	6,414,343
Discontinued operation			
Hadeed (Billet) segment	33.1	62,345	60,901
		4,918,557	6,475,244

		Continuing operations								Discontinued operation			
		Steel segment		Cotton segment		Energy segment		Sub-total		Hadeed (Billet) segment		Total	
Rupees in '000	Note	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
33.1 Breakup of cost of sales													
Raw materials consumed		3,686,300	4,987,916	-	-	-	-	3,686,300	4,987,916	43,170	-	3,729,470	4,987,916
Cost of raw cotton / polyester sold		-	-	35,503	90,989	-	-	35,503	90,989	-	-	35,503	90,989
Store and spares consumed		319,079	239,140	609	458	(2,410)	317	317,278	239,915	17	4	317,295	239,919
Fuel, power and electricity		178,801	222,741	18,870	22,707	40	40	197,711	245,488	196	683	197,907	246,171
Salaries, wages and other benefits	33.2	343,554	338,500	34,291	32,250	-	-	377,845	370,750	5,260	6,718	383,105	377,468
Insurance		4,567	6,367	1,821	1,953	1,093	1,124	7,481	9,444	711	820	8,192	10,264
Commission		-	-	-	277	-	-	-	277	-	-	-	277
Repairs and maintenance		34,986	27,266	2,497	1,028	-	-	37,483	28,294	19	235	37,502	28,529
Depreciation	16.1.2	145,723	116,814	9,316	14,307	59,713	59,713	214,752	190,834	12,389	49,668	227,141	240,502
Other expenses		276,806	227,165	1,159	1,004	-	(1)	277,965	228,168	583	2,773	278,548	230,941
		4,989,816	6,165,909	104,066	164,973	58,436	61,193	5,152,318	6,392,075	62,345	60,901	5,214,663	6,452,976
Opening stock of work-in-process		49,506	59,954	11,040	11,039	-	-	60,546	70,993	-	-	60,546	70,993
Closing stock of work-in-process	23	(49,293)	(49,506)	(7,730)	(11,040)	-	-	(57,023)	(60,546)	-	-	(57,023)	(60,546)
		213	10,448	3,310	(1)	-	-	3,523	10,447	-	-	3,523	10,447
Cost of goods manufactured		4,990,029	6,176,357	107,376	164,972	58,436	61,193	5,155,841	6,402,522	62,345	60,901	5,218,186	6,463,423
Opening stock of finished goods		99,278	111,099	-	-	-	-	99,278	111,099	-	-	99,278	111,099
Closing stock of finished goods - net	23	(398,907)	(99,278)	-	-	-	-	(398,907)	(99,278)	-	-	(398,907)	(99,278)
		(299,629)	11,821	-	-	-	-	(299,629)	11,821	-	-	(299,629)	11,821
		4,690,400	6,188,178	107,376	164,972	58,436	61,193	4,856,212	6,414,343	62,345	60,901	4,918,557	6,475,244
33.2 Detail of salaries, wages and other benefits													
Salaries, wages and other benefits	33.2.1	326,949	303,465	32,141	29,834	-	-	359,090	333,299	5,097	6,473	364,187	339,772
Pension fund	33.2.2	11,086	23,637	1,303	1,475	-	-	12,389	25,112	-	-	12,389	25,112
Gratuity fund	33.2.2	(1,739)	5,067	-	72	-	-	(1,739)	5,139	-	-	(1,739)	5,139
Provident fund contributions		7,258	6,331	847	869	-	-	8,105	7,200	163	245	8,268	7,445
		343,554	338,500	34,291	32,250	-	-	377,845	370,750	5,260	6,718	383,105	377,468

33.2.1 This includes contribution amounting to Rs. 0.65 million (2024: Rs. 10 million) to Staff Benevolent Fund ("the Fund"). The Fund has been established as separate legal entity under the Trust Act, 1882 and registered under Income Tax Ordinance, 2001. The objective of the Fund is to provide at the discretion of the trustees, post retirement medical cover / facilities for retired employees and other hardship cases of extraordinary nature of existing employees of the Company. The Company does not have any right in the residual interest of the Fund.

	2025		2024	
Rupees in '000	Pension	Gratuity	Pension	Gratuity
33.2.2 Staff retirement benefits				
Current service costs	9,004	6,004	10,458	3,031
Interest costs	36,741	15,988	45,300	8,637
Return on plan assets, excluding interest income	(33,356)	(23,731)	(30,646)	(6,529)
	12,389	(1,739)	25,112	5,139

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
34. INCOME FROM INVESTMENTS - NET			
Dividend income	34.1	801,394	820,524
Realized gain on sale of FVTPL investments - net	34.1	460,702	25,603
Unrealized gain on FVTPL investments - net	34.1	195,937	220,350
Rental income from investment properties	34.2	3,645	3,206
		1,461,678	1,069,683

34.1 Break up of dividend income, unrealized gain and realized gain is as follows:

Rupees in '000	Dividend income	Unrealized gain	Realized gain
Shariah compliant investee companies	31,680	122,475	27,879
Non - Shariah compliant investee companies	769,714	73,462	432,823
	801,394	195,937	460,702

34.1.1 Unrealized gain amounting to Rs. 5.37 million (2024: unrealized gain of Rs. 0.23 million) was recognized in the other comprehensive income during the year.

34.1.2 Income from investment was categorized as Shariah / Non - Shariah compliant investee companies on the basis of All Shares Islamic Index as circulated by the Pakistan Stock Exchange.

34.2 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 3.92 million (2024: Rs. 1.57 million).

35. DISTRIBUTION AND SELLING EXPENSES

		Continuing operations						Discontinued operation			
		Steel segment		Cotton segment		Sub-total		Hadeed (Billet) segment		Total	
Rupees in '000	Note	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salaries, wages and other benefits	35.1	9,818	10,403	2,926	2,471	12,744	12,874	1,453	1,222	14,197	14,096
Consultant fee		-	23,963	-	-	-	23,963	-	-	-	23,963
Travelling, conveyance and entertainment		919	1,116	41	32	960	1,148	22	21	982	1,169
Depreciation	16.1.2	902	902	-	-	902	902	-	-	902	902
Insurance		61	75	-	-	61	75	-	-	61	75
Postage, telephone and telegram		90	70	66	69	156	139	2	12	158	151
Advertisement		4,529	4,206	-	-	4,529	4,206	-	-	4,529	4,206
Bid bond expenses		318	43	-	-	318	43	-	-	318	43
Legal and professional charges		4,326	5,357	-	-	4,326	5,357	-	-	4,326	5,357
Others		9,852	4,971	1,830	1,524	11,682	6,495	604	530	12,286	7,025
		30,815	51,106	4,863	4,096	35,678	55,202	2,081	1,785	37,759	56,987

Rupees in '000	Note	Continuing operations						Discontinued operation			
		Steel segment		Cotton segment		Energy segment		Hadeed (Billet) segment		Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
35.1 Detail of salaries, wages and other benefits											
Salaries, wages and other benefits		8,240	9,041	2,375	2,014	10,615	11,055	1,177	1,162	11,792	12,217
Pension fund	35.1.1	835	721	286	239	1,121	960	144	-	1,265	960
Gratuity fund	35.1.1	348	300	120	99	468	399	60	-	528	399
Provident fund contributions		395	341	145	119	540	460	72	60	612	520
		9,818	10,403	2,926	2,471	12,744	12,874	1,453	1,222	14,197	14,096

Rupees in '000	2025		2024	
	Pension	Gratuity	Pension	Gratuity
35.1.1 Staff retirement benefits				
Current service costs	920	(1,823)	400	235
Interest costs	3,754	(4,854)	1,732	671
Return on plan assets, excluding interest income	(3,409)	7,205	(1,172)	(507)
	1,265	528	960	399

36. ADMINISTRATIVE EXPENSES

Rupees in '000	Note	Continuing operations										Discontinued operation			
		Steel segment		Cotton segment		Energy segment		IID segment		Sub-total		Hadeed (Billet) segment		Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salaries, wages and other benefits	36.1	261,460	218,387	4,838	29,300	-	-	18,274	18,911	284,572	266,598	9,442	8,312	294,014	274,910
Rents, rates and taxes		6,282	9,158	426	583	-	-	903	510	7,611	10,251	96	584	7,707	10,835
Travelling, conveyance and entertainment		8,065	13,648	296	880	-	-	413	663	8,774	15,191	247	115	9,021	15,306
Fuel and power		21,165	20,366	1,086	1,689	-	-	893	1,052	23,144	23,107	4,165	4,309	27,309	27,416
Postage, telephone and telegram		3,223	5,809	78	778	-	-	170	303	3,471	6,890	24	47	3,495	6,937
Insurance		4,642	2,468	52	209	1	1	275	183	4,970	2,861	58	82	5,028	2,943
Repairs and maintenance		53,540	15,525	203	888	-	-	3,757	802	57,500	17,215	338	120	57,838	17,335
Auditor's remuneration	36.2	6,963	5,389	103	503	-	-	614	458	7,680	6,350	-	-	7,680	6,350
Legal, professional and corporate service charges		53,983	29,376	3,217	3,133	-	-	7,605	1,478	64,805	33,987	47	-	64,852	33,987
Advertisement		4,645	2,527	-	14	-	-	243	129	4,888	2,670	-	-	4,888	2,670
Donations	36.3	106,715	87,159	-	200	-	-	5,644	5,124	112,359	92,483	-	-	112,359	92,483
Depreciation	16.1.2 & 18.1	38,156	17,178	507	1,464	3	8	4,509	2,655	43,175	21,305	564	1,840	43,739	23,145
Amortization	17.1	-	1,214	-	157	-	-	-	56	-	1,427	-	-	-	1,427
Printing, stationery and office supplies		4,103	4,909	3	369	-	-	329	373	4,435	5,651	8	1	4,443	5,652
Newspapers, subscriptions and periodicals		5,847	765	700	769	1,365	987	499	52	8,411	2,573	-	-	8,411	2,573
Others		13,578	5,711	53	560	-	-	1,076	529	14,707	6,800	880	714	15,587	7,514
		592,367	439,589	11,562	41,496	1,369	996	45,204	33,278	650,502	515,359	15,869	16,124	666,371	531,483

		Continuing operations										Discontinued operation			
		Steel segment		Cotton segment		Energy segment		IID segment		Sub-total		Hadeed (Billet) segment		Total	
Rupees in '000	Note	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
36.1 Detail of salaries, wages and other benefits															
Salaries, wages and other benefits		229,380	177,273	4,300	21,029	-	-	15,787	15,208	249,467	213,510	9,285	8,178	258,752	221,688
Pension fund	36.1.1	25,278	27,411	294	6,460	-	-	1,630	2,637	27,202	36,508	-	-	27,202	36,508
Gratuity fund	36.1.1	(1,974)	7,280	135	1,195	-	-	164	518	(1,675)	8,993	-	-	(1,675)	8,993
Provident fund contributions		8,776	6,423	109	616	-	-	693	548	9,578	7,587	157	134	9,735	7,721
		261,460	218,387	4,838	29,300	-	-	18,274	18,911	284,572	266,598	9,442	8,312	294,014	274,910

	2025		2024	
Rupees in '000	Pension	Gratuity	Pension	Gratuity
36.1.1 Staff retirement benefits				
Current service costs	19,769	5,779	15,204	5,304
Interest costs	80,671	15,390	65,858	15,115
Return on plan assets, excluding interest income	(73,238)	(22,844)	(44,554)	(11,426)
	27,202	(1,675)	36,508	8,993

Rupees in '000	Note	2025	2024
36.2 Auditor's remuneration			
Audit fee		5,040	4,014
Certifications, tax and other assurance services		983	1,059
Out of pocket expenses		1,184	863
Sales tax		473	414
	36.2.1	7,680	6,350

36.2.1 Audit fee includes services for audit of annual unconsolidated and consolidated financial statements, audit of annual consolidated financial statements for group taxation purpose, limited scope review of unconsolidated condensed interim financial information for the six months period, review report on statement of compliance with best practices of the Code of Corporate Governance, taxation services and other statutory certifications.

36.3 Donations

Donations include the following in which a director is interested:

Name of director	Interest in donee	Name and address of the donee	Amount donated 2025	2024
Rupees in '000			2025	2024
Mr. Ahsan M. Saleem	Director	The Citizens Foundation		
		Plot No. 20, Sector - 14,		
		New Brookes Chowrangi,		
		Korangi Industrial Area, Karachi.	97,824	73,631

36.3.1 Donations other than those mentioned above were not made to any donee in which a director or his spouse had any interest at any time during the year.

Rupees in '000	Note	2025	2024
37. OTHER OPERATING EXPENSES			
Continuing operations:			
Exchange loss		11,880	–
Impairment of capital work-in-progress		–	66,445
Impairment loss on trade debts	24.3	3,755	5,373
Provision for:			
– Workers' Profit Participation Fund	12.4	38,113	92,580
– Workers' Welfare Fund		11,332	33,922
– Doubtful advances		–	40,892
– Slow moving stores, spares and loose tools – net	22.1	11,038	17,165
Fixed assets written off		109	5,346
Others		–	9,579
		76,227	271,302
Discontinued operation:			
Impairment on non-current assets held for sale	31	50,000	–
Provision on slow moving stores, spares and loose tools – net		–	5,000
		126,227	276,302
38. OTHER INCOME			
Income from financial assets / liabilities			
Mark-up on short term loan to subsidiary company	25.1	322	79,006
Return on deposits – from conventional banking		23,991	26,413
Gain on realization of deposit		3,861	–
Exchange gain		–	25,397
Liabilities written-back		4,000	989
Unwinding of discount on long term deposit		2,695	1,923
		34,869	133,728
Income from non-financial assets / liabilities			
Gain on disposal of operating fixed assets		10,080	4,994
Deferred income amortized	11	537	538
Land licensing fee		–	36,000
Rent income		6,890	7,440
Insurance claim		7,565	–
Others		11,981	–
		37,053	48,972
		71,922	182,700

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For the year ended June 30, 2025

Rupees in '000	2025	2024
39. FINANCE COSTS		
Mark – up on short term loans – Shariah arrangement	52,306	76,905
Interest on Non – Shariah arrangement		
– finance lease obligations	35,633	45,803
– long term loans	65,031	136,716
– running finances	38,214	111,040
– short term loans	85,590	117,054
Bank charges	11,642	9,885
	288,416	497,403
40. TAXATION CHARGE		
Current		
– for the year	260,931	576,752
– for prior years	(1,868)	(1,335)
	259,063	575,417
Deferred	305,880	344,655
	564,943	920,072
40.1 Relationship between taxation expense and accounting profit		
Profit before taxation from continuing operations	2,007,215	2,610,385
Tax at the applicable rate of 29% (2024: 29%)	582,092	757,012
Tax effect of inadmissible expenses / losses	7,373	55,838
Tax effect of income taxed at a lower rate	(307,139)	(196,170)
Tax effect arising due to super tax	190,049	264,456
Tax effect of discontinued operation	(28,708)	(24,305)
Others	123,144	64,576
Prior year tax effect	(1,868)	(1,335)
	564,943	920,072
41. BASIC AND DILUTED EARNINGS PER SHARE		
Net profit for the year	1,343,279	1,606,503
Net profit for the year from continuing operations	1,442,272	1,690,313
Net loss from discontinued operation	(98,993)	(83,810)
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	77,632,491	77,632,491
	(Rupees)	
Basic and diluted – earnings per share	17.30	20.69
Basic and diluted – earnings per share from continuing operations	18.58	21.77
Basic and diluted – loss per share from discontinued operation	(1.28)	(1.08)

Rupees in '000	Note	2025	2024
42. CASH GENERATED FROM OPERATIONS			
Profit before tax		1,908,222	2,526,575
Adjustments for non cash charges and other items:			
Depreciation on operating fixed assets,			
right–of–use assets and investment properties	16.1.2 & 18	271,782	264,549
Amortization of intangible assets	17	–	1,427
Charge for the year on staff retirement benefit funds	45.1.7	37,972	77,111
Dividend income	34.1	(801,394)	(820,524)
Unrealized gain on FVTPL investments – net	34.1	(195,937)	(220,350)
Realized gain on FVTPL investments – net	34.1	(460,702)	(25,603)
Provision for slow moving stores, spares and loose tools – net	37	11,038	22,165
Charge of impairment loss on trade debts – net	37	3,755	5,373
Provision for Workers' Welfare Fund	37	11,332	33,922
Provision for Workers' Profit Participation Fund	37	38,113	92,580
Property, plant and equipment written off	37	109	5,346
Mark–up on short term loan to subsidiary company	38	(322)	(79,006)
Return on deposits	38	(23,991)	(26,413)
Gain on disposal of operating fixed assets	38	(10,080)	(4,994)
Deferred income amortized	38	(537)	(538)
Provision for doubtful advances	37	–	40,892
Gain on realization of deposit	38	(3,861)	–
Unwinding of discount on long term deposit	38	(2,695)	(1,923)
Liabilities written back	38	(4,000)	(989)
Impairment of capital work in progress	37	–	66,445
Impairment of non–current assets held for sale	37	50,000	–
Finance costs	39	288,416	497,403
Working capital changes		(1,818,540)	(1,173,902)
Cash (used in) / generated from operations		(701,320)	1,279,546
Changes in:			
– Stores, spares and loose tools		9,093	(87,426)
– Stock–in–trade		(1,536,207)	(178,627)
– Trade debts		(172,541)	(1,013,576)
– Loans and Advances		(115,391)	48,887
– Trade deposits and short term prepayments		(3,446)	(2,076)
– Other receivables		(3,057,831)	244,688
– Trade and other payables		3,057,783	(185,772)
		(1,818,540)	(1,173,902)

42.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

Rupees in '000	Long term loans	Lease liabilities (Including mark-up accrued)	Short term borrowings	Unclaimed dividend	Total
	9	10 & 13	14		
Opening balance as at July 1, 2024	427,466	255,228	579,271	26,188	1,288,153
Proceeds from long term loans	150,000	–	–	–	150,000
Repayment of long term loans	(270,191)	–	–	–	(270,191)
Proceeds from short term borrowings	–	–	3,938,369	–	3,938,369
Repayment of short term borrowings	–	–	(3,152,798)	–	(3,152,798)
Dividends paid	–	–	–	(574,368)	(574,368)
Lease payments	–	(88,329)	–	–	(88,329)
	(120,191)	(88,329)	785,571	(574,368)	2,683
Dividends declared	–	–	–	659,877	659,877
Amortization of transaction cost	(517)	–	–	–	(517)
Interest accrued on lease obligation	–	35,633	–	–	35,633
	(517)	35,633	–	659,877	694,993
Closing balance as at June 30, 2025	306,758	202,532	1,364,842	111,697	1,985,829

Rupees in '000	Note	2025	2024
42.2 The cash flows from discontinued operation are as follows:			
Net cash flows from operating activities		12,820	(12,912)
Net cash flows from investing activities		–	–
Net cash flows from financing activities		–	–
		12,820	(12,912)
43. CASH AND CASH EQUIVALENTS			
Running finances under mark–up arrangements	14.1	(600,117)	(50,222)
Term deposit receipt		–	150,000
Cash and bank balances	30	74,586	303,201
		(525,531)	402,979

44. SEGMENT REPORTING

44.1 Reportable segments

The Company's reportable segments are as follows:

- Steel segment – It comprises of manufacturing and coating of steel pipes (note 1.2);
- Cotton segment – It comprises of manufacturing of yarn (note 1.3);
- Investment and Infrastructure Development (IID) segment – To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation) (Note 1.4);
- Energy segment – It comprises of generating and supplying electricity / power (note 1.5); and
- Hadeed segment – It comprises of manufacturing billets (note 1.6).

The Company's all segments are engaged in shariah compliant businesses except mentioned in note 34 to these unconsolidated financial statements. Information regarding the Company's reportable segments is presented below:

44.2 Segment revenues and results

Following is an analysis of the Company's revenue and results by reportable segments:

	Continuing operations					Discontinued operation	
Rupees in '000	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	Total
For the year ended June 30, 2025							
Sales – net	6,346,278	34,372	–	–	6,380,650	31,302	6,411,952
Cost of sales	4,690,400	107,376	58,436	–	4,856,212	62,345	4,918,557
Gross profit / (loss)	1,655,878	(73,004)	(58,436)	–	1,524,438	(31,043)	1,493,395
Income from investments – net	–	–	–	1,461,678	1,461,678	–	1,461,678
	1,655,878	(73,004)	(58,436)	1,461,678	2,986,116	(31,043)	2,955,073
Distribution and selling expenses	30,815	4,863	–	–	35,678	2,081	37,759
Administrative expenses	592,367	11,562	1,369	45,204	650,502	15,869	666,371
Other operating expenses	74,783	1,297	147	–	76,227	50,000	126,227
	697,965	17,722	1,516	45,204	762,407	67,950	830,357
	957,913	(90,726)	(59,952)	1,416,474	2,223,709	(98,993)	2,124,716
Other income	54,643	13,096	3,861	322	71,922	–	71,922
Operating profit / (loss) before finance costs	1,012,556	(77,630)	(56,091)	1,416,796	2,295,631	(98,993)	2,196,638
Finance costs	288,329	87	–	–	288,416	–	288,416
Profit / (loss) before taxation	724,227	(77,717)	(56,091)	1,416,796	2,007,215	(98,993)	1,908,222
Taxation							(564,943)
Profit for the year							1,343,279
For the year ended June 30, 2024							
Sales – net	9,056,280	55,331	–	–	9,111,611	–	9,111,611
Cost of sales	6,188,178	164,972	61,193	–	6,414,343	60,901	6,475,244
Gross profit / (loss)	2,868,102	(109,641)	(61,193)	–	2,697,268	(60,901)	2,636,367
Income from investments – net	–	–	–	1,069,683	1,069,683	–	1,069,683
	2,868,102	(109,641)	(61,193)	1,069,683	3,766,951	(60,901)	3,706,050
Distribution and selling expenses	51,106	4,096	–	–	55,202	1,785	56,987
Administrative expenses	439,589	41,496	996	33,278	515,359	16,124	531,483
Other operating expenses	220,296	46,573	4,433	–	271,302	5,000	276,302
	710,991	92,165	5,429	33,278	841,863	22,909	864,772
	2,157,111	(201,806)	(66,622)	1,036,405	2,925,088	(83,810)	2,841,278
Other income	92,665	11,029	–	79,006	182,700	–	182,700
Operating profit / (loss) before finance costs	2,249,776	(190,777)	(66,622)	1,115,411	3,107,788	(83,810)	3,023,978
Finance costs	491,522	5,881	–	–	497,403	–	497,403
Profit / (loss) before taxation	1,758,254	(196,658)	(66,622)	1,115,411	2,610,385	(83,810)	2,526,575
Taxation							(920,072)
Profit for the year							1,606,503

44.2.1 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 6 to these unconsolidated financial statements. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, IID and Hadeed (Billet) segments. In addition, finance costs between Steel, Cotton and Hadeed segments are allocated at average mark–up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

44.3 Revenue from major products and services

The analysis of the Company's revenue from external customers for major products and services is given in note 32 to these unconsolidated financial statements.

44.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 6,050.79 million (2024: Rs. 8,694.83 million) of total Steel segment revenue of Rs. 6,346.28 million (2024: Rs. 9,056.28 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 31.42 million (2024: Rs. 55.33 million) of total Cotton segment revenue of Rs. 34.37 million (2024: Rs. 55.33 million).

44.5 Geographical information

44.5.1 All Company's revenue from external customers by geographical location is within Pakistan.

44.5.2 All non-current assets of the Company as at June 30, 2025 and 2024 were located and operating in Pakistan.

44.6 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Continuing operations					Discontinued operation	
Rupees in '000	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	Total
As at June 30, 2025							
Segment assets for reportable segments	9,284,480	310,514	320,905	3,871,464	13,787,363	450,949	14,238,312
Unallocated corporate assets							1,681,464
Total assets as per unconsolidated statement of financial position							15,919,776
Segment liabilities for reportable segments	4,129,584	89,724	33,170	6,742	4,259,220	90,124	4,349,344
Unallocated corporate liabilities and deferred income							2,818,665
Total liabilities as per unconsolidated statement of financial position							7,168,009

Rupees in '000	Continuing operations Steel segment	 Cotton segment	 Energy segment	 IID segment	 Sub-total	Discontinued operation Hadeed (Billet) segment	 Total
As at June 30, 2024							
Segment assets for reportable segments	4,747,273	182,806	408,865	3,163,672	8,502,616	621,933	9,124,549
Unallocated corporate assets							1,373,602
Total assets as per unconsolidated statement of financial position							10,498,151
Segment liabilities for reportable segments	1,265,608	97,287	35,727	4,335	1,402,957	86,102	1,489,059
Unallocated corporate liabilities and deferred income							1,293,043
Total liabilities as per unconsolidated statement of financial position							2,782,102

44.6.1 For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and

- all liabilities are allocated to reportable segments other than those directly relating to corporate and taxation.

Cash and bank balances, borrowings and related mark-up receivable there-from and payable thereon, respectively are not allocated to reporting segments as these are managed by the Company's central treasury function.

44.7 Other segment information

Rupees in '000	Continuing operations Steel segment	 Cotton segment	 Energy segment	 IID segment	 Sub-total	Discontinued operation Hadeed (Billet) segment	 Total
For the year ended June 30, 2025							
Capital expenditure	574,532	7,723	–	–	582,255	–	582,255
Depreciation	184,781	9,823	59,716	4,509	258,829	12,953	271,782
Non-cash items other than depreciation – net	79,487	3,266	147	(194,465)	(111,565)	204	(111,361)

Rupees in '000	Continuing operations					Discontinued operation	
	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	Total
For the year ended June 30, 2024							
Capital expenditure	247,154	–	–	690	247,844	–	247,844
Depreciation and amortization	136,108	15,928	59,721	2,711	214,468	51,508	265,976
Non–cash items other than depreciation and amortization – net	192,913	22,148	(204)	(217,195)	(2,338)	5,556	3,218

45. STAFF RETIREMENT BENEFITS

45.1 Defined benefit plans

45.1.1 The actuarial valuation of both pension and gratuity schemes has been conducted in accordance with IAS 19, 'Employee benefits' as at June 30, 2025. The projected unit credit method, using the following significant assumptions, has been used for the actuarial valuation:

Rupees in '000	2025 Pension	2025 Gratuity	2024 Pension	2024 Gratuity
Financial assumptions				
- Discount rate used for interest cost in profit or loss charge	15.25%	15.25%	16.25%	16.25%
- Discount rate used for year end obligation	12.00%	12.00%	15.25%	15.25%
- Expected rate of increase in salaries	12.00%	12.00%	15.25%	15.25%
Demographic assumptions				
- Retirement assumption	Age 58		Age 58	
- Expected mortality for active members	SLIC (2001-05)		SLIC (2001-05)	

45.1.2 The amounts recognized in unconsolidated statement of financial position are as follows:

Rupees in '000	Note	2025 Pension	2025 Gratuity	2025 Total	2024 Pension	2024 Gratuity	2024 Total
Present value of defined benefit obligations	45.1.4	936,364	216,051	1,152,415	804,399	173,925	978,324
Fair value of plan assets	45.1.5	(1,112,267)	(352,945)	(1,465,212)	(736,462)	(203,565)	(940,027)
(Asset) / liability recognized in unconsolidated statement of financial position		(175,903)	(136,894)	(312,797)	67,937	(29,640)	38,297

		2025			2024		
Rupees in '000	Note	Pension	Gratuity	Total	Pension	Gratuity	Total
45.1.3 Movement in the net defined benefit (asset) / liability							
Opening balance		67,937	(29,640)	38,297	237,901	41,889	279,790
Net benefit cost charged to profit or loss	45.1.7	40,857	(2,885)	37,972	62,580	14,531	77,111
Remeasurements recognized in other comptrehensive income	45.1.8	(252,195)	(91,243)	(343,438)	(206,190)	(75,645)	(281,835)
Contributions by the Company	45.1.5	(32,502)	(13,126)	(45,628)	(26,354)	(10,415)	(36,769)
Closing balance		(175,903)	(136,894)	(312,797)	67,937	(29,640)	38,297
45.1.4 Movement in the present value of defined benefit obligations							
Opening balance		804,399	173,925	978,324	701,907	160,692	862,599
Current service cost		29,693	9,960	39,653	26,062	8,570	34,632
Interest cost	45.1.7	121,167	26,524	147,691	112,890	24,423	137,313
Benefits paid		(19,722)	-	(19,722)	(14,399)	(20,788)	(35,187)
Remeasurement loss / (gain) of defined benefit obligation		827	5,642	6,469	(22,061)	1,028	(21,033)
Closing balance		936,364	216,051	1,152,415	804,399	173,925	978,324
45.1.5 Movement in the fair value of plan assets							
Opening balance		736,462	203,565	940,027	464,006	118,803	582,809
Contributions by the Company		32,502	13,126	45,628	26,354	10,415	36,769
Interest income on plan assets	45.1.7	110,003	39,369	149,372	76,372	18,462	94,834
Benefits paid		(19,722)	-	(19,722)	(14,399)	(20,788)	(35,187)
Return on plan assets, excluding interest income		253,022	96,885	349,907	184,129	76,673	260,802
Closing balance		1,112,267	352,945	1,465,212	736,462	203,565	940,027
45.1.6 Actual return on plan assets		363,025	136,254	499,279	260,501	95,135	355,636

45.1.7 Following amounts have been charged in the unconsolidated statement of profit or loss in respect of these benefits:

	2025			2024		
Rupees in '000	Pension	Gratuity	Total	Pension	Gratuity	Total
Current service cost	29,693	9,960	39,653	26,062	8,570	34,632
Interest cost	121,167	26,524	147,691	112,890	24,423	137,313
Interest income on plan assets	(110,003)	(39,369)	(149,372)	(76,372)	(18,462)	(94,834)
Charge recognized in profit or loss	40,857	(2,885)	37,972	62,580	14,531	77,111

45.1.8 Following amounts of re-measurements have been charged in the other comprehensive income in respect of these benefits:

	2025			2024		
Rupees in '000	Pension	Gratuity	Total	Pension	Gratuity	Total
Remeasurement:						
Actuarial gain from changes in demographic assumptions	(33,410)	(9,331)	(42,741)	–	–	–
Actuarial gain from change in financial assumptions	(19,930)	(82)	(20,012)	(5,275)	(21)	(5,296)
Experience adjustments	54,167	15,055	69,222	(16,786)	1,049	(15,737)
	827	5,642	6,469	(22,061)	1,028	(21,033)
Return on plan assets, excluding interest income	(253,022)	(96,885)	(349,907)	(184,129)	(76,673)	(260,802)
Remeasurement gains recognized in the other comprehensive income	(252,195)	(91,243)	(343,438)	(206,190)	(75,645)	(281,835)
45.1.9 Total defined benefit cost recognized in profit or loss and other comprehensive income	(211,338)	(94,128)	(305,466)	(143,610)	(61,114)	(204,724)
Weighted average duration of the defined benefit obligation (years)	10.50	1.84		11	2	
Analysis of present value of defined benefit obligation						
Type of Members:						
Pensioners	34	–		34	–	
Beneficiaries	91	91		82	82	
Vested / Non-vested						
Vested benefits	874,594	189,175	1,063,769	737,566	149,183	886,749
Non-vested benefits	61,770	26,876	88,646	66,833	24,742	91,575
	936,364	216,051	1,152,415	804,399	173,925	978,324

	2025			2024		
Rupees in '000	Pension	Gratuity	Total	Pension	Gratuity	Total
Disaggregation of fair value of plan assets						
The fair value of the plan assets at reporting date for each category are as follows:						
Cash and cash equivalents	31,939	12,446	44,385	10,765	5,097	15,862
Debt instruments						
AA–	2,996	–	2,996	–	–	–
AAA	2,500	2,500	5,000	2,500	2,500	5,000
A+	–	–	–	3,017	–	3,017
CCC+	219,808	2,614	222,422	–	–	–
CCC	–	–	–	282,452	55,701	338,153
	225,304	5,114	230,418	287,969	58,201	346,170
Equity instruments						
Cement	2,900	–	2,900	8,818	–	8,818
Chemicals	–	–	–	256	–	256
Banks	15,797	–	15,797	1,952	–	1,952
Engineering	659,290	313,589	972,879	218,692	104,690	323,382
Fertilizer	24,788	1,159	25,947	10,421	482	10,903
Insurance	84	–	84	74	–	74
Oil and Gas Exploration Companies	40,952	4,522	45,474	12,509	3,644	16,153
Oil and Gas Marketing Company	481	–	481	218	–	218
Refineries	149	–	149	–	–	–
Investment Company	20,992	–	20,992	629	–	629
Gas Distribution Company	476	–	476	424	–	424
Pharmaceuticals	1,721	–	1,721	684	–	684
Power Generation and Distribution	42,206	13,781	55,987	42,014	16,308	58,322
Sugar and Allied Industries	7,924	2,334	10,258	4,611	1,358	5,969
Technology and Communication	859	–	859	661	–	661
Textile Composite	13,552	–	13,552	1,771	–	1,771
	832,171	335,385	1,167,556	303,734	126,482	430,216
Mutual funds						
Income Fund	22,853	–	22,853	131,148	13,785	144,933
Equity Fund	–	–	–	2,846	–	2,846
	1,112,267	352,945	1,465,212	736,462	203,565	940,027

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Rupees in '000	Pension	Gratuity
Discount rate +1%	(89,210)	(3,678)
Discount rate -1%	107,450	4,280
Salary increase +1%	14,016	4,267
Salary decrease -1%	(12,249)	(3,733)
Pension indexation rate increase +1%	101,550	–
Pension indexation rate decrease -1%	(87,151)	–

45.1.10 Through its defined benefit gratuity plan, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Fund believes that due to the long-term nature of the plan liabilities and the strength of the Company's support, the current investment strategy manages this risk adequately.

Inflation risk

The majority of the plan's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities. However, the Fund manages plan assets to offset inflationary impacts.

Life expectancy / withdrawal rate

The majority of the plan's obligations are to provide benefits on severance with the Company or on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

45.1.11 Expected future expense to be charged in unconsolidated statement of profit or loss for the year ending June 30, 2026:

Rupees in '000	Pension	Gratuity
Current service cost	31,344	10,876
Interest cost on defined benefit obligation	111,127	15,534
Interest income on plan assets	(134,619)	(32,921)
	7,852	(6,511)

45.2 Defined contribution plan

The Company has set up provident fund for its permanent employees. The total charge against provident fund for the year ended June 30, 2025 was Rs. 18.62 million (2024: Rs. 15.69 million). Reporting year ends of Provident Fund Financial Statements are December 31, and June 30, for Steel & IID Division, and Cotton & Hadeed Division, respectively.

The investments out of the provident funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified there under.

46. FINANCIAL RISK MANAGEMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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: Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. 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 categorized:

Rupees in '000	June 30, 2025								
	Carrying amount					Fair Value			
	Fair value through profit or loss	Fair value through other compre-hensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
Financial assets measured at fair value									
Recurring fair value measurements									
Investments									
- Listed equity securities	1,450,401	13,549	-	-	1,463,950	1,463,950	-	-	1,463,950
- unlisted equity securities	629,885	-	-	-	629,885	-	-	629,885	629,885
	2,080,286	13,549	-	-	2,093,835	1,463,950	-	629,885	2,093,835

46. FINANCIAL RISK MANAGEMENT – Continued..

Rupees in '000	June 30, 2025								
	Carrying amount					Fair Value			
	Fair value through profit or loss	Fair value through other compre-hensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Deposits	–	–	77,692	–	77,692	–	–	–	–
Term deposit receipt	–	–	87,000	–	87,000	–	–	–	–
Trade debts	–	–	1,641,032	–	1,641,032	–	–	–	–
Loan to subsidiary	–	–	2,672	–	2,672	–	–	–	–
Other receivables	–	–	2,458,690	–	2,458,690	–	–	–	–
Bank balances	–	–	74,586	–	74,586	–	–	–	–
	–	–	4,341,672	–	4,341,672	–	–	–	–
Financial liabilities not measured at fair value									
Long term loans	–	–	–	306,758	306,758	–	–	–	–
Lease liabilities	–	–	–	202,508	202,508	–	–	–	–
Trade and other payables	–	–	–	1,168,932	1,168,932	–	–	–	–
Mark-up accrued	–	–	–	27,284	27,284	–	–	–	–
Short term borrowings	–	–	–	1,964,959	1,964,959	–	–	–	–
Unclaimed dividend	–	–	–	111,697	111,697	–	–	–	–
	–	–	–	3,782,138	3,782,138	–	–	–	–

Rupees in '000	June 30, 2024								
	Carrying amount					Fair Value			
	Fair value through profit or loss	Fair value through other compre-hensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
Financial assets measured at fair value									
Recurring fair value measurements									
Investments									
– Listed equity securities	423,372	7,555	–	–	430,927	430,927	–	–	430,927
– unlisted equity securities	610,554	–	–	–	610,554	–	–	610,554	610,554
	1,033,926	7,555	–	–	1,041,481	430,927	–	610,554	1,041,481

Rupees in '000	June 30, 2024								
	Carrying amount					Fair Value			
	Fair value through profit or loss	Fair value through other compre-hensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Deposits	-	-	75,323	-	75,323	-	-	-	-
Term deposit receipt	-	-	244,360	-	244,360	-	-	-	-
Trade debts	-	-	1,472,246	-	1,472,246	-	-	-	-
Loan to subsidiary	-	-	-	-	-	-	-	-	-
Other receivables	-	-	34,640	-	34,640	-	-	-	-
Bank balances	-	-	303,201	-	303,201	-	-	-	-
	-	-	2,129,770	-	2,129,770	-	-	-	-
Financial liabilities not measured at fair value									
Long term loan	-	-	-	427,466	427,466	-	-	-	-
Lease liabilities	-	-	-	254,987	254,987	-	-	-	-
Trade and other payables	-	-	-	837,761	837,761	-	-	-	-
Mark-up accrued	-	-	-	59,522	59,522	-	-	-	-
Short term borrowings	-	-	-	629,493	629,493	-	-	-	-
Unclaimed dividend	-	-	-	26,188	26,188	-	-	-	-
	-	-	-	2,235,417	2,235,417	-	-	-	-

The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

The investments in subsidiaries and associates are stated at cost less impairment loss.

Investment properties fair value have been determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 18.2. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

46.1 Valuation techniques and significant unobservable inputs

The fair values of unquoted equity investments have been determined by the valuation expert. The following table shows the valuation techniques used in measuring Level 3 fair values at June 30, 2025 for unquoted equity investments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Name of investee company	Valuation technique	Significant unobservable inputs		Inter-relationship between significant unobservable inputs and fair value measurement
- Shakarganj Food Products Limited	- Discounted free cash flows with terminal growth:	- Expected free cash flows		The estimated fair value would increase (decrease) if:
	The valuation model considers the present value of expected free cashflows, discounted using Weighted Average Cost of Capital.	- Terminal growth rate	5.00%	- The expected free cash flows were higher / (lower)
		- Weighted Average Cost of Capital	20.45%	- The terminal growth rate were higher / (lower)
				- The Weighted Average Cost of Capital were lower / (higher)
- Central Depository Company of Pakistan Limited	- Dividend growth model:	- Dividend growth rate	6.50%	The estimated fair value would increase / (decrease) if:
	The valuation model considers the present value of future dividends, discounted using Weighted Average Cost of Capital.	- Weighted Average Cost of Capital	15.05%	- The dividend growth rate were higher / (lower)
				- The Weighted Average Cost of Capital were lower / (higher)

46.2 Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

Rupees in '000	
Balance at July 1, 2024	
– Shakarganj Food Products Limited	397,135
– Central Depository Company of Pakistan Limited (CDC)	213,419
	610,554
Fair value recognized in profit or loss during the year	
– Shakarganj Food Products Limited	(83,651)
– Central Depository Company of Pakistan Limited (CDC)	102,982
	19,331
Balance at June 30, 2025	
– Shakarganj Food Products Limited	313,484
– Central Depository Company of Pakistan Limited (CDC)	316,401
	629,885

Sensitivity analysis

For the fair value of unquoted equity investments, reasonably possible changes at June 30, 2025 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Rupees in '000	Profit or loss Increase	Decrease
Shakarganj Food Products Limited		
– Expected cash flows (10% movement)	36,272	(36,272)
– Terminal growth rate (100 bps)	15,846	(13,920)
– Weighted Average Cost of Capital (100 bps)	(22,273)	25,379
Central Depository Company of Pakistan Limited (CDC)		
– Dividend growth rate (100 bps)	24,684	(19,513)
– Weighted Average Cost of Capital (100 bps)	(18,063)	22,850

47. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies.

47.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter-parties fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the Company. It arises principally from trade debts, bank balances, security deposits, mark-up accrued and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

Rupees in '000	2025	2024
Deposits	77,692	75,323
Term deposit receipt	87,000	244,360
Trade debts	1,641,032	1,472,246
Loan to subsidiary	2,672	–
Other receivables	2,458,690	34,640
Bank balances	74,586	303,201
	4,341,672	2,129,770

Trade and other receivables

To manage exposure to credit risk in respect of trade and other receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales tenders and credit terms are approved by the tender approval committee. Where considered necessary, advance payments are obtained from certain parties. Sales of steel segment made to major customers are secured through letters of credit. The management has set a maximum credit period of 15 days in respect of Cotton segment's sales to reduce the credit risk.

All the trade debtors at the reporting date represent domestic parties.

The maximum exposure to credit risk before any credit enhancements for trade debts at the reporting date by type of customer was as follows:

Rupees in '000	2025	2024
Steel segment	1,638,305	1,472,052
Cotton segment	564	–
IID	2,150	–
Hadeed (Billet) segment	13	194
	1,641,032	1,472,246
The aging of trade debts at the reporting date is		
Not past due	220,759	1,171,633
Past due 1 - 30 days	10,393	6,328
Past due 30 - 180 days	271,432	252,514
Past due 180 days	1,165,977	65,545
	1,668,561	1,496,020
Less: Impairment loss	27,529	23,774
	1,641,032	1,472,246

The movement in the allowance for impairment in respect of trade debts is given in note 24.3.

The expected loss rates are based on the payment profiles of sales over a period of 60 month before June 30, 2025 and the corresponding historical credit losses experienced within this period. The historical loss rate are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of Pakistan in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance.

Loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and Company's view of economic conditions over the expected lives of the trade debts.

Based on past experience, the management believes that no impairment allowance is necessary, except mentioned above, in respect of trade debts past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Settlement risk

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

Bank balances

The Company kept its surplus funds with banks having good credit rating. Currently, the surplus funds are kept with banks having rating from AAA to A1+.

The credit quality of the Company's investment in units of mutual funds can be assessed with reference to external credit rankings as follows:

	Rankings		Ranking	**2025**	2024
Rupee in '000	Short term	Long term	Agency		
Mutual Funds					
HBL Growth Fund (A)	A1+	AAA	VIS	9,548	5,942
HBL Investment Fund (A)	A1+	AAA	VIS	–	1,390
Pak Qatar Income Plan Fund	–	AA	Pacra	532	104,043
				10,080	111,375

Deposits

The Company has provided security deposits and retention money as per the contractual terms with counter parties as security and does not expect material loss against those deposits retention money.

Investment in debt securities

Credit risk arising on debt securities is mitigated by investing principally in investment grade rated instruments. Where the investment is considered doubtful a provision is created there against. The Company has debt security amounting to Rs. 87 million as at reporting date.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

47.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligation arising from financial liabilities that are settled by delivering cash or another financial asset or that such obligation will have to be settled in a manner disadvantageous to the Company. The Company is not materially exposed to liquidity risk as substantially all obligation / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet the short term liquidity commitments, if any.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

Rupees in '000	2025							
	Carrying amount	Contractual cash flows	On demand	Six months or less	Six to twelve months	One to two years	Two to five years	Over five years
Financial liabilities								
Long term loans	306,758	306,758	–	135,165	39,377	78,429	50,164	3,623
Lease liabilities	202,508	248,187	–	48,357	34,616	54,556	110,658	–
Trade and other payables	918,932	918,932	–	918,932	–	–	–	–
Unclaimed dividend	111,697	111,697	111,697	–	–	–	–	–
Mark-up accrued	27,284	27,284	–	27,284	–	–	–	–
Short term borrowings	1,964,959	1,964,959	600,117	1,364,842	–	–	–	–
	3,532,138	3,577,817	711,814	2,494,580	73,993	132,985	160,822	3,623

Rupees in '000	2024							
Financial liabilities								
Long term loan	427,466	427,466	–	134,826	135,170	137,139	11,304	9,027
Lease liabilities	254,987	376,489	–	45,713	43,856	79,629	207,291	–
Trade and other payables	837,761	837,761	–	837,761	–	–	–	–
Unclaimed dividend	26,188	26,188	26,188	–	–	–	–	–
Mark-up accrued	59,522	59,522	–	59,522	–	–	–	–
Short term borrowings	629,493	629,493	50,222	579,271	–	–	–	–
	2,235,417	2,356,919	76,410	1,657,093	179,026	216,768	218,595	9,027

47.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Investment Committee monitors the portfolio of its investments and adjust the portfolio in light of changing circumstances.

47.3.1 Currency risk

The Company is exposed to currency risk on import of raw materials and stores and spares denominated in US Dollars (USD) and Euros. The Company's exposure to foreign currency risk for these currencies is as follows:

	2025	
Rupees in '000	USD	Euro
Outstanding letters of credit	557,100	185,385

	2024	
Rupees in '000	USD	Euro
Outstanding letters of credit	1,418,260	–

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2025	2024	**2025**	2024
USD to PKR	279.35	283.17	283.76	278.34
Euro to PKR	303.97	306.01	332.66	297.69

Sensitivity analysis

At the reporting date, if the PKR had strengthened by 10% against the USD and Euro with all other variables held constant, pre-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign creditors.

Effect on profit or loss

Rupees in '000	**2025**	2024
USD	15,563	40,161
Euro	5,635	–
	21,198	40,161

The weakening of the PKR against USD and Euro would have had an equal but opposite impact on the pre-tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

47.3.2 Interest rate risk

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

	2025	2024	**2025**	2024
	Effective interest rate (Percentage)		Carrying amount (Rupees in '000)	
Financial liabilities				
Variable rate instruments:				
Long term loans	12.63 - 24.76	24.08 - 24.76	306,758	427,466
Lease liabilities	18.22 - 31.53	17.04 - 31.12	202,508	254,987
Short term borrowings	12.69 - 23.71	21.91 - 25.22	1,964,959	629,493

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

	Profit and loss 100 bp	
Rupees in '000	Increase	Decrease
As at June 30, 2025		
Cash flow sensitivity - Variable rate financial liabilities	(24,742)	24,742
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial liabilities	(13,119)	13,119

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

47.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Company's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Company diversifies its portfolio and continuously monitors developments in equity markets. In addition the Company actively monitors the key factors that affect stock price movement.

A 10% increase / decrease in share prices at year end would have increased / decreased in the Company's gain / loss in case of fair value through profit or loss and increase / decrease surplus on re-measurement of investments in case of fair value through other comprehensive income investments as follows:

Rupees in '000	2025	2024
Effect on profit	145,040	42,337
Effect on equity	1,355	756
Effect on investments	146,395	43,093

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

48. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
Rupees in '000	2025	2024	2025	2024	2025	2024	2025	2024
Managerial remuneration								
(including incentives)	62,505	48,164	–	–	141,138	106,732	203,643	154,896
Fees	–	–	5,995	5,560	–	–	5,995	5,560
Contributions to								
– Gratuity fund	2,487	2,007	–	–	5,200	3,789	7,687	5,796
– Pension fund	5,970	4,818	–	–	13,571	10,546	19,541	15,364
– Provident fund	2,985	2,409	–	–	6,715	5,157	9,700	7,566
Others	8,064	21,129	–	–	11,643	18,261	19,707	39,390
	82,011	78,527	5,995	5,560	178,267	144,485	266,273	228,572
Number of persons	1	1	7	7	17	16	25	24

48.1 During the year remuneration paid to the non-executive Chairman of the Board of Directors amounted to Rs. 2.4 million (2024: Rs. 2.05 million).

48.2 The chief executive and nine executives are provided with free use of Company maintained cars, in accordance with their entitlements.

48.3 The chief executive, executives and their families are also covered under group life and hospitalization insurance. A director is also covered under group hospitalization scheme.

49. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries, associated companies, directors of the Company, companies in which directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transactions with related parties are under agreed terms / contractual arrangements.

Transactions with related parties other than those disclosed elsewhere are as follows:

Rupees in '000				2025	2024
Name	Nature of relationship	Basis of relationship	Nature of transaction		
CS Capital (Private) Limited	Subsidiary company	100% Holding	Reimbursable expenses	3,610	2,507
			Payment received	3,610	2,506
			Short term loan obtained	-	535,000
			Short term loan repaid	-	535,000
			Mark-up charged on short term loan received	-	2,806
			Mark-up paid on short term loan received	-	2,806

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For the year ended June 30, 2025

Rupees in '000				2025	2024
Name	Nature of relationship	Basis of relationship	Nature of transaction		
Solution de Energy (Private) Limited	Subsidiary company	100% holding	Reimbursable expenses	2	133
			Right shares subscribed	-	200,000
			Short term loan disbursed	2,672	5,450
			Short term loan payment received	-	117,364
			Mark-up earned on short term loan	322	79,006
			Mark-up received on short term loan	-	79,006
Altern Energy Limited	Associated company	10.02%	Dividend income	734,424	755,264
			Dividend received	734,424	755,264
			Sale of investment	606,408	-
Shakarganj Limited	Associated company	21.93% holding	Services rendered	1,558	1,629
			Payment made	5,857	-
			Dividends paid	1,530	360
			Rent	144	-
			Reimbursable expenses	6,860	6,884
Crescent Socks (Private) Limited	Associated Company	Subsidiary Company's Associate	Payments received against services rendered	-	600
Shakarganj Food Products Limited	Related party	Subsidiary Company's related party	Reimbursable expenses	3,633	4,269
			Services rendered	3,318	3,187
			Rent	2,486	2,755
			Payments received	5,000	4,000
The Crescent Textile Mills Limited	Related party	Common directorship	Rent	2,010	3,940
			Payments received against services rendered	3,779	7,656
			Reimbursable expenses	1,788	4,019
			Dividends paid	72,576	17,077
			Dividend income	-	565
			Dividend received	-	565
Premier Insurance Company	Related party	Common directorship	Insurance premium	14,085	8,602
			Insurance premium paid	15,582	7,162
			Dividends paid	1,203	283
The Citizens Foundation	Related party	Common directorship	Donation given	97,824	73,631
Indus Valley School of Arts and Architecture	Related party	Common directorship	Donation given	-	3,142

Rupees in '000				2025	2024
Name	Nature of relationship	Basis of relationship	Nature of transaction		
Pakistan Centre For Philanthropy	Related party	Common directorship	Annual membership fee	396	360
			Payment annual membership fee	396	360
Pak Elektron Limited	Related party	Common directorship	Sales made	91,852	152,014
			Payments received	113,931	146,569
Pak Qatar Asset Management Company Limited	Related party	Common directorship	Investment in units of mutual funds	810,830	649,000
			Redemption of investment in units of mutual funds	927,966	501,582
			Dividend received	593	-
			Dividend paid	-	15,450
Pak-Qatar Asset Allocation Plan	Related party	Common directorship	Loan repayment	56,667	40,000
			Profit repayment	13,238	26,970
			Dividends paid	46,938	-
Pak Qatar Family Takaful Limited	Related party	Common directorship	Payments made	63,783	-
			Payments received	63,783	-
Jubilee General Insurance Limited	Related party	Common directorship	Insurance premium	7,104	-
			Insurance premium paid	7,104	-
Pakistan Stock Exchange Limited	Related party	Common directorship	Annual Charges	1,223	-
			Annual Charges paid	1,223	-
Meezan Bank Limited	Related party	Common directorship	Dividend income	7,899	2,463
			Dividend received	7,899	2,463
			Sale of investment	-	16,090
International Steels Limited	Related party	Common directorship	Dividend income	-	158
			Dividend received	-	158
			Sale of investment	-	4,223
Trustees Shakarganj Mills Limited - Provident Fund	Related party	Associated company's retirement benefit plan	Dividends paid	1,432	337
Trustees Shakarganj Mills Limited - Gratuity Fund	Related party	Associated company's retirement benefit plan	Dividends paid	570	134
Trustees Shakarganj Mills Limited - Pension Fund	Related party	Associated company's retirement benefit plan	Dividends paid	952	224
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contributions made	2,324	1,342

Rupees in '000 Name	Nature of relationship	Basis of relationship	Nature of transaction	2025	2024
Crescent Steel and Allied Products	Retirement	Employees	Contributions made	13,126	10,518
Limited – Gratuity Fund	benefit fund	benefit fund	Dividends paid	18,386	3,877
Crescent Steel and Allied Products	Retirement	Employees	Contributions made	32,502	26,601
Limited – Pension Fund	benefit fund	benefit fund	Dividends paid	38,403	8,077
Crescent Steel and Allied Products	Retirement	Employees	Contributions made	15,995	14,426
Limited – Staff Provident Fund	benefit fund	benefit fund	Dividends paid	1,056	248
Crescent Hadeed (Private)	Retirement	Employees			
Limited – Staff Provident Fund	benefit fund	benefit fund	Contributions made	296	356
CSAP – Staff Benevolent Fund	Staff welfare	Employees	Contributions made	654	10,000
	fund	Welfare fund	Dividends paid	308	72
Key management personnel	Related parties	Executives	Remuneration and benefits	222,879	223,012
			Dividends paid	36,607	9,662
Chairman of the Board	Related party	Chairman	Honorarium	2,400	2,050
Directors and their spouse	Related parties	Directors	Meeting fee	3,595	3,510
			Dividends paid	24,787	4,488

49.1 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.

49.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company. There were no transactions with the key management personnel during the year other than their terms of employment / entitlements.

49.3 Outstanding balances and other information with respect to related parties as at June 30, 2025 and 2024 are included in issued, subscribed and paid-up capital (note 7.1), trade and other payables (note 12), long term investments (notes 19), trade debts (note 24.1), other receivables (note 28.1), administrative expenses (note 36), and staff retirement benefits (note 45).

50. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy remains unchanged.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company is not subject to any externally imposed capital requirements.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and bank balances. Total capital is calculated as equity as shown in these unconsolidated statement of financial position plus net debt.

50.1 Gearing ratio

The gearing ratio at end of the year is calculated as follows:

Rupees in '000	Note	2025	2024
Total debt	50.1.1	2,474,225	1,311,946
Less: Cash and bank balances		74,586	303,201
Net debt		2,399,639	1,008,745
Total equity	50.1.2	8,751,767	7,716,049
Total capital		11,151,406	8,724,794
Gearing ratio		21.5%	11.6%

50.1.1 Total debt is defined as long term loans, lease liabilities and short term borrowings, as described in notes 9, 10 and 14 to these unconsolidated financial statements.

50.1.2 Total equity includes issued, subscribed and paid-up capital and reserves.

51. PLANT CAPACITY AND PRODUCTION

51.1 Steel segment

Pipe plant

The plant's installed / rated capacity for production based on single shift is 66,667 tons (2024: 66,667 tons) annually on the basis of notional pipe size (whereas the notional pipe size is taken as 30" dia x ½" thickness for SP1600 and 40"dia x 5/8" thickness for SP 2003). The actual production achieved during the year was 41,175.3 tons (2024: 59,453.3 tons) line pipes of varied sizes and thickness. Actual production is equivalent to 82,286.1 tons (2024: 97,542.9 tons) when translated to the notional pipe size of 30" diameter.

Coating plant

The coating plant has a capacity of shot blasting and coating of line pipes with single layer FBE and multilayer polyolefin coatings on pipe sizes ranging from 114 mm to 2134 mm outside diameter.

The annual capacity of the plant works out to 600,000 square meters outside surface area of line pipes based on notional size of 14" dia on single shift working. Coating of 98,072 meters (2024: 230,275 meters) of different diameter pipes and 319,711 square meters surface area was achieved during the year (2024: 553,906 square meters surface area). Actual production is in line with market demand.

51.2 Cotton segment

Spinning unit 1

The plant capacity converted to 20s count polyester cotton yarn based on three shifts per day for 1,092 shifts is 9,197,007 kilogram (2024: 9,197,007 kilograms). Actual production converted into 20s count was Nil kilograms for Nil shifts (2024: Nil kilograms for Nil shifts).

51.3 Energy segment

The plant's installed production capacity was 118,856 MWh (2024: 118,856 MWh) and the actual production achieved during the year was Nil (2024: Nil). Reason for underutilization was that no power was supplied to FESCO, Hadeed (Billet) segment (internal customer) and Shakarganj Limited (external customer).

51.4 Hadeed (Billet) segment

The designed capacity of Plant is 85,000 mtons (2024: 85,000 mtons) of billets per annum, but the total production during the year was Nil (2024: Nil) of billets. Unit would not be operated on self-generated (Inter division) power supply that was only compatible during crushing season of three months and two months on bagasse (purchased) on off and on basis. The Company has classified plant and machinery and certain other related assets as non-current assets held for sale.

52. SHARIAH COMPLIANCE DISCLOSURE

Rupees in '000	Note	Non-shariah compliant	Shariah compliant	Total
Statement of financial position				
Long term loans	9	173,942	132,816	306,758
Lease liabilities	10	202,508	–	202,508
Short term borrowings	14	1,817,119	147,840	1,964,959
Long term investments	19	2,225,992	13,549	2,239,541
Loans to subsidiary	25	2,672	–	2,672
Short term investments	27	525,568	1,011,833	1,537,401
Cash and bank balances	30	71,566	3,020	74,586
Statement of profit or loss and other comprehensive income				
Sales (gross)	32	–	7,535,015	7,535,015
Dividend income	34	769,714	31,680	801,394
Realized gain on sale of investments	34	432,823	27,879	460,702
Unrealized gain on sale of investment	34	73,462	122,475	195,937
Return on deposits	38	23,991	–	23,991
Mark–up on short term loan to subsidiary company	38	322	–	322
Finance costs	39	236,110	52,306	288,416

53. GENERAL

53.1 Number of employees

The total number of employees, including contractual employees, of the Company as at June 30, 2025 were 406 (2024: 431) and weighted average number of employees were 420 (2024: 434).

The number of factory employees, including contractual employees, of the Company as at June 30, 2025 were 223 (2024: 353) and weighted average number of employees were 288 (2024: 354).

53.2 Comparative information

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of better presentation, However, we have no material reclassifications to report.

53.3 Subsequent event

The Board of Directors of the Company in their meeting held on July 31, 2025 has recommended a final cash dividend of Rs. 2.5 per share for the year ended June 30, 2025. These unconsolidated financial statements do not reflect the effect of final cash dividend payable as recommended by Board of Directors.

54. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on July 31, 2025.

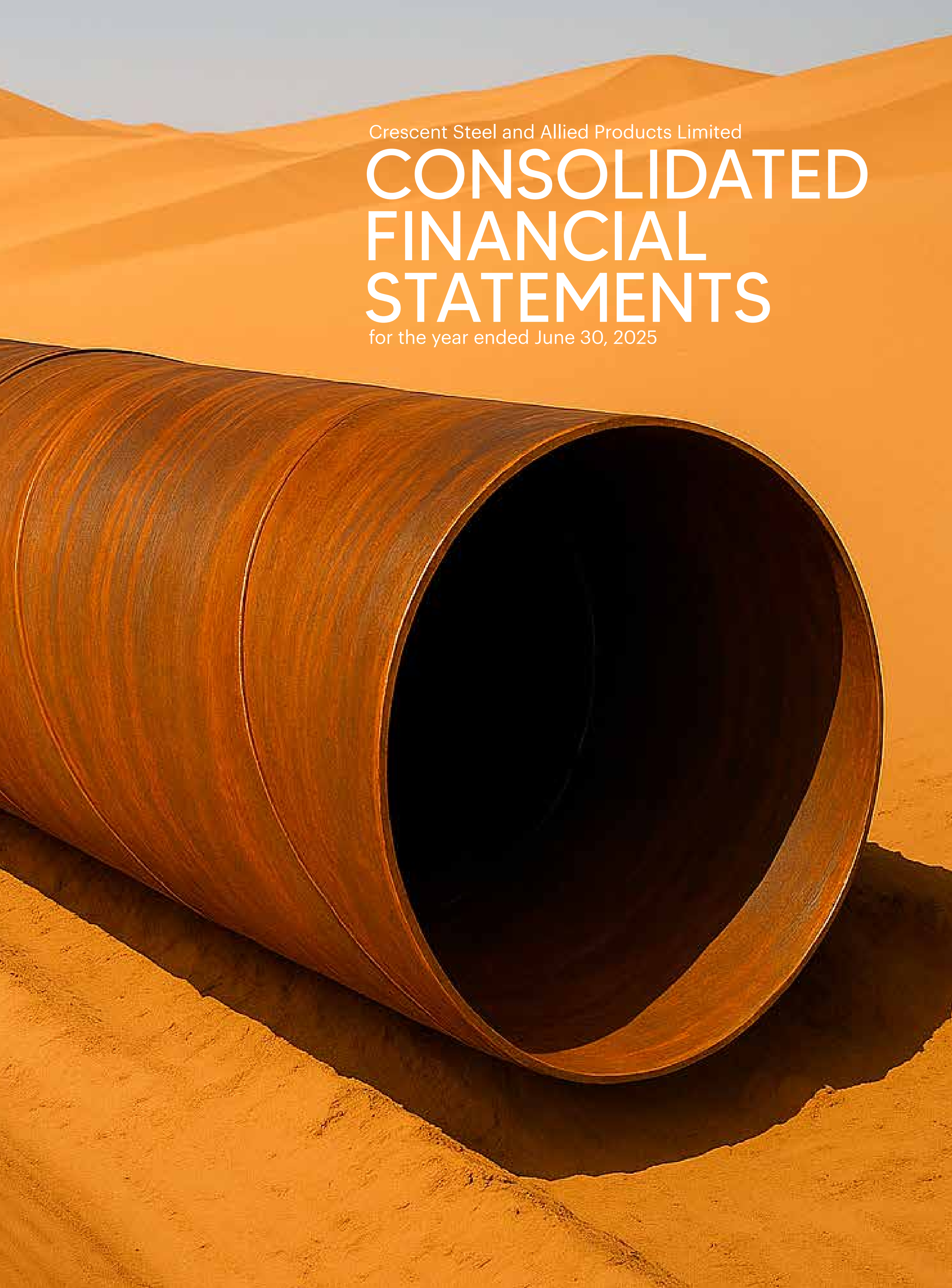
Chief Executive	Director	Chief Financial Officer


ENGINEERING VALUE.
BUILDING TRUST.

Crescent Steel and Allied Products Limited

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2025



DIRECTORS' REPORT CONSOLIDATED

The Directors of Crescent Steel and Allied Products Limited (CSAPL) have pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended June 30, 2025. The Group comprises of CSAPL and its wholly owned subsidiary companies namely; CS Capital (Private) Limited, Solution de Energy (Private) Limited and Crescent Continental Gas Pipelines Limited (CCGPL). CCGPL is not carrying on any business operations and accordingly no financial statements are being prepared.

The Directors' Report giving commentary on the performance of CSAPL for the year ended June 30, 2025 has been presented separately.

GROUP RESULTS

The consolidated financial results of the Group are summarized below:

Rupees in '000	2025	2024
Profit before taxation - continuing operations	374,370	2,483,638
Taxation charge	(318,783)	(1,128,014)
Net profit after taxation - continuing operations	55,587	1,355,624
Net loss from discontinued operation	(98,993)	(83,966)
Net (loss) / profit for the year	(43,406)	1,271,658
Total other comprehensive income for the year	346,945	145,151
Transfer of Capital reserve to Unappropriated profit	30,121	–
	333,660	1,416,809
Unappropriated profit brought forward	3,245,120	1,983,576
	3,882,319	3,400,385
Appropriations:		
- First interim dividend 2024 @ 20%	–	(155,265)
- Final dividend 2024 @ 35%	(271,714)	–
- First interim dividend 2025 @ 20%	(155,265)	–
- Second interim dividend 2025 @ 30%	(232,898)	–
	3,222,442	3,245,120
Subsequent event:		
- Final dividend 2024 @ 35%	–	271,714
- Final dividend 2025 @ 25%	194,081	–
Basic and diluted (loss) / earnings per share	Re. (0.56)	Rs. 16.38
Basic and diluted - earnings per share from continuing operations	Re. 0.72	Rs. 17.46

Pattern of Shareholding

The pattern of shareholding and additional information relating thereto is attached separately.

Material changes and commitments

No material changes and commitments affecting the financial position of the Group have occurred between the end of the financial year to which this Balance Sheet relates and the date of the Directors' Report.

Chief Executive's Review

The Directors endorse the contents of the Chief Executive's Review for the year ended June 30, 2025, which gives information on the state of the Group's affairs, operational performance of CSAPL and its subsidiary companies, future prospects of profits along with other requisite information. The contents of the said review shall be read along with this report, Chairman's Review and our report on unconsolidated financial statements and shall form an integral part of the Director's Report in terms of section 227 of the Companies Act, 2017 and the requirements of the Code of Corporate Governance under the Pakistan Stock Exchange (PSX) Rule Book.

By order of the Board

Ahsan M. Saleem
Chief Executive Officer
July 31, 2025

Nadeem Maqbool
Director

ڈائریکٹرز کی رپورٹ - یکجا

کریسنٹ اسٹیل اینڈ الائیڈ پروڈکٹس لمیٹڈ (CSAPL) کے ڈائریکٹرز انتہائی مسرت کے ساتھ گروپ کے سالانہ آڈٹ شدہ یکجا مالیاتی گوشوارے برائے مالی سال اختتامیہ 30 جون 2025 پیش کر رہے ہیں۔ یہ گروپ سی ایس اے پی ایل (CSAPL) اور اس کی مکمل ملکیتی ذیلی کمپنیوں پر مشتمل ہے، جن میں شامل ہیں سی ایس کیپٹل (Capital CS) (پرائیویٹ) لمیٹڈ، سولوشن ڈی انرجی (Solution de Energy) (پرائیویٹ) لمیٹڈ اور کریسنٹ کانٹی نینٹل گیس پائپ لائنز لمیٹڈ (CCGPL) شامل ہیں۔ سی سی جی پی ایل (CCGPL) اس وقت کوئی کاروباری سرگرمیاں انجام نہیں دے رہی، لہٰذا اس کے مالیاتی گوشوارے تیار نہیں کیے جا رہے۔

سی ایس اے پی ایل (CSAPL) کی کارکردگی پر تبصرہ کرنے والی ڈائریکٹرز رپورٹ اختتامی سال 30 جون 2025 علیحدہ طور پر پیش کی گئی ہے۔

گروپ کے نتائج

گروپ کے یکجا مالیاتی نتائج کا خلاصہ درج ذیل ہے:

2024	2025	
روپے ہزاروں میں		
2,483,638	374,370	منافع قبل از ٹیکس - جاری کاروباری امور
(1,128,014)	(318,783)	ٹیکس
1,355,624	55,587	خالص منافع بعد از ٹیکس - جاری کاروباری امور
(83,966)	(98,993)	خالص نقصان از منقطع کاروباری امور
1,271,658	(43,406)	خالص (نقصان)/منافع برائے سال
145,151	346,945	دیگر مجموعی آمدنی برائے سال
-	30,121	سرمایہ جاتی ریزرو کی منتقلی غیر تقسیم شدہ منافع میں
1,416,806	333,660	
1,983,576	3,245,120	گزشتہ غیر تقسیم شدہ منافع
3,400,385	3,882,319	
		تقسیم
(155,265)	-	پہلا عبوری ڈیویڈنڈ 2024@20%
-	(271,714)	حتمی ڈیویڈنڈ 2024@20%
-	(155,265)	پہلا عبوری ڈیویڈنڈ 2025@20%
-	(232,898)	دوسرا عبوری ڈیویڈنڈ 2025@30%
3,245,120	3,222,442	
		مابعد واقعات:
271,714	-	حتمی ڈیویڈنڈ 2024@35%
-	194,051	حتمی ڈیویڈنڈ 2025@25%
Rs. 16.38	Rs. (0.56)	بنیادی و تحلیل شدہ آمدنی فی حصص
Rs. 17.46	Rs. 0.72	بنیادی و تحلیل شدہ آمدنی فی حصص از جاری کاروباری امور

ترتیب حصص داری

ترتیب حصص داری اور اس سے متعلق اضافی معلومات کو علیحدہ طور پر منسلک کیا گیا ہے۔

اہم تبدیلیاں اور وعدے

مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان گروپ کی مالی حالت پر اثر انداز ہونے والی کوئی اہم تبدیلی یا وعدہ واقع نہیں ہوا۔

چیف ایگزیکٹو کا جائزہ

ڈائریکٹرز، چیف ایگزیکٹو کے اس جائزے کی توثیق کرتے ہیں جو مالی سال اختتامیہ 30 جون 2025 کے لیے پیش کیا گیا ہے۔ یہ جائزہ گروپ کی موجودہ صورتحال، سی ایس اے پی ایل (CSAPL) اور اس کی ذیلی کمپنیوں کی مکمل کارکردگی، مستقبل سے متعلق امکانات اور دیگر ضروری معلومات فراہم کرتا ہے۔ اس جائزے کے مندرجات کو اس رپورٹ، بشمول اس کے جائزے اور غیر یکجا مالیاتی گوشواروں پر ڈائریکٹرز رپورٹ کے ساتھ ملا کر پڑھا جائے کیونکہ یہ ڈائریکٹرز کی رپورٹ کا لازمی حصہ ہے جیسا کہ کمپنیز ایکٹ 2017 کی دفعہ 227 اور پاکستان اسٹاک ایکسچینج (PSX) رول بک کے تحت کارپوریٹ گورننس کے ضابطہ اخلاق میں بیان کیا گیا ہے۔

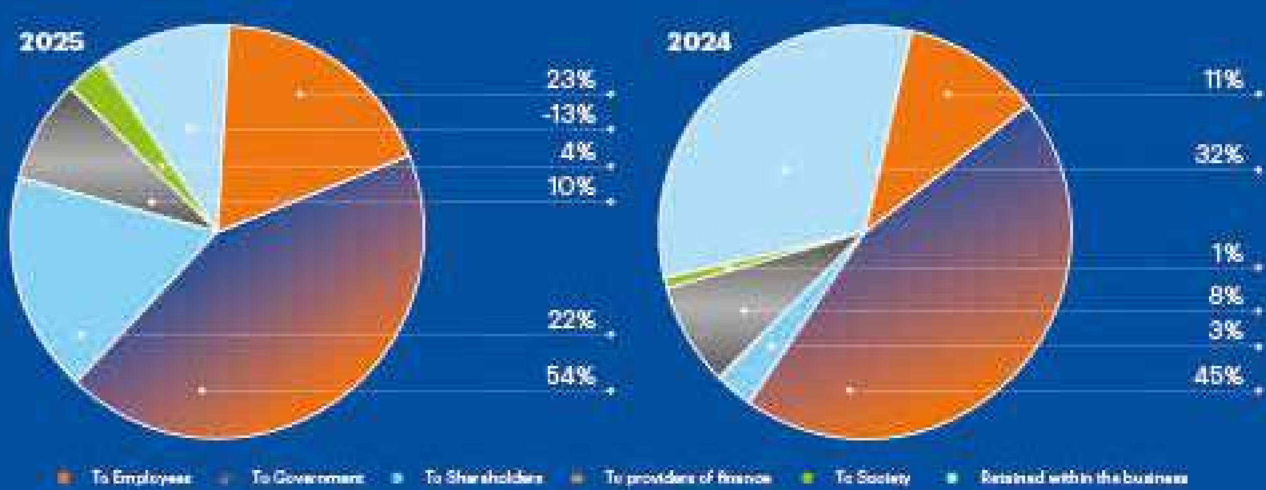
بحکم بورڈ

احسان ایم سلیم
چیف ایگزیکٹو آفیسر
31 جولائی 2025

ندیم مقبول
ڈائریکٹر

STATEMENT OF VALUE ADDITION

	2025		2024	
	Rupees in '000	%	Rupees in '000	%
WEALTH GENERATED				
Total revenue	7,668,972	100.0%	11,886,198	100%
Bought-in-material and services	(4,699,408)	61.3%	(5,831,182)	49.1%
	2,969,564	38.7%	6,055,016	50.9%
WEALTH DISTRIBUTED				
To Employees				
Salaries, wages and other benefits	694,924	23.4%	668,893	11.0%
To Government				
Income tax, sales tax, custom duties, WWF and WPPF	1,612,627	54.3%	2,716,415	44.9%
To Shareholders				
Dividend	659,877	22.2%	155,265	2.6%
To Providers of Finance				
Finance costs	288,950	9.7%	497,442	8.2%
To Society				
Donation towards education, health and environment	112,359	3.8%	92,483	1.5%
Retained within the business for future growth				
Depreciation, amortization and retained earnings	(399,173)	-13.4%	1,924,518	31.8%
	2,969,564	100.0%	6,055,016	100.0%



SUMMARY DATA AND PERFORMANCE INDICATORS

For The Current And Past Six Financial Years

Performance Indicators	**2025**	2024	2023	2022	2021	2020	2019
A - Profitability Ratios							
Earnings / (loss) before interest, taxation, depreciation and amortization [EBITDA / (LBITDA)] (Rs. in million)	837.4	3,165.4	1,298.1	(325.6)	1,358.8	260.9	188.9
Profit / (loss) before taxation and deprecation (Rs. in million)	548.4	2,666.7	930.1	(580.6)	1,144.0	(55.0)	(131.3)
Gross profit / (loss) ratio (%)	23.9	29.6	18.4	2.1	12.2	1.4	3.4
Operating profit / (loss) margin to sales (net) (%)	17.8	28.1	11.5	(9.2)	17.3	(4.9)	(2.8)
Net (loss) / profit margin to sales (net) (%)	(0.7)	14.0	13.4	(14.0)	15.2	(0.7)	(10.0)
EBITDA / (LBITDA) margin to sales (net) (%)	13.1	34.7	28.7	(4.6)	18.7	6.8	2.8
Earnings / (loss) before interest and taxation [EBIT / (LBIT)] (Rs. in million)	564.4	2,897.0	1,063.3	(536.0)	1,138.0	32.0	(46.1)
Operating leverage ratio	2.7	1.7	8.2	63.2	38.4	3.8	3.6
Return on equity (%)	(0.5)	14.6	8.0	(9.2)	9.9	(0.3)	(6.0)
Return on average equity (%)	(0.5)	15.8	8.2	(8.6)	10.6	(0.3)	(5.8)
Shareholders' funds (%)	53.7	74.4	65.7	74.2	73.9	62.0	69.6
Return on shareholders' funds (%)	(0.5)	14.6	8.0	(9.2)	9.9	(0.3)	(6.0)
Return on capital employed (RoCE) (%)	6.5	32.0	13.4	(7.5)	13.9	0.4	(0.6)
Return on average capital employed (%)	6.4	34.1	14.1	(7.0)	14.7	0.4	(0.6)
Return on average assets (%)	(0.3)	11.1	5.7	(6.4)	7.2	(0.2)	(3.8)
Return on investment (%)	16.2	32.2	3.9	(10.9)	27.6	5.7	(5.5)
Total shareholder return (%)	128.0	176.8	(48.7)	(50.1)	84.4	20.4	(13.1)
B - Liquidity Ratios							
Current ratio	1.7 : 1	2.2 : 1	1.3 : 1	1.4 : 1	1.5 : 1	1.1 : 1	1.2 : 1
Quick / Acid-test ratio	1.3 : 1	1.6 : 1	0.9 : 1	0.9 : 1	1 : 1	0.6 : 1	0.9 : 1
Cash to current liabilities (%)	(7.7)	11.3	(13.8)	(17.0)	(26.4)	(14.6)	(33.6)
Cash flows from operating activity (%)	(23.5)	21.1	(12.3)	3.3	39.8	(35.0)	(3.1)
Cash flows from operations to sales (%)	(25.4)	5.9	(8.5)	1.0	14.3	(36.6)	(1.2)
Working capital - Net current assets (Rs. in million)	4,820.7	2,952.7	995.0	968.0	1,253.0	487.0	500.0
Working capital turnover (times)	1.6	4.6	4.6	6.4	8.3	7.7	6.1
Cashflow to capital expenditures (times)	(1.2)	4.6	0.1	1.5	18.2	(93.8)	2.9
Cashflow to coverage ratio (times)	(0.4)	0.9	-	0.3	1.2	(0.4)	0.3
C - Activity / Turnover Ratios							
Debtors turnover ratio (times)	4.1	9.4	14.1	45.4	40.0	23.7	77.2
No. of days in receivables / Average collection period (days)	89	39	26	8	9	15	5
Inventory turnover ratio (times)	2.2	4.8	3.0	5.9	4.0	2.6	4.5
No. of days in inventory (days)	164	77	120	62	91	143	81
Creditors turnover ratio (times)	13.7	37.8	11.9	21.6	24.8	4.9	5.0
No. of days in creditors / Average payment period (days)	27	10	31	17	15	75	73
Property, plant and equipment turnover (times)	2.7	3.8	1.9	3.4	3.8	1.8	2.7
Total assets turnover (times)	0.4	0.8	0.4	0.5	0.5	0.3	0.4
Operating cycle (days)	226	106	115	53	85	83	13
D - Investment / Market Ratios							
Basic and diluted (loss) / earnings per share (Rs.)	(0.56)	16.38	7.60	(8.36)	10.18	(0.26)	(5.40)
Price earnings ratio (times)	-	3.3	2.8	-	8.2	-	-
Book Value per share	108.3	112.0	95.7	90.5	102.7	90.3	
Price to book ratio (times)	1.1	0.5	0.2	0.5	0.8	0.5	0.4
Dividend yield (%) *	6.5	10.2	-	-	-	-	-
Dividend payout ratio (%) **	N/A	33.6	-	-	-	-	-
Dividend cover ratio (times) **	N/A	3.0	-	-	-	-	-
Cash dividend (Rs. in million) *	582.2	427.0	-	-	-	-	-
Cash dividend per share (Rs.) *	7.5	5.5	-	-	-	-	-
Market value per share (at the end of the year) (Rs.)	115.6	54.0	21.5	41.9	83.9	45.5	37.8
- Lowest during the year (Rs.)	51.6	23.1	21.5	34.0	45.8	27.8	27.4
- Highest during the year (Rs.)	136.3	77.9	46.3	93.3	96.4	58.7	101.9
Break-up value per share (Rs.)	108.3	112.0	95.7	102.7	90.3	89.6	98.1
Break-up value per share including RP investment at MV (Rs.)	147.2	157.4	134.6	128.7	155.2	140.3	145.5
E - Capital Structure Ratios							
Financial leverage ratio (%)	29.5	16.8	27.8	15.8	24.3	43.6	29.9
Long term debt to equity ratio (%) - Book value	3.5	4.3	6.6	1.7	2.5	3.6	4.0
Long term debt to equity ratio (%) - Market value	3.2	8.8	29.2	3.6	3.1	7.2	9.6
Weighted average of cost of debt (%)	8.94	20.62	16.81	12.07	6.23	8.96	11.17
Long term debt : Equity ratio	3 : 97	4 : 96	6 : 94	2 : 98	2 : 98	4 : 96	4 : 96
Total liabilities to total assets (%)	46.1	25.5	34.3	25.8	26.0	37.9	29.4
Gearing ratio (%)	22.2	11.4	21.4	13.6	19.5	30.2	22.8
Interest coverage (times)	2.3	6.0	3.1	(1.6)	6.9	0.1	1.2
Net asset value per share	108.3	112.0	95.7	90.5	102.7	90.3	89.6
G - Others							
Plant availability (%)							
- Steel Division	61.8	89.2	95.0	47.7	96.3	88.3	-
- Cotton Division	-	-	26.0	97.8	98.3	82.7	-
- Hadeed Division	-	-	-	126.5	104.5	70.7	-
- Energy Division	-	-	-	106.5	100.5	90.8	-
Customer satisfaction index (%)	95.0	92.5	93.2	95.7	94.0	92.3	-
Production per employee:							
- Steel Division (In tons per employee)	168.1	227.8	144.4	46.0	82.2	41.9	-
- Cotton Divison (In Kgs per employee)	-	-	64,627.8	17,695.4	18,544.7	15,043.2	-
- Hadeed Division (In mtons per employee)	-	-	-	-	784.2	473.7	-
Revenue per employee (Rs. in million)	15.7	21.0	5.7	6.1	6.6	5.9	4.7
No. of employees	406	431	778	755	789	481	891
Staff turnover ratio (%) ***	41.7	23.0	209.7	112.8	89.9	90.1	88.8
Spares inventory as percentage of assets cost (%)	2.5	3.5	3.0	1.8	1.5	1.5	1.9
Maintenance cost as percentage of operating expenses (%)	41.8	37.3	61.0	40.6	136.9	35.4	75.7

Notes:

* This includes declaration of final cash dividend recommended by the Board of Directors subsequent to year end.

**Dividend payout ratio and Dividend cover ratio has not been calculated due to LPS (loss per share).

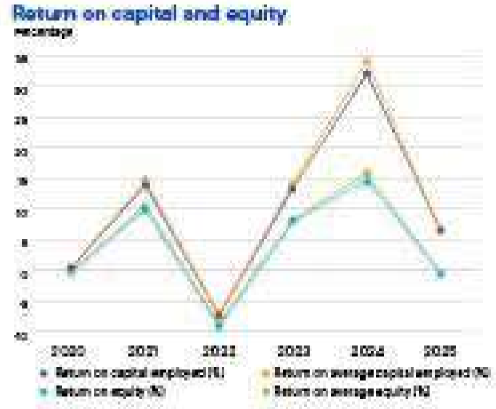
*** Major contributor to high turnover rate is staff at the Cotton division's spinning unit.

Customer retention ratio cannot be calculated due to nature of business.

Management of Working Capital

Liquidity

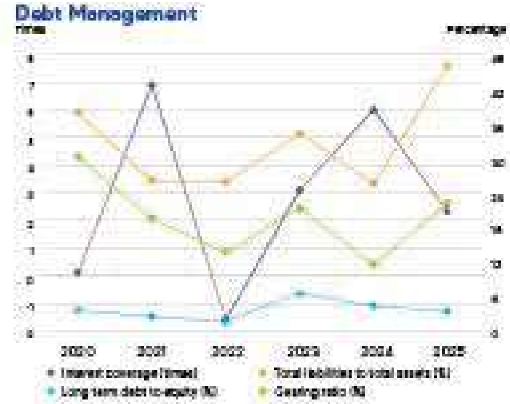
Return on capital and equity



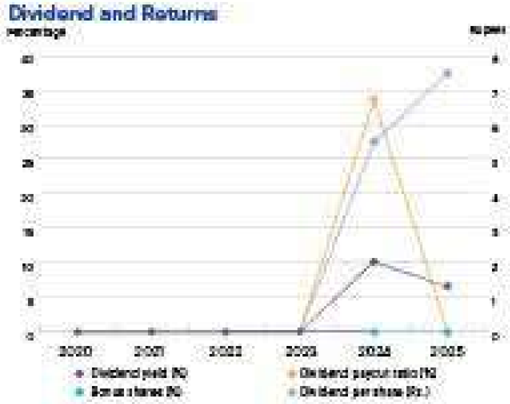
Per Share Result

Asset Management

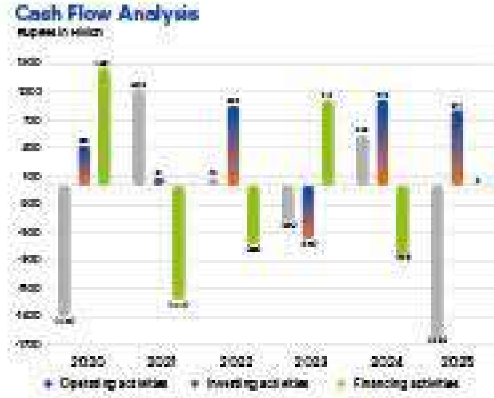
Debt Management



Dividend and Returns



Cash Flow Analysis



VERTICAL ANALYSIS

of Consolidated Statement of Financial Position and Consolidated Profit or Loss
For The Last Six Financial Years

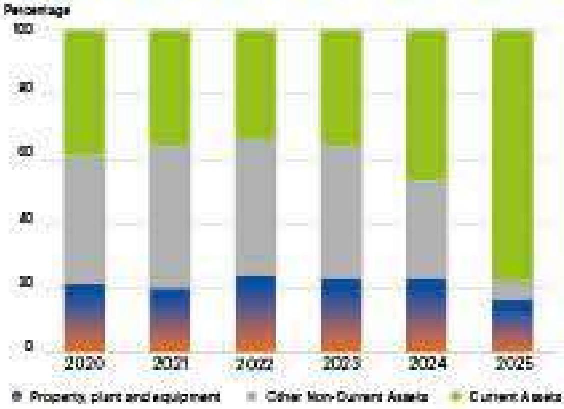
Rupees in million	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
Consolidated Statement of Financial Position												
Property, plant and equipment	2,163	13.8	2,353	20.2	2,438	21.6	2,108	22.3	1,928	17.9	2,107	18.7
Right-of-use assets	179	1.1	229	2.0	83	0.7	110	1.2	132	1.2	169	1.5
Intangible assets	-	-	-	-	155	1.4	154	1.6	153	1.4	146	1.3
Investment properties	133	0.8	75	0.6	79	0.7	83	0.9	87	0.8	51	0.5
Investment in equity accounted investees	-	-	2,573	21.9	2,948	26.0	2,332	24.6	3,429	31.8	3,087	27.2
Other long term investments	939	6.0	849	7.3	763	6.8	756	8.0	976	9.1	731	6.5
Long term deposits	71	0.5	71	0.6	27	0.2	29	0.3	24	0.2	225	2.0
Deferred taxation - net	-	-	29	0.2	708	6.3	676	7.1	193	1.8	291	2.6
Stores, spares and loose tools	385	2.5	405	3.5	340	3.0	171	1.8	163	1.5	169	1.5
Stock-in-trade	2,984	19.1	1,448	12.4	1,269	11.2	1,190	12.6	1,237	11.6	2,131	18.9
Trade debts	1,641	10.5	1,472	12.6	464	4.1	175	1.8	137	1.3	226	2.0
Advances	308	2.0	195	1.7	173	1.5	68	0.7	42	0.4	54	0.5
Trade deposits and short term prepayments	22	0.1	19	0.2	17	0.2	28	0.3	293	2.7	66	0.6
Short term investments	2,486	15.9	1,377	11.8	834	7.4	780	8.2	522	4.8	340	3.0
Other receivables	3,457	22.1	82	0.7	295	2.6	112	1.2	345	3.2	207	1.8
Taxation - net	391	2.5	158	1.4	673	6.0	690	7.3	1,114	10.3	1,272	11.2
Cash and bank balances	78	0.5	337	2.9	36	0.3	7	0.1	4	0.0	24	0.2
Non-current assets held for sale	414	2.6	-	-	-	-	-	-	-	-	-	-
Total assets	**15,651**	**100.0**	11,672	100.0	11,302	100.0	9,469	100.0	10,779	100.0	11,296	100.0
Issued, subscribed and paid-up capital	776	5.0	776	6.6	776	6.9	776	8.2	776	7.2	776	6.9
Capital reserves	1,021	6.5	1,051	9.0	1,050	9.3	1,051	11.1	1,050	9.7	1,092	9.7
Revenue reserves	6,610	42.2	6,864	58.8	5,599	49.5	5,197	54.9	6,142	57.0	5,140	45.4
Shareholders' equity	**8,407**	**53.7**	8,691	74.4	7,425	65.7	7,024	74.2	7,968	73.9	7,008	62.0
Long term loans	132	0.8	157	1.3	425	3.8	50	0.5	128	1.2	190	1.7
Lease liabilities	158	1.0	213	1.8	62	0.5	67	0.7	75	0.7	65	0.6
Deferred income	3	-	3	-	4	0.0	1	0.0	4	0.0	7	0.1
Deferred taxation	19	0.1	-	-	-	-	-	-	-	-	-	-
Deferred liability - staff retirement benefits	-	-	68	0.6	280	2.5	74	0.8	-	-	24	0.2
Trade and other payables	4,599	29.5	1,361	11.8	1,436	12.8	1,184	12.5	803	7.4	1,115	9.9
Unclaimed dividend	112	0.7	26	0.2	16	0.1	26	0.3	26	0.2	26	0.2
Mark-up accrued	27	0.2	62	0.5	79	0.7	39	0.4	29	0.3	55	0.5
Short term borrowings	1,974	12.6	778	6.7	1,290	11.4	861	9.1	1,542	14.4	2,704	23.8
Current portion of long term loans	174	1.1	270	2.3	270	2.4	113	1.2	159	1.5	49	0.4
Current portion of lease liabilities	45	0.3	42	0.4	14	0.1	22	0.2	36	0.3	47	0.4
Current portion of deferred income	1	-	1	-	1	0.0	8	0.1	9	0.1	6	0.1
Total equity and liabilities	**15,651**	**100.0**	11,672	100.0	11,302	100.0	9,469	100.0	10,779	100.0	11,296	100.0
Consolidated Profit or Loss Statement												
Sales - net	6,381	100.0	9,112	100	4,406	100.0	4,624	100.0	5,194	100.0	2,850	100.0
Cost of sales	4,856	76.1	6,414	70.4	3,595	81.6	4,526	97.9	4,559	87.8	2,810	98.6
Gross profit	**1,525**	**23.9**	2,698	29.6	811	18.4	98	2.1	635	12.2	40	1.4
Income / (loss) from investments - net	533	8.4	606	6.7	67	1.5	(206)	(4.5)	356	6.9	62	2.2
Distribution and selling expenses	36	0.6	55	0.6	65	1.5	15	0.3	14	0.3	12	0.4
Administrative expenses	663	10.5	525	5.8	374	8.4	306	6.6	233	4.5	234	8.2
Other operating expenses	296	4.6	271	3.0	17	0.4	52	1.1	26	0.5	28	1.0
Other income	76	1.2	107	1.2	84	1.9	56	1.2	183	3.5	31	1.1
Operating profit / (loss) before finance costs	**1,139**	**17.8**	2,560	28.1	506	11.5	(425)	(9.2)	901	17.3	(141)	(4.9)
Finance costs	289	4.5	497	5.5	359	8.2	215	4.7	187	3.6	279	9.9
Share of (loss) / profit in equity accounted investees - net of taxation	(475)	(7.4)	421	4.7	616	14.0	86	1.9	383	7.4	173	6.1
Profit / (loss) before taxation from continuing operations	**375**	**5.9**	2,484	27.3	763	17.3	(554)	(12.0)	1,097	21.1	(247)	(8.7)
Taxation (charge) / reversal	(319)	(5.0)	(1,128)	(12.4)	(108)	(2.4)	140	3.0	(134)	(2.6)	263	9.3
Net profit / (loss) for the year from continuing operations	**56**	**0.9**	1,356	14.9	655	14.9	(414)	(9.0)	963	18.5	16	0.6
Net loss from discontinued operation	(99)	(1.6)	(84)	(0.9)	(65)	(1.5)	(234)	(5.0)	(172)	(3.3)	(36)	(1.3)
Net (loss) / profit for the year	**(43)**	**(0.7)**	1,272	14.0	590	13.4	(648)	(14.0)	791	15.2	(20)	(0.7)

HORIZONTAL ANALYSIS

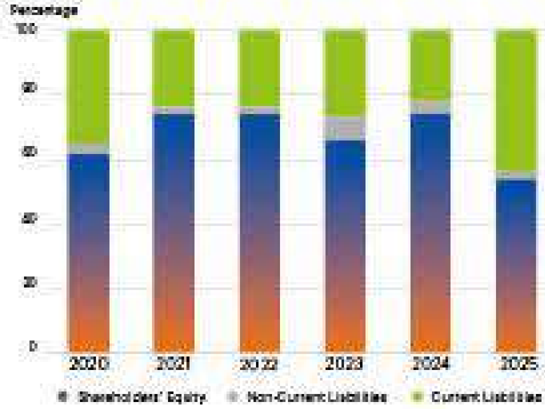
of Consolidated Statement of Financial Position and Consolidated Profit or Loss For The Last Six Financial Years

Rupees in million	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
Consolidated Statement of Financial Position												
Property, plant and equipment	2,163	(8.1)	2,353	(3.5)	2,438	15.7	2,108	9.3	1,928	(8.5)	2,107	(15.6)
Right-of-use-assets	179	(21.8)	229	175.9	83	(24.5)	110	(16.7)	132	(21.9)	169	100.0
Intangible assets	-	-	-	(100.0)	155	0.6	154	0.7	153	4.8	146	1.4
Investment properties	133	77.3	75	(5.1)	79	(4.8)	83	(4.6)	87	70.6	51	(7.3)
Investment in equity accounted investees	-	(100.0)	2,573	(12.7)	2,948	26.4	2,332	(32.0)	3,429	11.1	3,087	(5.5)
Other long term investments	939	10.6	849	11.3	763	0.9	756	(22.5)	976	33.5	731	6.1
Long term deposits	71	-	71	163.0	27	(6.9)	29	20.8	24	(89.3)	225	(4.7)
Deferred taxation - net	-	(100.0)	29	(95.9)	708	4.7	676	250.3	193	(33.7)	291	100.0
Stores, spares and loose tools	385	(4.9)	405	19.1	340	98.8	171	4.9	163	(3.6)	169	(9.1)
Stock-in-trade	2,984	106.1	1,448	14.1	1,269	6.6	1,190	(3.8)	1,237	(42.0)	2,131	159.6
Trade debts	1,641	11.5	1,472	217.2	464	165.1	175	27.7	137	(39.4)	226	135.4
Advances	308	57.9	195	12.7	173	154.4	68	61.9	42	(22.2)	54	58.8
Trade deposits and short term prepayments	22	15.8	19	11.8	17	(39.3)	28	(90.4)	293	343.9	66	32.0
Short term investments	2,486	80.5	1,377	65.1	834	6.9	780	49.4	522	53.5	340	(16.0)
Other receivables	3,457	4,115.9	82	(72.2)	295	163.4	112	(67.5)	345	66.7	207	(11.2)
Taxation - net	391	147.5	158	(76.5)	673	(2.5)	690	(38.1)	1,114	(12.4)	1,272	1.0
Cash and bank balances	78	(76.9)	337	836.1	36	414.3	7	75.0	4	(83.3)	24	(20.0)
Non-current asset held for sale	414	100.0	-	-	-	-	-	-	-	-	-	-
Total assets	**15,651**	**34.1**	11,672	3.3	11,302	19.4	9,469	(12.2)	10,779	(4.6)	11,296	12.9
Issued, subscribed and paid-up capital	776	-	776	-	776	-	776	-	776	-	776	-
Capital reserves	1,021	(2.9)	1,051	0.1	1,050	(0.1)	1,051	0.1	1,050	(3.8)	1,092	0.8
Revenue reserves	6,610	(3.7)	6,864	22.6	5,599	7.7	5,197	(15.4)	6,142	19.5	5,140	0.8
Shareholders' equity	**8,407**	**(3.3)**	8,691	17.1	7,425	5.7	7,024	(11.8)	7,968	13.7	7,008	0.7
Long term loans	132	(15.9)	157	(63.1)	425	750.0	50	(60.9)	128	(32.6)	190	7.3
Lease liabilities	158	(25.8)	213	243.5	62	(7.5)	67	(10.7)	75	15.4	65	(36.9)
Deferred income	3	-	3	(25.0)	4	300.0	1	(75.0)	4	(42.9)	7	-
Deferred taxation - net	19	100.0	-	-	-	-	-	-	-	-	-	(100.0)
Deferred liability - staff retirement benefits	-	(100.0)	68	(75.7)	280	278.4	74	100.0	-	(100.0)	24	(76.2)
Trade and other payables	4,599	237.9	1,361	(5.2)	1,436	21.3	1,184	47.4	803	(28.0)	1,115	50.9
Unpaid dividend	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend	112	330.8	26	62.5	16	(38.5)	26	-	26	-	26	(3.7)
Mark-up accrued	27	(56.5)	62	(21.5)	79	102.6	39	34.5	29	(47.3)	55	25.0
Short term borrowings	1,974	153.7	778	(39.7)	1,290	49.8	861	(44.2)	1,542	(43.0)	2,704	65.1
Current portion of long term loans	174	(35.6)	270	-	270	138.9	113	(28.9)	159	224.5	49	(55.5)
Current portion of lease liabilities	45	7.1	42	200.0	14	(36.4)	22	(38.9)	36	(23.4)	47	(7.8)
Current portion of deferred income	1	-	1	-	1	(87.5)	8	(11.1)	9	50.0	6	-
Total equity and liabilities	**15,651**	**34.1**	11,672	3.3	11,302	19.4	9,469	(12.2)	10,779	(4.6)	11,296	12.9
Consolidated Profit or Loss Statement												
Sales - net	6,381	(30.0)	9,112	106.8	4,406	(4.7)	4,624	(11.0)	5,194	82.2	2,850	(32.3)
Cost of sales	4,856	(24.3)	6,414	78.4	3,595	(20.6)	4,526	(0.7)	4,559	62.2	2,810	(30.9)
Gross profit	**1,525**	**(43.5)**	2,698	232.5	811	728.0	98	(84.6)	635	1,487.5	40	(72.0)
Income / (loss) from investments - net	533	(12.0)	606	804.5	67	132.5	(206)	(157.9)	356	474.2	62	191.2
Distribution and selling expenses	36	(34.5)	55	(15.8)	65	335.4	15	7.1	14	16.7	12	(19.5)
Administrative expenses	663	26.3	525	40.4	374	22.2	306	31.3	233	(0.4)	234	18.8
Other operating expenses	296	9.2	271	1,494.1	17	(67.3)	52	100.0	26	(7.1)	28	(3.4)
Other income	76	(29.0)	107	26.8	84	50.7	56	(69.4)	183	490.3	31	(34.9)
Operating profit / (loss) before finance costs	**1,139**	**(55.5)**	2,560	405.5	506	219.2	(425)	(147.2)	901	739.0	(141)	(20.5)
Finance costs	289	(41.9)	497	38.4	359	66.7	215	15.2	187	(33.0)	279	22.4
Share of profit in equity accounted investees - net of taxation	(475)	(212.8)	421	(31.7)	616	616.3	86	(77.5)	383	121.4	173	(56.4)
Profit / (loss) before taxation from continuing operations	**375**	**(84.9)**	2,484	225.4	763	237.7	(554)	(150.5)	1,097	544.1	(247)	(575.0)
Taxation	(319)	71.7	(1,128)	(944.4)	(108)	(177.1)	140	204.5	(134)	(151.0)	263	578.2
Net profit / (loss) for the year from continuing operations	**56**	**(95.9)**	1,356	106.9	655	258.2	(414)	(143.0)	963	5,918.8	16	633.3
Net loss from discontinued operation	(99)	(18.1)	(84)	(28.0)	(65)	72.0	(234)	(36.0)	(172)	(377.8)	(36)	91.3
Net (loss) / profit for the year	**(43)**	**(103.4)**	1,272	115.7	590	191.0	(648)	(182.0)	791	4,055.0	(20)	95.2

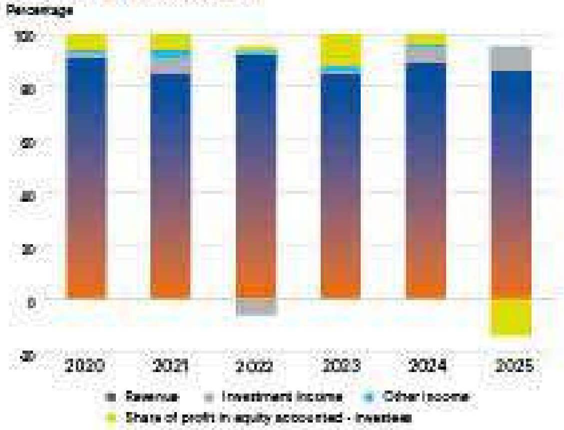
Consolidated Statement of Financial Position Analysis (Assets)



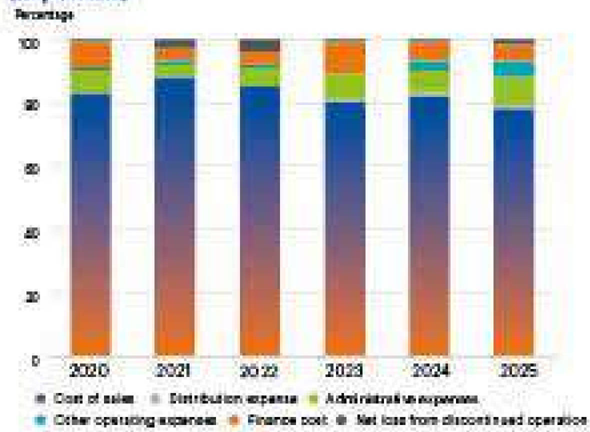
Consolidated Statement of Financial Position Analysis (Equity and Liabilities)



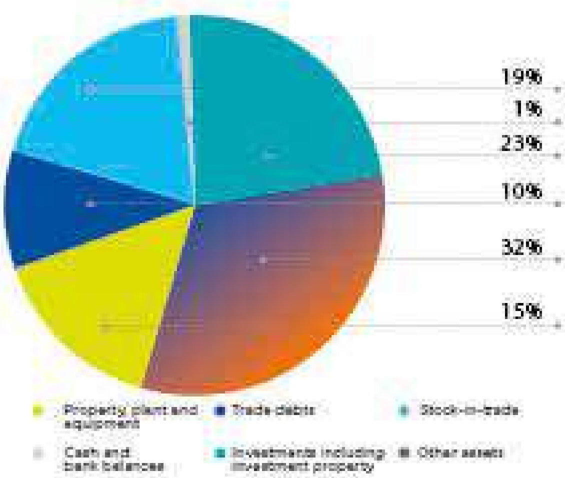
Consilidated Profit or Loss Analysis (Revenue and Income)



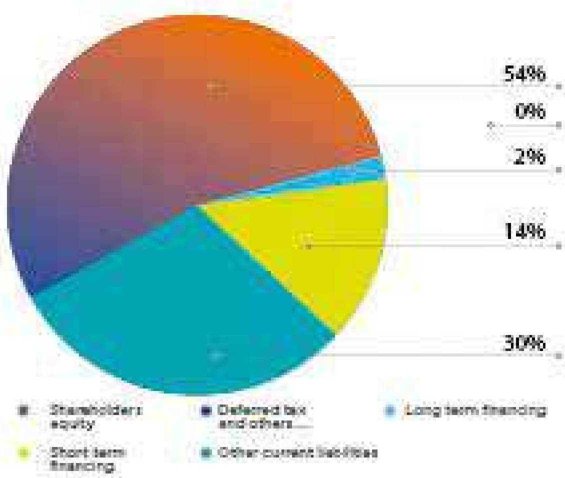
Consolidated Profit or Loss Analysis (Expenses)



Total Assets as of June 30, 2025



Total Equity and Liabilities as of June 30, 2025



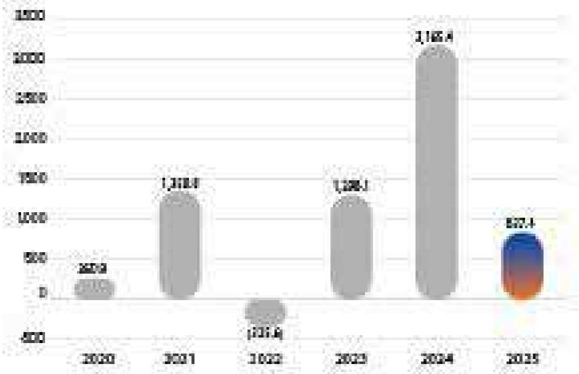
KEY OPERATING AND FINANCIAL DATA

For The Current And Past Six Financial Years

Rupees in million	2025	2024	2023	2022	2021	2020	2019
A – Summary of Consolidated Profit or Loss Account							
Sales - net	6,380.7	9,111.6	4,406.4	4,624.0	5,194.0	2,850.0	4,212.0
Cost of sales	4,856.2	6,414.3	3,595.0	4,526.0	4,559.0	2,810.0	4,068.0
Gross profit / (loss)	1,524.5	2,697.3	811.4	98.0	635.0	40.0	144.0
Income / (loss) from investments - net	532.9	605.8	67.0	(206.0)	356.0	62.0	(68.0)
Distribution, selling and administrative expenses	698.7	579.0	439.3	321.0	247.0	246.0	211.9
Other operating expenses	296.4	271.3	17.0	52.0	26.0	28.0	29.0
Other income	76.0	107.2	84.4	56.0	183.0	31.0	47.6
Operating profit / (loss) before finance costs	1,138.3	2,560.0	506.5	(425.0)	901.0	(141.0)	(117.3)
Finance costs	289.0	497.3	359.1	215.4	187.0	279.0	228.0
Share of profit in equity accounted investees - net of taxation	(474.9)	421.0	616.0	86.0	383.0	173.0	397.0
Profit / (loss) before taxation from continuing operations	374.4	2,483.7	763.4	(554.4)	1,097.0	(247.0)	51.7
Taxation	(318.8)	(1,128.0)	(108.0)	140.0	(134.0)	263.0	(55.0)
Profit / (loss) for the year from continuing operations	55.6	1,355.7	655.4	(414.4)	963.0	16.0	(3.3)
Loss for the year from discontinued operation	(99.0)	(84.0)	(65.5)	(234.0)	(172.0)	(36.0)	(416.0)
Net (loss) / profit for the year	(43.4)	1,271.7	589.9	(648.4)	791.0	(20.0)	(419.3)
B - Summary of Consolidated Statement of Financial Position							
Current assets	11,752.7	5,492.8	4,101.0	3,221.0	3,857.0	4,489.0	3,115.0
Stock-in-trade	2,983.8	1,447.6	1,269.0	1,190.0	1,237.0	2,131.0	821.0
Trade debts	1,641.0	1,472.2	464.0	175.0	137.0	226.0	96.0
Current liabilities	6,932.0	2,540.1	3,106.0	2,253.0	2,604.0	4,002.0	2,615.0
Trade and other payables	4,599.3	1,360.7	1,436.0	1,184.0	803.0	1,115.0	739.0
Unclaimed dividend	111.7	26.2	16.0	26.0	26.0	26.0	27.0
Property, plant and equipment	2,341.1	2,423.9	2,438.0	2,108.0	1,928.0	2,107.0	2,495.0
Total assets	15,651.0	11,672.3	11,302.0	9,469.0	10,779.0	11,296.0	10,001.0
Total Debt	1,873.8	1,260.8	1,370.1	503.2	1,032.7	2,601.0	1,680.3
Long term financing (excluding current maturity)	290.1	369.9	487.0	117.0	203.0	255.0	280.0
Deferred income (including current maturity)	3.3	3.8	5.0	9.0	13.0	13.0	13.0
Deferred liabilities	-	67.9	280.0	74.0	-	24.0	101.0
Short term financing (including current maturity of long-term financing)	2,193.2	1,091.1	1,574.0	996.0	1,737.0	2,800.0	1,799.0
Reserves	7,631.0	7,914.8	6,649.0	6,248.0	7,192.0	6,232.0	6,180.0
Shareholders' equity	8,407.3	8,691.1	7,425.0	7,024.0	7,968.0	7,008.0	6,956.0
C - Summary of Consolidated Cash Flow Statement							
Cash and cash equivalents at the beginning of the year	287.5	(427.3)	(382.9)	(686.5)	(586.0)	(877.6)	(260.3)
Cash from operations	(705.4)	1,167.9	34.4	144.6	1,232.5	(993.9)	428.2
Net cash (used in) / generated from operating activities	(1,631.6)	535.3	(382.8)	74.2	1,035.6	(1,399.4)	(79.9)
Net cash generated from / (used in) investing activities	810.5	917.9	(573.3)	858.9	80.6	429.9	402.8
Net cash generated from / (used in) financing activities	2.7	(738.4)	911.7	(629.5)	(1,216.7)	1,261.1	(940.2)
Net (decrease) / increase in cash and cash equivalents	(818.4)	714.8	(44.4)	303.6	(100.5)	291.6	(617.3)
Cash and cash equivalents at the end of the year	(530.9)	287.5	(427.3)	(382.9)	(686.5)	(586.0)	(877.6)
Cash (used in) / generated from operating activities - Discontinued operation	(0.1)	(64.4)	106.4	(67.8)	(225.0)	111.4	(408.2)
Cash used in investing activities - Discontinued operation	-	-	-	(0.8)	(1.8)	-	(2.5)
Cash used in financing activities - Discontinued operation	-	-	(6.3)	(37.5)	(32.3)	(33.5)	(86.2)
D - Other Data							
Depreciation and amortization	273.0	268.4	234.4	210.1	219.9	228.2	235.7
Capital expenditure	587.0	251.8	538.9	94.4	67.9	10.6	145.4
No. of ordinary shares (no. of shares in million)	77.6	77.6	77.6	77.6	77.6	77.6	77.6
Payments to National Exchequer	1,612.6	2,716.4	1,037.8	1,630.6	1,530.6	1,051.9	645.7

Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA)

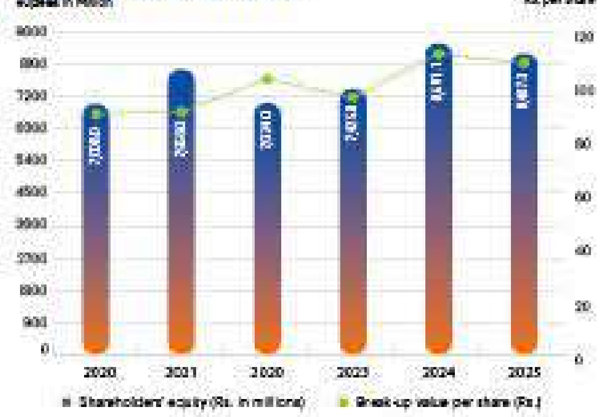
Rupees in Million



Shareholders' Equity and Break-up Value Per Share

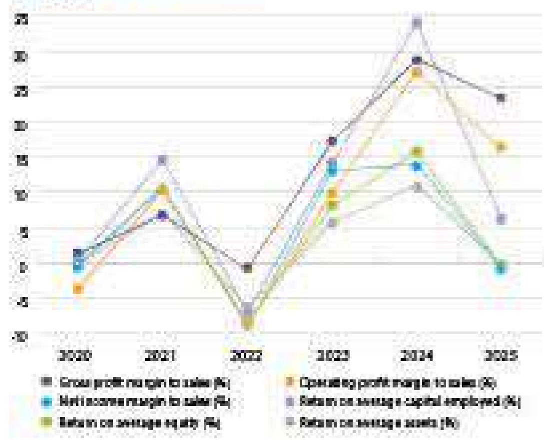
Rupees in Million

Rs. per share



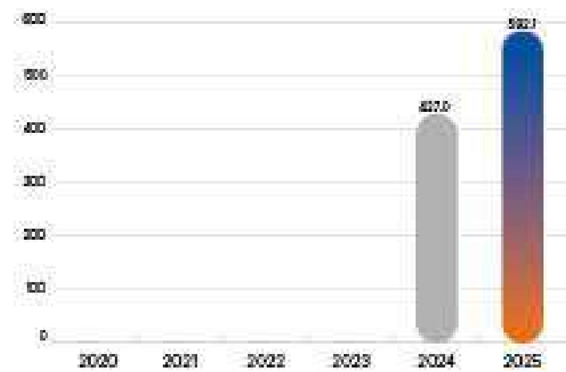
Profitability and Return

Percentage



Dividend (Including Final Proposed)

Rupees in Million

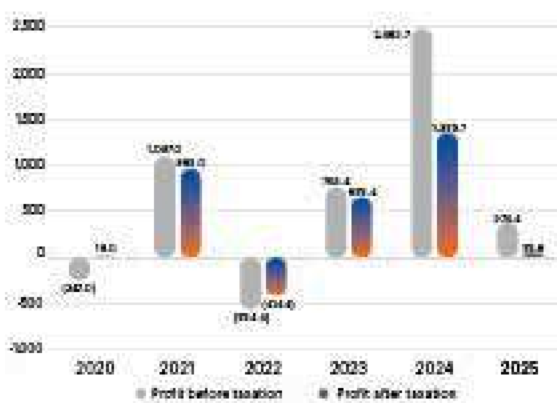


Movement in Stock Prices

Price (Rupees)

Profit Before and After Taxation

Rupees in Million



COMMENTS ON CONSOLIDATED ANALYSIS SIX YEARS

The Group comprise of CSAPL and wholly owned subsidiaries i.e. CS Capital (Private) Limited (CSCL) and Solution de Energy (Private) Limited (SdeE).

CONSOLIDATED PROFIT OR LOSS:

The variance between the unconsolidated and consolidated financial results primarily reflects the impact of equity-accounted investments, whereby share of profit / loss from associates are recognized while distribution of income is not recorded in the consolidated profit or loss statement.

The Group posted a loss after tax of Rs. 43 million for FY25, compared to a profit after tax of Rs. 1,272 million in FY24. This is primarily on account of portfolio adjustments and divestment of strategic holdings in Altern Energy Limited (ALTN) consequent on the termination of the underlying Power Purchase Agreement (PPA). As a result, as of February 28, 2025, the accounting treatment for our investment in ALTN was revised from equity accounting to fair value through profit or loss. This resulted in impairment charge of Rs. 220 million and a share-of-loss impact of Rs. 475 million on the consolidated P&L. As of July 16, 2025, the Group has fully disposed of its holding in ALTN.

Over the past six years, the Group reported the highest net profit in FY24, amounting to Rs. 1,271.7 million, followed by FY21 with a profit of Rs. 791.0 million. The highest loss was recorded in FY22, amounting to Rs. 647.8 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION:

Over the past six years, the Group's total assets, reflecting the cumulative growth of 38.6%, have expanded from Rs. 11,296 million in FY20 to Rs. 15,651 million in FY25. This growth was primarily driven by a consistent rise in current assets, particularly stock-in-trade, trade debts, short-term investments, and other receivables. Notably, short-term investments increased from Rs. 340 million in FY20 to Rs. 2,486 million in FY25.

Investment in equity accounted investees, which peaked at Rs. 3,429 million in FY21 was fully divested by FY25, indicating a shift in investment strategy. Other long-term investments increased from Rs. 731 million in FY20 to Rs. 939 million in FY25, due to reclassification of equity accounted investment to the other long term investment, consequent to the disposal of 8% shares in Altern Energy Limited, reducing the holding to 9.63%.

Investment properties also increased to Rs. 133 million in FY25 from Rs. 51 million in FY20, due to transfer of land from Hadeed division to investment properties. In FY25, The Group reclassified Hadeed division's assets as "non-current assets held for sale" from property, plant and equipment amounting to Rs. 464 million, further diversifying its asset base.

On the equity and liabilities side, shareholders' equity remained increased to Rs. 8,407 million in FY25 compared to Rs. 7,008 million in FY20. The highest level was reported in FY24, amounting to Rs. 8,691 million. The reduction in equity reserves is mainly driven by the issuance of dividends to shareholders.

A significant increase in trade and other payables was observed in FY25, increased to Rs. 4,599 million from Rs. 1,365 million in FY24, primarily due to receipt of customer advances of Rs. 2,735.5 million. The lowest was reported in FY21 amounting to Rs. 803 million, followed by Rs. 1,115 million in FY20. Short-term borrowings peaked in FY20 amounting to Rs. 2,704 million, followed by Rs. 1,974 million in FY25, while the lowest was observed in FY24, amounting to Rs. 774 million.

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INDEPENDENT AUDITOR'S REPORT

To the members of Crescent Steel and Allied Products Limited

Opinion

We have audited the annexed consolidated financial statements of Crescent Steel and Allied Products Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

Following are the key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
(i)	Valuation of the Group's Long Term Investments	
	(Refer notes 4, 6.5, 20.2 and 48.1 to the consolidated financial statements) The 'other long term investments' include Group's investments in shares of Shakarganj Food Products Limited and Central Depository Company of Pakistan Limited amounting to Rs 417.979 million and Rs 316.401 million respectively as at June 30, 2025.	Our audit procedures, amongst others, included the following: • Obtained understanding of the management's process of valuation;

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Tel: +92 (21) 32426682-6 / 32426711-5; Fax: +92 (21) 32415007 / 32427938 / 32424740; <www.pwc.com/pk>

KARACHI LAHORE ISLAMABAD

S. No.	Key audit matters	How the matter was addressed in our audit
	Fair values of these investments are not measured in an active market and are determined through the application of valuation techniques under accounting and reporting standards and use of unobservable inputs that involve the exercise of judgments over assumptions and estimates used by the management of the Group for this purpose. Due to the level of judgements involved in determining fair values of these unquoted investments, we considered this to be a key audit matter.	• Read report of management's expert which included the methods of valuation and details about the inputs to the valuation models; • Involved internal valuation specialists to review the valuation methodologies and assumptions used by the management's expert; • Discussed the rationale of the inputs to the valuation models and assessed their reasonableness; • Checked mathematical accuracy of the calculations; and • Assessed whether the related disclosures made in the consolidated financial statements are in accordance with the accounting and reporting standards as applicable in Pakistan.
(ii)	Investment in an equity accounted investee	
	(Refer notes 19.1, 38 and 41 to the consolidated financial statements) The Company has disposed shares of Altern Energy Limited during the year and evaluated based on the revised shareholding that the Company directly and / or indirectly has no significant influence as per the requirements of IAS 28 'Investment in Associates'. Accordingly, the outstanding shareholding i.e. 4.86% has been classified as 'Investment held at fair value through profit or loss' as per the requirements of IFRS-9 'Financial Instruments'. This has resulted in recording of impairment amounting to Rs 220.171 million and share of loss amounting to Rs 474.924 million. Being significant event of the year, we considered this to be a key audit matter.	Our audit procedures, amongst others, included the following: • Discussed with the management about their process of assessing the reclassification of this investment as 'Investment held at fair value through profit or loss' as per the requirements of IFRS-9 'Financial Instruments'. • Analysed the accounting impacts in relation to recording the disposal and subsequent reclassification. • Checked mathematical accuracy of the calculations; and • Assessed whether the related disclosures made in the consolidated financial statements are in accordance with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

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

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

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

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

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Osama Moon.

A. F. Ferguson & Co
Chartered Accountants
Karachi
Dated: October 05, 2025

UDIN: AR202510056WE8lTDJGf

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorized capital			
100,000,000 ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital	7	776,325	776,325
Capital reserves	8	1,020,908	1,050,669
Revenue reserves	8	6,610,099	6,864,102
		8,407,332	8,691,096
LIABILITIES			
Non-current liabilities			
Long term loans	9	132,289	157,163
Lease liabilities	10	157,781	212,702
Deferred income	11	2,763	3,300
Deferred taxation - net	22	18,814	
Deferred liability - staff retirement benefits	47	-	67,937
		311,647	441,102
Current liabilities			
Trade and other payables	12	4,599,295	1,360,688
Unclaimed dividend		111,697	26,188
Mark-up accrued	13	27,284	61,577
Short term borrowings	14	1,974,038	778,487
Current portion of long term loans	9	174,469	270,303
Current portion of lease liabilities	10	44,727	42,285
Current portion of deferred income	11	537	537
		6,932,047	2,540,065
		7,243,694	2,981,167
Contingencies and commitments	15		
Total equity and liabilities		15,651,026	11,672,263

Rupees in '000	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	16	2,162,526	2,352,850
Right-of-use-assets	16	178,578	228,869
Intangible assets	17	–	–
Investment properties	18	133,444	75,406
Investment in equity accounted investees	19	–	2,572,926
Other long term investments	20	938,572	849,507
Long term deposits	21	70,798	71,369
Deferred taxation – net	22	–	28,499
		3,483,918	6,179,426
Current assets			
Stores, spares and loose tools	23	384,837	404,968
Stock-in-trade	24	2,983,801	1,447,594
Trade debts	25	1,641,032	1,472,246
Advances	26	308,226	195,507
Trade deposits and short term prepayments	27	22,211	18,765
Short term investments	28	2,485,852	1,377,114
Other receivables	29	3,457,466	82,308
Taxation – net	30	390,980	157,646
Cash and bank balances	31	78,319	336,689
		11,752,724	5,492,837
Non-current assets held for sale	32	414,384	–
Total current assets		12,167,108	5,492,837
Total assets		15,651,026	11,672,263

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
Sales	33	7,499,843	10,752,196
Less: Sales tax		1,119,193	1,640,585
		6,380,650	9,111,611
Cost of sales	34	4,856,212	6,414,343
Gross profit		1,524,438	2,697,268
Income from investments – net	35	532,884	605,754
		2,057,322	3,303,022
Distribution and selling expenses	36	35,678	55,202
Administrative expenses	37	662,999	523,842
Other operating expenses	38	296,398	271,302
		995,075	850,346
		1,062,247	2,452,676
Other income	39	75,997	107,218
Operating profit before finance costs		1,138,244	2,559,894
Finance costs	40	288,950	497,286
Share of (loss) / profit in equity accounted investees	41	(474,924)	421,030
Profit before taxation from continuing operations		374,370	2,483,638
Taxation	42	(318,783)	(1,128,014)
Net profit for the year from continuing operations		55,587	1,355,624
Net loss from discontinued operation		(98,993)	(83,966)
Net (loss) / profit for the year		(43,406)	1,271,658
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Proportionate share of other comprehensive income / (loss) of equity accounted investees		360	(152)
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) – net of tax		72,214	3,563
Gain on remeasurement of staff retirement benefit plans – net of tax		346,945	145,151
Other comprehensive income for the year		419,519	148,562
Total comprehensive income for the year		376,113	1,420,220

		(Rupees)	
Basic and diluted – (loss) / earnings per share	43	(0.56)	16.38
Basic and diluted – earnings per share from continuing operations		0.72	17.46

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

Rupees in '000	Note	2025	2024
Cash flows from operating activities			
Cash (used in) / generated from operations	44	(701,926)	1,167,857
Tax paid		(520,970)	(73,019)
Finance costs paid		(287,910)	(467,504)
Contribution to gratuity and pension funds		(45,628)	(36,769)
Contribution to Workers' Welfare Fund		(19,015)	–
Contribution to Workers' Profit Participation Fund		(91,876)	(16,134)
Long term deposits – net		35,752	(42,303)
Net cash (used in) / generated from operating activities		(1,631,573)	532,128
Cash flows from investing activities			
Capital expenditure		(587,120)	(251,835)
Proceeds from disposal of operating fixed assets		13,696	224,384
Amount received against non–current assets held for sale	32	250,000	–
Investments – net		236,175	4,179
Dividend income received		869,401	914,456
Interest income received		28,388	29,937
Net cash generated from investing activities		810,540	921,121
Cash flows from financing activities			
Repayment of long term loans – net		(120,191)	(269,370)
Payments against finance lease obligations – net		(88,329)	(77,248)
Proceeds from / (repayment of) short term loans – net		785,571	(246,594)
Dividends paid		(574,368)	(145,158)
Net cash generated from / (used in) financing activities	44.1	2,683	(738,370)
Net (decrease) / increase in cash and cash equivalents		(818,350)	714,879
Cash and cash equivalents at beginning of the year		287,473	(427,406)
Cash and cash equivalents at end of the year	45	(530,877)	287,473

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2025

Rupees in '000	Issued, subscribed and paid-up capital	Capital reserves		Total capital reserves	Revenue reserves			Total revenue reserves	Total
		Share premium	Others*		Fair value reserve	General reserve	Unappropriated profit		
Balance as at July 1, 2023	776,325	1,020,908	29,913	1,050,821	(26,581)	3,642,000	1,983,576	5,598,995	7,426,141
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	1,271,658	1,271,658	1,271,658
Other comprehensive (loss) / income for the year	-	-	(152)	(152)	3,563	-	145,151	148,714	148,562
Total comprehensive income for the year	-	-	(152)	(152)	3,563	-	1,416,809	1,420,372	1,420,220
Transactions with owners of the Holding Company									
- distributions									
- Interim dividend @ 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2024	-	-	-	-	-	-	(155,265)	(155,265)	(155,265)
Balance as at June 30, 2024	776,325	1,020,908	29,761	1,050,669	(23,018)	3,642,000	3,245,120	6,864,102	8,691,096
Total comprehensive income for the year									
Loss for the year	-	-	-	-	-	-	(43,406)	(43,406)	(43,406)
Other comprehensive income for the year	-	-	360	360	72,214	-	346,945	419,159	419,519
Total comprehensive income for the year	-	-	360	360	72,214	-	303,539	375,753	376,113
Transfer of capital reserve to Unappropriated profit	-	-	(30,121)	(30,121)	30,121	-	30,121	-	-
Transactions with owners of the Holding Company									
- distributions									
- Final dividend @ 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024	-	-	-	-	-	-	(271,714)	(271,714)	(271,714)
- Interim dividend @ 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2025	-	-	-	-	-	-	(155,265)	(155,265)	(155,265)
- Interim dividend @ 30% (i.e. Rs. 3.00 per share) for the year ended June 30, 2025	-	-	-	-	-	-	(232,898)	(232,898)	(232,898)
Balance as at June 30, 2025	776,325	1,020,908	-	1,020,908	49,196	3,642,000	2,918,903	6,610,099	8,407,332

* This represents the Group's share of various reserves held by equity accounted investees.

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended June 30, 2025

1. THE GROUP AND ITS OPERATIONS

The Group consists of Crescent Steel and Allied Products Limited ('the Holding Company') and its wholly owned subsidiary companies namely; CS Capital (Private) Limited, Solution de Energy (Private) Limited and Crescent Continental Gas Pipelines Limited.

1.1 Crescent Steel and Allied Products Limited ('the Holding Company')

1.1.1 The Holding Company was incorporated on August 1, 1983 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and is quoted on the Pakistan Stock Exchange . The registered offices of the Holding Company and its subsidiary companies are located at E–floor, IT Tower, 73–E/1, Hali Road, Gulberg–III, Lahore, whereas their principal offices are situated at 9th floor Sidco Avenue Centre 264 R.A. Lines, Karachi.

1.1.2 The Holding Company's steel segment is manufacturing large diameter spiral arc welded steel line pipes at Nooriabad, District Jamshoro, Sindh. The Holding Company has a coating facility capable of applying three layers high density polyethylene coating on steel line pipes. The coating plant commenced commercial production from November 16, 1992. The Holding Company's fabrication unit is engaged in fabrication and erection of machinery is located at Dalowal, District Faisalabad, Punjab.

1.1.3 The Holding Company is running cotton spinning unit at Jaranwala, District Faisalabad, Punjab. This activity is carried out by the Holding Company under the name and title of "Crescent Cotton Products", a division of the Holding Company.

1.1.4 The Holding Company is also managing a portfolio of equity investments and real estate through its Investment and Infrastructure Division from the principal office of the Holding Company.

1.1.5 The Holding Company's energy segment's activity is to build, own, operate and maintain a power plant and to generate, accumulate, distribute, sell and supply electricity / power to Pakistan Electric Power Company (PEPCO) / Distribution Companies (DISCOs) under an agreement with the Government of Pakistan or to any other consumer as permitted. The generation plant use bagasse in the combustion process to produce power and processed steam. The plant of the Holding Company is located at Bhone, District Jhang, Punjab.

1.1.6 The Holding Company's Hadeed (Billet) Segment manufactures the billets that are used by re–rolling mills to manufacture bars and other steel long products for use in the construction and engineering sectors. The plant of the Holding Company is located at Bhone, district Jhang, Punjab. As stated in note 32 to these consolidated financial statements, the Holding Company's Hadeed (Billet) segment has been classified as 'Discontinued Operation'. The comparative figures of the consolidated statement of profit or loss and other comprehensive income for the year ended June 30, 2024 has been represented accordingly.

1.2 CS Capital (Private) Limited

CS Capital (Private) Limited was incorporated on November 5, 2010 as a private limited company in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) located at principal office of the Holding Company. The principal activity of the Subsidiary Company is to effectively manage investment portfolios in shares, commodities and other securities (strategic as well as short term). On September 26, 2011, the Holding Company purchased the entire shareholding from its previous principal shareholder. Consequently, the Company becomes the wholly owned subsidiary of the Holding Company.

1.3 Solution de Energy (Private) Limited

Solution de Energy (Private) Limited was incorporated as a private limited company in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) as result of a Joint Venture (JV) agreement ('the Agreement') executed on October 8, 2013 between Management de Consortium Capital (MdeCC), a partnership concern and the Holding Company. During the year ended June 30, 2019, the Agreement was dissolved and the Holding Company and MdeCC entered into a management contract, whereby MdeCC is responsible for managing the project.

The head office of the Subsidiary Company is located at principal office of the Holding Company. The principal activity of the Subsidiary Company is to build, own, operate and maintain 100MW solar power project (the Project) and to generate, accumulate, distribute, sell and supply electricity / power to PEPCO / DISCOS under the agreement with the Government of Pakistan or to any other consumer as permitted.

The Subsidiary Company had been granted Letter of Interest (LOI) by the Punjab Power Development Board (PPDB) on February 10, 2014. The Subsidiary Company has been allocated land from PPDB and the interconnectivity study report was vetted and approved by National Transmission & Dispatch Company (NTDC). Further, the Subsidiary Company has been granted electricity generation license from National Electric Power Regulatory Authority (NEPRA) for its 100MW Solar Power Plant on April 29, 2020. The Subsidiary Company has submitted the tariff petition to NEPRA on September 25, 2020 which is till awaited.

1.4 Crescent Continental Gas Pipelines Limited

Crescent Continental Gas Pipelines Limited having share capital of Rs. 90 is not carrying on any business operations.

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

The Holding Company's net sales from continuing operations aggregated to Rs. 6,380.65 million (2024: Rs. 9,111.61 million), out of which 99.46% was generated from Steel division and 0.54% percent from Cotton division.

During the year, KSE–100 index benchmark increased by 60.15 percent closing at 125,627.31 points as of reporting date. The Group generated income from investment amounting to Rs. 532.88 million which includes dividend income amounting to Rs. 114.08 million and unrealized gain amounting to Rs. 268.65 million.

3. BASIS OF PREPARATION

3.1 Consolidated financial statements

These consolidated financial statements have been prepared from the information available in the unconsolidated financial statements of the Holding Company, CS Capital (Private) Limited and Solution de Energy (Private) Limited for the year ended June 30, 2025. Crescent Continental Gas Pipelines Limited is not carrying on any business operations and accordingly no financial statements are being prepared. Details regarding the financial information of associates used in the preparation of these consolidated financial statements are given in note 19 to these consolidated financial statements.

The accounting policies used by the subsidiary companies in preparation of their financial statements are consistent with that of the Holding Company. The accounting policies used by the Group's associates in preparation of their respective financial statements are also consistent with that of the Holding Company. Where policies are different, necessary adjustments are made to the financial statements of that associate or subsidiary to bring their accounting policies in line with those used by the Group.

3.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP) as are 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 IFRS Accounting Standards or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise specifically stated.

3.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is also the Group's functional currency. The amounts have been rounded to the nearest thousand of Pakistan Rupees.

4. USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

In preparing these consolidated financial statements, management has made judgement, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively in the period in which the estimates are 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.

Significant accounting estimates and areas where judgements were made by the management in the application of the accounting policies are as follows:

- Property, plant and equipment and Right–of–use assets (refer note 6.2)
- Investments (refer notes 6.5.2)
- Stores, spares and loose tools and stock–in–trade (refer notes 6.6 and 6.7)
- Deferred liability – staff retirement benefits (refer note 6.10)
- Leases (refer note 6.12)
- Taxation (refer note 6.15)
- Provisions (refer note 6.19)
- Impairment (refer notes 6.2, 6.3, 6.4 and 6.5.2)
- Contingencies (refer note 6.24)

5. NEW STANDARDS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS

5.1 Amendments to published accounting and reporting standards which became effective during the year:

There were certain amendments that became applicable for the Group during the year but are not considered to be relevant or did not have any significant effect on the Group's operations and financial reporting and have, therefore, not been disclosed in these consolidated financial statements.

5.2 Standards and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

The following standards and amendments with respect to the accounting and reporting standards would be effective from the dates mention against the respective standards and amendments:

Standards and amendments	Effective date (Accounting period beginning on or after)
– IFRS 9 'Financial Instruments' (Amendments)	January 1, 2026
– IFRS 7 'Financial Instruments: Disclosures' (Amendments)	January 1, 2026
– IAS 21 'The Effects of Changes in Foreign Exchange Rates' (Amendments)	January 1, 2025

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan

Standards

– IFRS 1 'First–time Adoption of International Financial Reporting Standards'

– IFRS 18 'Presentation and Disclosure in Financial Statements'

– IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The management is in the process of assessing the impact of these standards and amendments on these consolidated financial statements.

6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies are consistently applied in the preparation of these consolidated financial statements and are the same as those applied in earlier periods presented.

6.1 Basis of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies.

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50 percent of its voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences. The financial statements of the subsidiaries are consolidated on a line–by–line basis and the carrying value of investment held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiaries. The Group applies uniform accounting policies for like transactions and events in similar circumstances except where specified otherwise.

All material inter–group balances, transactions and resulting unrealized profits / losses are eliminated.

Investments in associates

Entities in which the Group has significant influence directly or indirectly (through subsidiaries) but not control and which are neither subsidiaries nor joint ventures of the members of the Group are associates and are accounted for under the equity method of accounting (equity accounted investees).

These investments are initially recognized at cost. The consolidated financial statements include the associates' share of profit or loss and movements in other comprehensive income, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date it ceases. Share of post acquisition profit/loss of associates is recognized in the profit or loss. Distributions received from associates reduce the carrying amount of investment. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long–term interests that, in substance, form part of the Group's net investment in the associate) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized in previous years.

The carrying amount of investments in associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognized. A reversal of impairment loss is recognized in the profit or loss.

6.2 Property, plant and equipment

Owned assets

Property, plant and equipment, except freehold land and capital work–in–progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is measured at cost less impairment, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self–constructed assets include the cost of materials and direct labour, any other cost directly attributable to bring the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs, if any.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the part so replaced is derecognized. The costs relating to day–to–day servicing of property, plant and equipment are recognized in the profit or loss as incurred.

Depreciation

Depreciation is charged to profit or loss on a straight line basis at the rates specified in note 16.1 to these consolidated financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off or retained.

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date, and adjusted, if material. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in these consolidated financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal

Disposal of an item of property, plant and equipment is recognized when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the profit or loss.

Right–of–use assets

The Right–of–use assets is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Depreciation is charged on the same basis as used for owned assets.

Capital work in progress

Capital work in progress is stated at cost less accumulated impairment, if any and consists of expenditure incurred and advances made in respect of tangible and intangible assets during the course of their construction and installation. Transfers are made to relevant assets category as and when assets are available for intended use.

Impairment

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount is the higher of its fair value less cost to sell and value in use . An impairment is recognized in the profit or loss if the carrying amount exceeds its estimated recoverable amount.

6.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization

Amortization is charged to profit or loss on a straight line basis at the rates specified in note 17 to these consolidated financial statements, over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off. The assets' residual values, useful lives and amortization methods are reviewed at each reporting date, and adjusted if material.

Impairment

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount, it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists than the assets' recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

6.4 Investment properties

Investment property, principally comprising of land and buildings, is held for long term rental yields / capital appreciation. The investment property of the Group comprises of land and buildings and is valued using the cost method i.e. at cost less any accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self–constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs, if any.

Depreciation

Depreciation is charged to the profit or loss on the straight line method at the rates specified in the note 18 to these consolidated financial statements so as to allocate the depreciable amount over its estimated useful life. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off.

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

Impairment

The Group assess at each reporting date whether there is any indication that an investment property may be impaired. If such indication exists then the assets recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. An impairment loss is recognized in profit or loss if the carrying amount exceeds its estimated recoverable amount.

Disposal

Disposal of an investment property is recognized when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in the profit or loss.

6.5 Financial instruments

6.5.1 Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

6.5.2 Financial assets

Classification

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) – Debt investment;
- Fair value through other comprehensive income (FVOCI) – Equity investment; or
- Fair value through profit and loss (FVTPL).

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets cash flows.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

FVOCI – Debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

FVOCI – Equity investment

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment–by–investment basis.

FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL.

Subsequent measurement and derecognition

Financial assets are not reclassified subsequently to the initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets classified at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments classified as FVOCI are subsequently measured at fair value. Interest income calculated using effective method, foreign exchange gain and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de–recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments classified as FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, when the Group's right to receive payments is established. This category only includes equity instruments, which the Group intends to hold for the foreseeable future. On de–recognition, there is no reclassification of fair value gains and losses to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.

The financial assets classified at FVTPL are subsequently measured at fair value and net gains and losses, including any interest or dividend income, are recognized in consolidated profit or loss. Net gains and losses (unrealized and realized), including any interest or dividend income, are recognized in profit or loss.

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets

The Group recognizes a loss for "expected credit loss" (ECL) for financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The financial assets at amortized cost consist of trade debts, cash and cash equivalents, loans and other receivables.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward–looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance. For other debt financial assets (i.e., loans etc.), the ECL is based on the 12–month ECL. The 12–month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due and a financial asset in default when contractual payments are 90 days past due.

6.5.3 Financial liabilities

Classification and subsequent measurement

The Group classifies its financial liabilities as those to be measured subsequently at amortized cost using the effective interest method, if they are not:

- contingent consideration of an acquirer in a business combination;
- held–for–trading; or
- designated as at FVTPL.

The Group does not classify any of its financial liabilities under FVTPL.

Derecognition

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non–cash assets transferred or liabilities assumed, is recognized in the profit or loss.

Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position when the Group currently has a legal enforceable right to offset the amounts and it intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

6.6 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon less impairment, if any.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimate regarding their future usability and is charged to profit or loss.

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

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are classified as fixed assets under the 'plant and machinery' category and are depreciated over a time period not exceeding the useful life of the related assets.

6.7 Stock–in–trade

Stock–in–trade is valued at the lower of cost and net realizable value. Cost is arrived at on a weighted average basis. Cost of work–in–process and finished goods include cost of materials and appropriate portion of production overheads. The cost of finished goods of Steel segment is assigned by using specific identification of their individual costs. Scrap stocks are valued at their estimated net realizable value.

Net realizable value is the estimated selling prices of products in the ordinary course of business less estimated cost of completion and cost necessary to be incurred in order to make the sale.

6.8 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortized cost. Trade debts and other receivables are recognized and carried at original invoice amount (unless there is a significant financing component) less an estimated allowance made for doubtful debts and receivables based on 'ECL' model. Balances considered bad and irrecoverable are written off when identified. Subsequent recoveries of amounts previously written off are credited in the profit or loss.

6.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost and comprise of cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of consolidated statement of cash flows.

6.10 Employee benefits

6.10.1 Compensated absences

The Holding Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences. No actuarial valuation of compensated absences is carried out as management considers its financial impact would be immaterial.

6.10.2 Post retirement benefits

6.10.2.1 Defined contribution plan – Provident fund

The Holding Company operates a provident fund scheme for its permanent employees. Equal monthly contributions are made by the Holding Company and its employees. Obligation for contributions to the fund are recognized as an expense in profit or loss when they are due.

Cotton segment

Provision and collection from employees are made at the rate of 6.25% of basic pay of Cotton segment employees. A trust has been established and its approval has been obtained from the Commissioner of Income Tax.

All employees except Cotton segment

Contributions to the fund are made at the rate of 8.33% of basic pay for those employees who have served the Holding Company for a period of less than five years and after completion of five years, contributions are made at the rate of 10%.

6.10.2.2 Defined benefit plans

Pension and gratuity fund schemes

The Holding Company provides gratuity benefits to all its permanent employees who have completed their minimum qualifying service as per the terms of employment. The pension scheme provides life time pension to retired employees or to their spouses. The liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The Holding Company's obligation is determined through actuarial valuations carried out under the "Projected Unit Credit Method". Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income. The Holding Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then–net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense, current service costs and any past service costs are recognized in profit or loss. Any assets resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. The latest Actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

6.10.3 Staff benevolent fund

The Holding Company has established staff benevolent fund as a separate legal entity under the Trust Act, 1882 and registered under Income Tax Ordinance, 2001. The objective of this fund is to provide at the discretion of the trustees, post retirement medical cover / facilities for retired employees and other hardship cases of extraordinary nature of existing employees of the Holding Company. Contributions to the fund are recognized as an expense in the profit or loss when they are incurred.

6.11 Mark–up bearing borrowings

Mark–up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark–up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest basis.

6.12 Leases liabilities

Lease are recognized as Right–of–use (RoU) asset and a lease liability at the lease commencement date except for short term or low value leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method i.e. it is increased by the interest cost on the lease liability and decreased by lease payment made. It is re–measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For sale and lease back if the Group has obtained control of the underlying asset and the transfer is classified as a sale in accordance with IFRS 15 and measures a right–of–use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right–of–use retained. The gain (or loss) recognized is limited to the proportion of the total gain (or loss) that relates to the rights transferred.

If the consideration for the sale is not equal to the fair value of the asset, any resulting difference represents either a prepayment of lease payments (if the purchase price is below market terms) or an additional financing (if the purchase price is above market terms).

If the transfer is not a sale (i.e. the Group does not obtain control of the asset in accordance with IFRS 15), it does not derecognize the transferred asset and accounts for the cash received as a financial liability.

The Group applies the short–term lease recognition exemption to its short–term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low–value assets recognition exemption to leases that are considered of low value. Lease payments on short–term leases and leases of low–value assets are recognized as expense on a straight–line basis over the lease term.

6.13 Government grants

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. Loans at below–market rates to be initially measured at their fair value – i.e. at the present value of the expected future cash flows discounted at a market–related interest rate. The benefit that is the Government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

6.14 Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

6.15 Taxation

The tax expense comprises current and deferred tax. Tax is recognized in the profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Group taxation

The Holding company has opted for Group taxation under section 59AA of the Income Tax Ordinance, 2001 along with its subsidiary CS Capital (Private) Limited. Both companies are taxed as one fiscal unit under this scheme. The current and deferred income taxes have been estimated on income of each of the companies according to the applicable law and are recognized by each company separately within the Group, regardless of who has the legal liability for settlement or the legal right for recovery of the tax. Any adjustments arising solely due to Group taxation in respect of result of subsidiary is recognized in the Holding Company and the amounts paid to or receivable from the Holding company are adjusted accordingly.

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and contains impacts of group taxation as explained above.

Current tax assets and tax liabilities are offset where the Group has the legally enforceable right to offset and intends either to settle on net basis or to realize the asset and settle the liability simultaneously."

Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount 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 realization or settlement of the carrying amount of assets and liabilities, using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits or taxable temporary difference will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

6.16 Revenue recognition

Revenue comprises of sales to third parties and is measured based on the consideration specified in contracts with customers and excludes rebates and amounts, if any, collected on behalf of third parties. Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies the performance obligations as specified in the contract with the customer, and when it transfers control over the promised good or service to the customer. The Group has generally concluded that is the principal in its revenue arrangements.

The Group manufactures and contracts with customers for the sale of bare pipes, coated pipes, billets, cotton and electricity products which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognized at that point in time. Delivery occurs when the products have been shipped or delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product. The customer has accepted the product as per the sales contract or lapse of acceptance provision specified in the contract or the Group has objective evidence that all criteria for acceptance have been satisfied. Contract for the sale of bare and coated pipes contains penalty clause on account of delay supply (liquidity damages). Under IFRS 15, these amounts are referred to as 'variable consideration'. The consideration which the Group receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. Revenue is measured based on the consideration specified in a contract with a customer, net of liquidity damages (penalties) and excludes amounts collected on behalf of third parties. A receivable is recognized when the goods are delivered.

6.17 Investment and other income

Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive the same is established i.e. the book closure date of the investee company declaring the dividend.

Sale of investments are accounted for when the commitment (trade date) for sale of security is made.

Rental income (net of any incentives given to lessees) from investment property is recognized on a straight line basis over the lease term.

6.18 Non-current assets held for sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less cost to sell. Property, plant and equipment once classified as held for sale is not depreciated. A discontinued operation is a component of the Group's business that has been discontinued or disposed off or is held for sale. Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative period.

6.19 Provisions

A provision is recognized in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of past events, 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.20 Foreign currency translation

Foreign currency transactions are translated into Pakistan Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the reporting date. Exchange differences, if any, are recognized in profit or loss.

6.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets. Transactions between reportable segments are reported at cost.

Segment results that are reported for review and performance evaluation include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, income tax assets / liabilities and related income and expenditure.

6.22 Proposed dividend and transfer between reserves

Dividend distributions to the Holding Company's shareholders are recognized as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the reporting date is considered as a non–adjusting event and is recognized in the period in which such transfers are made.

6.23 Earnings per share

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

6.24 Contingencies

Contingencies are disclosed when Group has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non–occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

7. ISSUED, SUBSCRIBED AND PAID–UP CAPITAL

2025	2024		2025	2024
Number of shares			Rupees in '000	
37,756,686	37,756,686	Ordinary shares of Rs. 10 each fully paid in cash	377,567	377,567
39,875,805	39,875,805	Ordinary shares of Rs. 10 each issued as bonus shares	398,758	398,758
77,632,491	77,632,491		776,325	776,325

7.1 Ordinary shares of the Holding Company held by related parties as at year end are as follows:

	2025		2024	
	(Percentage of holding)	(Number of shares)	(Percentage of holding)	(Number of shares)
Crescent Steel and Allied Products Limited – Gratuity Fund	3.49%	2,712,000	2.50%	1,938,354
Crescent Steel and Allied Products Limited – Pension Fund	7.24%	5,614,435	5.20%	4,038,578
Crescent Steel and Allied Products Limited – Staff Provident Fund	0.16%	124,200	0.16%	124,200
Crescent Cotton Products – Staff Provident Fund	0.10%	74,800	0.10%	74,800
CSAPL – Staff Benevolent Fund	0.75%	578,000	0.05%	36,178
Premier Insurance Limited	0.18%	141,500	0.18%	141,500
The Crescent Textile Mills Limited	11.00%	8,538,303	11.00%	8,538,303
Suraj Cotton Mills Limited	0.64%	500,129	1.57%	1,222,000
Pak-Qatar Asset Allocation Plan	5.80%	4,500,000	–	–
Pak Qatar Family Takaful Limited	–	–	8.76%	6,800,000
Shakarganj Limited	0.23%	180,000	0.23%	180,000
Trustees Shakarganj Mills Limited – Provident Fund	0.22%	168,500	0.22%	168,500
Trustees Shakarganj Mills Limited – Gratuity Fund	0.09%	67,000	0.09%	67,000
Trustees Shakarganj Mills Limited – Pension Fund	0.14%	112,000	0.14%	112,000
M/s. Muhammad Amin Muhammad Bashir Limited	0.001%	848	–	–

7.2 There is no shareholder agreement for voting rights, board selection, rights of first refusal, and block voting.

8. RESERVE

8.1 Capital Reserve

This includes share premium reserve amounting to Rs. 1,020.9 million and as per section 81 of the Companies Act, 2017 this can be used for following purpose:

- to write off preliminary expenses of the Holding Company;
- to write of-expenses of, or the commission paid or discount allowed on, any issue of shares of the Holding Company;
- in providing for the premium payable on the redemption of any redeemable preference shares of the Holding Company; and
- to issue bonus shares to its members.

8.2 Revenue Reserves

Fair value reserve

This reserve has been maintained by the Group for the purposes of cumulative changes in fair value in investments classified as FVOCI.

General reserve

The balance in general reserve has been accumulated by way of transfer from unappropriated profit on a yearly basis.

Rupees in '000	Note	2025	2024
9. LONG TERM LOANS			
Secured – Under shariah arrangement			
Long Term Sukuk Certificates	9.1	133,333	400,000
Less: Transaction Cost	9.1.1	(517)	(2,381)
		132,816	397,619
Secured – Under non–shariah arrangement			
Allied Bank Limited	9.2	150,000	–
JS Bank Limited	9.3	23,942	29,847
		306,758	427,466
Less: Current portion shown under current liabilities		174,469	270,303
		132,289	157,163

9.1 During the year ended June 30, 2023, the Holding Company issued 8,000 unlisted, privately placed & secured Sukuk certificates (SUKUK–Al–Istisna) on October 11, 2022, having face value of Rs. 100,000 each, amounting to Rs. 800 million. Aggregate amount of Rs. 800 million in connection with issuance of Sukuk–al–istisna were received on October 11, 2022. The Sukuk certificates carry profit at the rate of 6–months KIBOR + 2% per annum with semi–annual rental payments having tenure of three years from the issue date on arrear basis. Principal repayment installment had commenced from April 2023. During the year, the Holding Company has made repayments of Rs. 266.67 million (June 30, 2024: Rs. 266.67 million) and profit on such arrangement ranged from 14.09% to 24.76% (June 30, 2024: 24.08% to 24.76%) per annum.

9.1.1 This represents the cost incurred with respect to issuance of SUKUK certificates, amortized using effective interest rate.

9.2 During the year ended June 30, 2025, the Holding Company entered into a loan arrangement with Allied Bank Limited for a term of 3 years with a grace period of 1 year. The principal amount of loan is repayable quarterly starting from March 31, 2026. Mark–up is payable quarterly at the rate of 3 months KIBOR plus 1.5% per annum. During the year, the interest rate charged on such arrangement ranging from 12.63% to 13.68% per annum.

9.3 During the year ended June 30, 2021, the Holding Company entered into a loan arrangement with JS Bank Limited in which 5 tranches were received. The tranches were converted into the State Bank of Pakistan's (SBP) "SBP Financing scheme for Renewable Energy". The term of the loan is 10 years from the date of disbursement with a grace period of 3 months, repayable in monthly installments starting from June 2021. Mark-up was payable quarterly at the rate of 1 month KIBOR plus 1% per annum up till approval of refinance from the SBP and after approval from the SBP, mark-up is payable at the concessional rate of 6% per annum.

9.4 The benefit of subsidized loans under 9.3 has been recognized as deferred income under note 11.

10. LEASE LIABILITIES

Rupees in '000	Minimum lease payments 2025	Minimum lease payments 2024	Future finance costs 2025	Future finance costs 2024	Present value of minimum lease payments 2025	Present value of minimum lease payments 2024
Not later than one year	67,746	89,736	23,019	47,451	44,727	42,285
Later than one year but no later than five years	180,441	286,753	22,660	74,051	157,781	212,702
	248,187	376,489	45,679	121,502	202,508	254,987
Less: Current portion shown under current liabilities					44,727	42,285
					157,781	212,702

10.1 The Holding Company has entered into lease arrangements with leasing companies for lease of plant and machinery and motor vehicles. The lease term of these arrangements is from three to five years (2024: three to five years) and the liability is payable by the month ranging from six to sixty months (2024: six to sixty months). The periodic lease payments include built–in rates of mark–up ranging from 18.22% to 31.53% (2024: 17.04% to 31.12%) per annum. Included in the gross present value of minimum lease payments, is a sum aggregating Rs. 189.6 million (2024: Rs. 193.33 million) which pertains to obligations arising from sale and leaseback of assets.

The Holding Company intends to exercise its options to purchase the leased assets upon completion of the lease term. The Holding Company's obligations under these arrangements are secured by the lessor's title to the leased assets.

Rupees in '000	Note	2025	2024
11. DEFERRED INCOME			
Opening balance		3,837	4,375
Income recognized during the year	39	(537)	(538)
		3,300	3,837
Less: Current portion shown under current liabilities		(537)	(537)
Closing balance		2,763	3,300

Rupees in '000	Note	2025	2024
12. TRADE AND OTHER PAYABLES			
Trade creditors		157,423	69,589
Bills payable		38	38
Commission payable		385	385
Accrued liabilities		683,755	703,215
Contract liabilities		2,907,834	12,926
Deposits	32	250,000	–
Infrastructure fee, sales tax and damages	12.2	394,984	323,752
Due to related parties	12.3	24,380	26,234
Payable to provident fund		232	47
Payable to staff retirement benefit funds		–	102
Retention money		2,256	110
Withholding tax payable		5,232	3,272
Workers' Profit Participation Fund	12.4	41,213	94,975
Workers' Welfare Fund		33,879	41,562
Others		97,685	84,481
		4,599,296	1,360,688

12.1 The contract liabilities amounting to Rs. 11.35 million at the beginning of year are recognized as revenue in the ordinary course of business.

12.2 Movement in infrastructure fee, sales tax and damages

Rupees in '000	Infrastructure fee (Note 12.2.1)	Sales Tax (Note 12.2.2)	Liquidated damages (Note 12.2.3)	Total
Opening balance as at July 1, 2024	275,089	3,242	45,421	323,752
Accrual for the year	75,047	–	–	75,047
Payments during the year	–	–	(3,815)	(3,815)
Closing balance as at June 30, 2025	350,136	3,242	41,606	394,984

12.2.1 This provision has been recognized against the continuing charge of infrastructure fee/cess on the value of goods imported at a rate of up to one–point–eight–five percent (1.85%), levied by the Government of Sindh through Sindh Finance Act, 1994, and its subsequent versions including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Act). The Act validates the fees/cess levied through the earlier versions of the law and continues the levy. The imposition of an Infrastructure Cess by the Government of Sindh was challenged by the Holding Company in the Sindh High Court (SHC).

The petitions pending against all the versions of the law have been decided by the consolidated judgment dated June 4, 2021 whereby the Court has declared that the first four versions of the law up to the Sindh Finance (Second Amendment) Ordinance, 2001, and their applicability on the petitioners who litigated and were appellants in the earlier round has attained finality and is a past and closed transaction. The SHC judgement validated the recovery of cess/fee effective from December 28, 2006, through the subsequent versions of the law. The Honourable Division Bench of the SHC suspended its judgment till September 3, 2021 and interim arrangement of payment of fifty percent (50%) of the amount of cess and furnishing of bank guarantees for remaining 50% would continue, after which guarantees provided would be en–cashed and 100% of infrastructure cess would be payable.

The Holding Company challenged the judgement of the SHC in the Honorable Supreme Court of Pakistan (SCP); the SCP granted a stay against the judgement of the SHC on September 1, 2021 and instructed that the amount equal to the levy shall be deposited with the Sindh Excise and Taxation Office (ETO) in the form of a Bank Guarantee, until such time that a detailed order is issued by the Court. A final judgement on the appeal filed remains pending. The Holding Company continued to use the option of a 50% Bank Guarantee and 50% payment to the ETO. During the year, the Holding Company had opted to issue bank guarantee of 100% ETO on imports.

After promulgation of the Act, the Holding Company instituted legal proceedings against the levy in the SHC, where interim stay was granted on similar terms of payment of 50% of the amount of cess to the GoS and on furnishing of bank guarantees for remaining 50%. Under the arrangement if the Holding Company succeeded in the petition, GoS would refund the amount subject to their right to appeal before SCP.

As of June 30, 2025, the Holding Company has provided bank guarantees amounting to Rs. 271.88 million (2024: Rs. 196.83 million) in favour of Excise and Taxation Department, GoS.

The current year charge has been estimated on the value of imports during the year and forms a component of cost of such imported items. Any subsequent adjustment with respect to increase or decrease in the estimate has been recognized in the profit or loss. Based on the opinion of the Holding Company's legal counsel, the management is confident of favourable outcome of litigation, however, on a prudent basis, full provision has been recognized.

12.2.2 These have been made against long outstanding sales tax claims with the sales tax department.

12.2.3 The provision represents liquidated damages on account of delayed supply of bare pipes and coated pipes. On a prudent basis full provision has been recognized.

Rupees in '000		Note	**2025**	2024
12.3	Due to related parties			
	Premier Insurance Company Limited		–	1,445
	Shakarganj Limited		24,380	24,789
			24,380	26,234
12.4	Workers' Profit Participation Fund			
	Opening balance		94,975	18,529
	Allocation for the year	38	38,113	92,580
			133,088	111,109
	Amount paid to the trustees of the fund		(91,875)	(16,134)
	Closing balance		41,213	94,975
13.	**MARK–UP ACCRUED**			
	Mark–up accrued on :			
	– Lease obligations		24	241
	– Long term loans		3,074	20,739
	– Short term borrowings	13.1	24,186	40,597
			27,284	61,577

13.1 This includes mark–up accrued amounting to Rs. Nil million (2024: Rs. 24.82 million) on shariah based finance arrangement.

Rupees in '000		Note	2025	2024
14.	**SHORT TERM BORROWINGS**			
	Secured from banking companies			
	Running finances under mark–up arrangements	14.1	609,196	199,216
	Short term loans	14.2 & 14.4	1,364,842	579,271
			1,974,038	778,487

14.1 Short term running finance / money market facilities are available from conventional side of various commercial banks under mark–up arrangements amounted to Rs. 1,150 million (2024: Rs. 1,100 million) out of which Rs. 300 million (2024: Rs. 400 million), Rs. 100 million (2024: Rs. 100 million) and Rs. 900 million (2024: Rs. 400 million) are interchangeable with letter of credit, letter of guarantee facility and short term loan, respectively. During the year, mark–up on such arrangements ranged between 12.69% to 23.71% (2024: 22.23% to 24.91%) per annum.

14.2 Short term loans available from various commercial banks under mark–up arrangements amounted to Rs. 6,565 million (2024: Rs. 4,500 million) out of which Rs. 2,900 million (2024: Rs. 4,000 million), Rs. 300 million (2024: Rs. 205 million) and Rs. 400 million (2024: Rs. 400 million) are interchangeable with letters of credit, letter of guarantee and short term running finance facilities, respectively. During the year, mark–up on such arrangements ranged between 13.12% to 23.46% (2024: 21.91% to 25.22%) per annum.

14.3 The facilities for opening letters of credit amounted to Rs. 6,050 million (2024: Rs. 4,650 million) out of which Rs. 765 million (2024: Rs. 400 million), Rs. 4,200 million (2024: Rs. 4,000 million) and Rs. 200 million (2024: Rs. 205 million) are interchangeable with short term running finance, short term loans and letter of guarantee respectively as mentioned in notes 14.1 and 14.2 above. The facility for letters of guarantee as at June 30, 2025 amounted to Rs. 4,629.3 million (2024: Rs. 2,713.28 million). Amounts unutilized for letters of credit and guarantees as at June 30, 2025 were Rs. 4,486.71 million and Rs. 897 million (2024: Rs. 3,489.60 million and Rs. 996.58 million), respectively.

14.4 This includes an amount of Rs. 147.84 million (2024: Rs. 579.28 million) outstanding against Islamic mode of financing.

14.5 The above facilities are expiring on various dates with maturity period upto March 31, 2026. These facilities are secured by way of mortgage of land and building, hypothecation of plant and machinery, stock–in–trade, trade debts and other current assets, pledge of shares (refer note 28.2.2), and lien over import / export documents. Further, these facilities (refer notes 14.1 to 14.3) are also secured against pledge of shares amounting to Rs. 190.76 million owned by CS Capital (Private) Limited.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 During 2014–2015, a show cause notice was issued by the Deputy Director, Directorate of Post Clearance Audit (Customs) Karachi for payment of duties and taxes on import of certain raw materials. In response the Holding Company had contested that the said imports were exempt under bilateral agreement between Government of Pakistan and Government of Japan for projects under grant and accordingly these were cleared by the customs. However, the collector customs issued an order dated May 22, 2015 for recovery of the said duty and taxes and penalty thereon amounting to Rs. 35.773 million. The Holding Company has filed an appeal with Appellate Tribunal (Customs) against the order. No provision has been recognized in these consolidated financial statements as the case is under appeal and management considers that the same would be decided in the Holding Company's favour.

15.1.2 During 2015–2016, a show cause notice was received from Sindh Revenue Board (SRB) in respect of registration as a service provider and a demand aggregating to Rs. 60 million in respect of sales tax on services was raised thereby. The Holding Company filed a constitutional writ in the SHC against the SRB and GoS in which SHC granted interim relief to the Holding Company.

Subsequently, the writ was decided in light of SCP's orders in similar writs where SCP had decreed for a 50% payment of tax demand in order to keep the writs maintainable.

Following closure of petition, the Holding Company received show cause notices and demands for Sindh Sales Tax payments amounting to Rs. 79 million, which were challenged in SHC in a civil suit as well as at the Appellate forums of the tax authority, where the cases are pending adjudication.

Furthermore, after the closure of the original petition, the SHC has decided the matter in the Holding Company's favor, ruling against the SRB. However, the SRB has now filed a petition at the SCP, arguing that sales tax on toll manufacturing before June 30, 2022 should fall under their jurisdiction.

No provision has been recognized in these consolidated financial statements in this respect, since based on the opinions of tax consultant and the Holding Company's legal counsel, the management is confident of favorable outcome of litigation in relation to the said matter.

15.2 Commitments

15.2.1 Aggregate amount of guarantees issued on behalf of the Group against various contracts aggregated to Rs. 3,732.25 million (2024: Rs. 1,717.65 million). This includes guarantee issued by Islamic banks amounting to Rs. 50.18 million (2024: Rs. 204.35 million).

15.2.2 Commitments in respect of capital expenditure contracted for as at June 30, 2025 amounted to Rs. Nil million (2024: Rs. 46.08 million).

15.2.3 Commitments under letters of credit as at June 30, 2025 amounted to Rs. 1,563.29 million (2024: Rs. 434.97 million).

Rupees in '000	Note	2025	2024
16. PROPERTY, PLANT AND EQUIPMENT AND RIGHT–OF–USE ASSETS			
Operating fixed assets	16.1	1,929,642	2,064,089
Capital work-in-progress	16.4	232,884	288,761
		2,162,526	2,352,850
Right-of-use assets	16.1	178,578	228,869
		2,341,104	2,581,719

16.1 Operating fixed assets and right-of-use assets

Description		Land		Buildings		Office	Plant	Electrical/	Furniture	Computers	Motor	Total	Right-of-use assets		Total	Total
Rupees in '000	Note	Freehold	Leasehold including improvements	On freehold land	On leasehold land	premises	and machinery owned	office equipment and installation	and fittings		vehicles owned	operating fixed assets	Plant and machinery	Motor vehicles	right-of-use assets	
Net book value as at June 30, 2025																
Balance as at July 1, 2024 (NBV)		249,226	42,448	399,473	18,478	1,725	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	228,869	2,292,958
Additions / transfers		-	4,072	56,396	-	-	399,018	75,472	6,137	7,667	48,492	597,254	-	-	-	597,254
Disposals / transfer (at NBV)		-	-	-	-	-	-	-	-	-	(3,001)	(3,001)	-	(615)	(615)	(3,616)
Transfer to investment properties (at NBV)	18	(41,823)	(19,465)	-	-	-	-	-	-	-	-	(61,288)	-	-	-	(61,288)
Inter-transfer (at NBV)	16.1.1	-	-	-	-	-	-	-	-	-	2,540	2,540	-	(2,540)	(2,540)	-
Transfer to non-current assets held for sale (at NBV)	32	-	-	(187,410)	-	-	(259,981)	(129)	-	-	-	(447,520)	-	-	-	(447,520)
Depreciation charge	16.1.2	-	(2,170)	(19,943)	(1,593)	(900)	(139,453)	(3,816)	(1,578)	(4,900)	(48,079)	(222,432)	(36,175)	(10,961)	(47,136)	(269,568)
Balance as at June 30, 2025		207,403	24,885	248,516	16,885	825	1,125,259	95,868	8,999	10,385	190,617	1,929,642	153,938	24,640	178,578	2,108,220
Gross carrying value as at June 30, 2025																
Cost	16.2	207,403	33,627	496,338	97,627	27,481	3,214,036	162,990	42,136	83,763	326,858	4,692,259	235,585	53,352	288,937	4,981,196
Accumulated depreciation		-	(8,742)	(247,822)	(80,742)	(26,656)	(2,088,777)	(67,122)	(33,137)	(73,378)	(136,241)	(2,762,617)	(81,647)	(28,712)	(110,359)	(2,872,976)
Net book value		207,403	24,885	248,516	16,885	825	1,125,259	95,868	8,999	10,385	190,617	1,929,642	153,938	24,640	178,578	2,108,220
Net book value as at June 30, 2024																
Balance as at July 1, 2023 (NBV)		249,226	30,884	352,695	2,564	2,606	1,165,202	11,717	6,252	7,368	106,444	1,934,958	26,568	56,284	82,852	2,017,810
Additions / transfers		-	17,839	75,225	17,541	-	314,150	15,492	-	5,794	118,761	564,802	210,000	-	210,000	774,802
Disposals / transfers (at NBV)		-	-	-	-	-	(210,000)	-	-	(326)	(9,064)	(219,390)	(16,092)	(778)	(16,870)	(236,260)
Depreciation charge		-	(6,275)	(28,447)	(1,627)	(881)	(143,677)	(2,868)	(1,812)	(5,218)	(25,476)	(216,281)	(30,363)	(16,750)	(47,113)	(263,394)
Balance as at June 30, 2024 (NBV)		249,226	42,448	399,473	18,478	1,725	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	228,869	2,292,958
Gross carrying value as at June 30, 2024																
Cost		249,226	60,906	760,526	97,627	27,481	3,323,591	93,637	35,379	76,097	306,261	5,030,731	235,586	60,566	296,152	5,326,883
Accumulated depreciation		-	(18,458)	(361,053)	(79,149)	(25,756)	(2,197,916)	(69,296)	(30,939)	(68,479)	(115,596)	(2,966,642)	(45,473)	(21,810)	(67,283)	(3,033,925)
Net book value		249,226	42,448	399,473	18,478	1,725	1,125,675	24,341	4,440	7,618	190,665	2,064,089	190,113	38,756	228,869	2,292,958
Depreciation rate (% per annum)		-	1 - 5	5 - 10	5 - 10	10	5 - 20	5 - 20	10	33.33	20		10	20		

16.1.1 During the year, assets having net book value Rs. 2.54 million (2024: Rs. 16.09 million) were transferred from right–of–use assets to operating fixed assets.

Rupees in '000	Note	2025	2024
16.1.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	34.1	227,141	240,502
Distribution and selling expenses	36	902	902
Administrative expenses	37	41,525	21,845
Capital work-in-progress		–	145
		269,568	263,394

16.2 Property, plant and equipment as at June 30, 2025 include items having an aggregate cost of Rs. 1,570.63 million (2024: Rs. 1,572.25 million) that have been fully depreciated and are still in use by the Group.

16.3 Particulars of Group's immovable operating fixed assets are as follows:

Particulars	Location	Area	
Building			
Office premises	Saddar, Karachi	14,504.40	Sq feet
Building	Nooriabad, District Jamshoro	261,257.10	Sq feet
Building	Jaranwala, District Faisalabad	340,455	Sq feet
Building	Dalowal, District Faisalabad	30,484	Sq feet
Land			
Lease hold	Nooriabad, District Jamshoro	30.0	Acre
Freehold land	Dalowal, District Faisalabad	13.9	Acre
Freehold land	Jaranwala, District Faisalabad	35.5	Acre

Rupees in '000	Note	2025	2024
16.4 Capital work-in-progress			
Advances to suppliers		22,135	22,135
Civil work		–	4,579
Project under development	16.4.1	163,455	157,885
Plant and machinery		47,294	104,162
	16.4.2	232,884	288,761

16.4.1 These include cost incurred by the Group through its managing partner 'MDeCC' and other consultants on preliminary activities of the project including preparation of feasibility study reports, environmental study reports, interconnection study approvals and obtaining of electricity generation license from NEPRA. The Group has estimated that at present condition the project has a market value of more than USD 2.5 million.

16.4.2 Following is the movement in capital work–in–progress during the year:

Rupees in '000	Land	Building	Plant and machinery	Others	Total
Balance as at July 1, 2024	22,135	4,579	104,162	157,885	288,761
Additions	–	63,883	334,962	36,523	435,368
Transfer to non–current assets held for sale	–	–	(16,864)	–	(16,864)
Transfer to long term deposits	–	(28,625)	–	–	(28,625)
Transfers to operating fixed assets	–	(39,837)	(405,919)	–	(445,756)
Balance as at June 30, 2025	22,135	–	16,341	194,408	232,884

17. INTANGIBLE ASSETS

The intangible assets represent various computer softwares. Movement during the year is as follows:

Rupees in '000	Note	2025	2024
Net book value as at July 1		–	1,427
Amortization	17.1	–	(1,427)
Net book value as at June 30		–	–
Gross book value as at June 30, 2025			
Cost		82,099	82,099
Accumulated amortization		(79,459)	(79,459)
Accumulated impairment loss		(2,640)	(2,640)
		(82,099)	(82,099)
Net book value		–	–
Amortization rate (% per annum)		33.33	33.33

17.1 The amortization for the year has been charged to administrative expenses (Note 37).

18. INVESTMENT PROPERTIES

Rupees in '000	Note	Land: Freehold land	Land: Leasehold including improvements	Buildings: On freehold land	Buildings: On leasehold land	Office premises	Total
Net carrying value as at June 30, 2025							
Opening balance		45,497	20,872	8,233	804	–	75,406
Transfer from operating fixed assets	16.1	41,823	19,465	–	–	–	61,288
Depreciation charge	18.1	–	(1,868)	(1,300)	(82)	–	(3,250)
Balance as at June 30, 2025 (NBV)		87,320	38,469	6,933	722	–	133,444
Gross carrying value as at June 30, 2025							
Cost	18.2	87,320	106,018	13,000	1,758	29,830	237,926
Accumulated depreciation		–	(67,549)	(6,067)	(1,036)	(29,830)	(104,482)
Net book value		87,320	38,469	6,933	722	–	133,444
Net book value as at June 30, 2024							
Opening balance		45,497	23,122	9,533	886	–	79,038
Depreciation charge		–	(2,250)	(1,300)	(82)	–	(3,632)
Balance as at June 30, 2024 (NBV)		45,497	20,872	8,233	804	–	75,406
Gross carrying value as at June 30, 2024							
Cost		45,497	44,835	13,000	1,758	29,830	134,920
Accumulated depreciation		–	(23,964)	(4,767)	(954)	(29,830)	(59,515)
Net book value		45,497	20,871	8,233	804	–	75,405
Depreciation rate (% per annum)		–	1 – 10	10 – 20	5 – 20	5 – 10	

18.1 Depreciation for the year has been charged to administrative expenses (Note 37).

18.2 Fair value of the investment properties amounting to Rs. 394.26 million (2024: Rs. 404.92 million), which is determined by external valuer on the basis of market value.

18.3 Particulars of Group's immovable investment properties are as follows:

Particulars	Location	Area	
Building			
Office premises	Saddar, Karachi	4,854.2	Sq feet
Building	Port Qasim Authority, Karachi	415.6	Sq feet
Building	Ferozpur, Lahore	35,839.8	Sq feet
Land			
Freehold land	Ferozpur, Lahore	5.1	Acre
Freehold land	Gawadar	3.0	Acre
Freehold land	Bhone, District Jhang	19.1	Acre
Leasehold land	Port Qasim Authority, Karachi	2.0	Acre

19. INVESTMENT IN EQUITY ACCOUNTED INVESTEES

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
		Quoted			
–	63,967,500	Altern Energy Limited (Chief Executive Officer – Mr. Umer Shehzad Sheikh)	19.1	–	2,572,926
35,011,347	35,011,347	Shakarganj Limited (Chief Executive Officer – Mr. Muhammad Saifullah)	19.1	–	–
		Unquoted			
3,430,000	3,430,000	Crescent Socks (Private) Limited (Chief Executive Officer – Mr. Shahryar Mazhar)	19.1	–	–
				–	2,572,926

19.1 Movement of investment in equity accounted investees is as follows:

Rupees in '000	Note	June 30, 2025 Altern Energy	Shakarganj Limited	Crescent Socks (Private) Limited	Total
Opening balance as at July 1, 2024		2,572,926	–	–	2,572,926
Share of loss	19.1.1	(474,924)	–	–	(474,924)
Share of equity	19.1.1	360	–	–	360
Dividend received		(753,916)	–	–	(753,916)
Shares disposed		(608,484)	–	–	(608,484)
Impairment loss		(220,171)	–	–	(220,171)
Retained interest transferred to short term investments		(515,791)	–	–	(515,791)
Closing balance as at June 30, 2025		–	–	–	–

Rupees in '000	June 30, 2024 Altern Energy	Shakarganj Limited	Crescent Socks (Private) Limited	Total
Opening balance as at July 1, 2023	2,918,012	30,274	–	2,948,286
Share of profit	450,963	(29,933)	–	421,030
Share of equity	189	(341)	–	(152)
Dividend received	(796,238)	–	–	(796,238)
Closing balance as at June 30, 2024	2,572,926	–	–	2,572,926

19.1.1 These figures are based on unaudited condensed interim financial information of these companies as at March 31, 2025. The latest financial statements / condensed interim financial information of these companies as at June 30, 2025 are not presently available.

Rupees in '000	2025	2024
19.2 Market value of investments in associates is as follows:		
Quoted		
Altern Energy Limited	–	1,498,759
Shakarganj Limited	2,392,325	1,392,051
	2,392,325	2,890,810

(Percentage of holding)	Note	2025	2024
19.3 Percentage of holding of equity in associates is as follows:			
Altern Energy Limited	19.3.1	–	17.60
Shakarganj Limited		28.01	28.01
Crescent Socks (Private) Limited		48.99	48.99

19.3.1 The Group holds 4.86% (2024: 17.60%) shareholding in Altern Energy Limited and has representation on its Board of Directors. The Group has disposed shares of Altern Energy Limited during the year and evaluated based on the revised shareholding that the Group directly and / or indirectly has no significant influence as per the requirements of IAS 28 'Investment in Associates'. Accordingly, the outstanding shareholding i.e. 4.86% has been classified as 'Investment held at fair value through profit or loss' as per the requirements of IFRS–9 'Financial Instruments'.

19.4 The latest financial statements / condensed interim financial information of these companies as at June 30, 2025 are not presently available. The following is summarized financial information of associated companies as at March 31, 2025 and for the twelve months ended March 31, 2025 based on their respective unaudited condensed interim financial information prepared in accordance with the accounting and reporting standards as applicable in Pakistan, modified for fair value and other adjustments and differences in Group's accounting policies:

	Altern Energy Limited		Shakarganj Limited	
Rupees in '000	2025	2024	2025	2024
For the period ended 31 March				
Revenues	–	14,271,966	19,120,811	21,850,669
Profit / (loss) after tax	–	5,210,235	(3,416,209)	(2,161,090)
Other comprehensive income / (loss)	–	1,790	146,508	(271,555)
Total comprehensive income / (loss)	–	5,212,025	(3,269,701)	(2,432,645)
Attributable to non-controlling interests	–	2,287,454	(412,172)	(85,722)
Attributable to owners of the investee company	–	2,924,571	(2,857,529)	(2,346,923)
	–	5,212,025	(3,269,701)	(2,432,645)

	Altern Energy Limited		Shakarganj Limited	
Rupees in '000	2025	2024	2025	2024
As at March 31				
Non current assets	–	10,863,081	19,056,146	20,121,661
Current assets	–	22,646,915	6,528,162	7,759,901
Non current liabilities	–	(1,047,602)	(4,665,944)	(4,724,383)
Current liabilities	–	(4,982,446)	(14,488,538)	(13,096,428)
Dividend and other adjustments	–	(1,447,632)	–	–
Net assets	–	26,032,316	6,429,826	10,060,751
Attributable to non-controlling interests of associates	–	11,232,140	1,356,563	1,768,736
Attributable to owners of the parent	–	14,800,176	5,073,263	8,292,015
	–	26,032,316	6,429,826	10,060,751
Reconciliation to carrying amounts:				
Opening net assets	–	28,449,382	10,060,751	12,519,921
Profit / (loss) after tax	–	5,210,235	(3,416,209)	(2,161,090)
Other comprehensive income / (loss)	–	1,790	146,508	(298,080)
Reserves	–	–	(361,224)	–
Dividend paid	–	(7,629,091)	–	–
Closing net assets	–	26,032,316	6,429,826	10,060,751
Group's interest in net assets of investee at end of the period	–	2,604,831	892,894	2,322,519
Fair value and other adjustments	–	(31,905)	(8,832)	(8,832)
Effect of difference in Group's accounting policy	–	–	(884,062)	(2,313,687)
Carrying amount of interest in equity accounted investees at end of the year	–	2,572,926	–	–

19.4.1 These figures are based on the unaudited condensed interim consolidated financial information as at March 31, 2025 and March 31, 2024 including its subsidiary company Rousch (Pakistan) Power Limited being managed by Power Management Company holding 59.98% shares.

19.4.2 Altern Energy Limited and its subsidiaries, Power Management Company (Private) Limited and Rousch (Pakistan) Power Limited, are engaged in power generation activities. The registered office and principal office of Altern Energy Limited is situated at Ferozepur Road, Lahore. Whereas, Shakarganj Limited (SL) is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn and its subsidiary, Shakarganj Food Products Limited has principal activity of manufacturing, processing and sale of food products. The registered office of SL is situated in Gulberg-III, Lahore.

19.4.3 The auditors of Shakarganj Limited had expressed an adverse opinion on the financial statements for the year ended September 30, 2024. The Group has assessed the impact and concluded that it does not significantly affect the consolidated financial statements.

Rupees in '000	Note	2025	2024
20. OTHER LONG TERM INVESTMENTS			
Fair value through other comprehensive income (FVOCI)	20.1	204,192	106,575
Fair value through profit or loss (FVTPL)	20.2	734,380	742,932
		938,572	849,507

20.1 Fair value through other comprehensive income (FVOCI)

The Group holds investment in ordinary shares in the following listed investee company:

2025	2024		Note	2025	2024
Number of shares		Name of Investee Company		Rupees in '000	
		Quoted			
8,522,178	7,977,178	The Crescent Textile Mills Limited	20.1.1	204,192	106,575

20.1.1 The Group has irrevocably designated at initial application of IFRS 9 to recognize in this category. This is strategic investment and management considers this classification to be more relevant. Uptil June 30, 2018, these investments were classified as available for sale under IAS 39. Unlike IAS 39, the accumulated fair value reserve related to this investment will never be reclassified to profit or loss.

20.2 Fair value through profit or loss (FVTPL)

2025	2024		Note	2025	2024
Number of shares		Name of Investee Company		Rupees in '000	
		Unquoted			
18,814,423	18,814,423	Shakarganj Food Products Limited		417,979	529,513
9,625,000	9,625,000	Central Depository Company of Pakistan Limited (CDC)		316,401	213,419
2,403,725	2,403,725	Crescent Bahuman Limited	20.2.1	–	–
1,047,000	1,047,000	Crescent Industrial Chemicals Limited	20.2.1	–	–
				734,380	742,932

20.2.1 This investment had been fully charged to profit or loss in earlier periods.

Rupees in '000	2025	2024
21. LONG TERM DEPOSITS		
Security deposits		
– leasing companies	54,529	55,099
– others	16,269	16,270
	70,798	71,369

Rupees in '000	Note	2025	2024
22. DEFERRED TAXATION – NET			
Deferred tax credits / (debits) arising in respect of:			
Taxable temporary differences			
Accelerated tax depreciation / amortization		386,366	331,802
Fair value adjustment in unquoted investment through reserves		30,119	30,119
Unrealized gain on fair value through profit or loss investments		277,147	187,222
Share of profit from equity accounted investees		–	333,157
		693,632	882,300
Deductible temporary differences			
Deferred liability – Defined benefit plan		–	(7,468)
Lease obligations – net		(9,257)	(10,186)
Provision for slow moving stores, spares and loose tools		(44,218)	(39,971)
Provisions for doubtful trade debts, doubtful advances and others		(163,533)	(134,271)
Discounting on long term deposit		(1,582)	(2,262)
Realized losses on fair value through profit or loss		23	(4,505)
Unrealized gain / (loss) on fair value through OCI		11,863	(4,303)
Provisions for impairment of fixed assets		(53,455)	(33,954)
Provision of Gas Infrastructure Development Cess		(6,316)	(6,316)
Excess of minimum tax over corporate tax	22.2	(107,289)	(229,810)
Excess of alternate corporate tax over minimum tax	22.2	–	(136,658)
Tax losses	22.2	(287,596)	(287,637)
Provision for diminution in the value of investments		(13,458)	(13,458)
		(674,818)	(910,799)
		18,814	(28,499)

22.1 Break up of deferred tax charge is as following:		
Profit or loss	31,147	539,817
Other comprehensive income	16,166	136,917
Set-off of losses with the Subsidiary Company	–	3,218
	47,313	679,952

22.2 The accumulated tax losses, excess of minimum tax over corporate tax and excess of alternate corporate tax of the Holding Company as at June 30, 2025 aggregated Rs. 1,105.7 million (2024: Rs. 1,363.89 million) in respect of which the Holding Company has recognized deferred tax asset amounting to Rs. 401.58 million (2024: Rs. 654.105 million). The existing unutilized tax losses solely represents tax depreciation and tax amortization which can be utilized for an indefinite period against future taxable profits. The Holding Company carries out periodic assessment to determine the benefit of the loss and minimum tax that the Holding Company would be able to set off against the taxable profits and tax liability in future years. The amount of this benefit has been determined based on the projected taxable profits of the Holding Company for future years and the expected applicable tax rate. The determination of future taxable profits is most sensitive to certain key assumptions such as sales volume, gross margin percentage, product pricing and inflation rates which have been considered in that determination.

Rupees in '000	Note	2025	2024
23. STORES, SPARES AND LOOSE TOOLS			
Stores		86,585	132,941
Spare parts		406,612	369,758
Loose tools		5,168	4,759
		498,365	507,458
Less: Provision for slow moving items	23.1	(113,528)	(102,490)
		384,837	404,968

Rupees in '000	Note	2025	2024
23.1 Movement in provision for slow moving items:			
Opening balance		102,490	80,325
Provision made during the year	38	11,038	22,165
Closing balance		113,528	102,490

Rupees in '000	Note	2025	2024
24. STOCK–IN–TRADE			
Raw materials			
Hot rolled steel coils (HR coil)		1,713,626	441,151
Coating materials		311,976	480,129
Steal scrap		2,327	11,999
Others		353,078	331,071
Raw cotton		100,206	–
Stock–in–transit		25,913	–
	24.2	2,507,126	1,264,350
Work–in–process	24.2 & 34.1	57,023	60,546
Finished goods - net	24.2 & 34.1	398,907	99,278
Scrap / cotton waste		20,745	23,420
		476,675	183,244
		2,983,801	1,447,594

24.1 Stock amounting to Rs. 0.158 million (2024: Rs. 0.158 million) is held by third party.

24.2 Stock–in–trade as at June 30, 2025 includes items valued at net realisable value (NRV). Charge in respect of stock written back to NRV was amounting to Rs. 20.6 million (2024: Rs. 11.29 million) has been recognized in cost of goods sold.

Rupees in '000	Note	2025	2024
25. TRADE DEBTS			
Secured			
Considered good		196,540	437,386
Unsecured			
Considered good	25.1	1,444,492	1,034,860
Considered doubtful		27,529	23,774
		1,472,021	1,058,634
Impairment loss on trade debts	25.3	(27,529)	(23,774)
		1,641,032	1,472,246

25.1 This includes amount due from Pak Elektron Limited (related party) amounting to Rs. 23.47 million (2024: Rs. 45.55 million). Maximum aggregate amount outstanding at any time during the year calculated by reference to month–end balance was Rs. 41.63 million (2024: Rs. 74.17 million).

Rupees in '000		Note	2025	2024
25.2	The aging of amount due from related parties:			
	Not past due		5,890	40,484
	Past due 1 – 30 days		5,138	5,000
	Past due 30 – 180 days		12,377	–
	Past due 180 days		62	62
			23,467	45,546
25.3	Movement in impairment loss on trade debts			
	Opening balance		23,774	18,401
	Charge of impairment	38	3,755	5,373
	Closing balance		27,529	23,774

25.3.1 This includes provision recorded against the amount due from the related party amounting to Rs. 0.38 million (2024: Rs. 0.74 million).

Rupees in '000		Note	2025	2024
26.	**ADVANCES**			
	Unsecured			
	Advances – considered good			
	Staff		123	3
	Suppliers for goods and services		44,654	193,725
	Contract cost		261,890	–
	Advances to others		1,559	1,779
	Advances – considered doubtful			
	Suppliers for goods and services		47	47
	Provision for doubtful advances		(47)	(47)
			–	–
			308,226	195,507
27.	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Security deposits	27.1	9,939	6,999
	Prepayments		12,272	11,766
			22,211	18,765

27.1 This include cash margin on bank guarantees issued in favour of Punjab Power Development Board (PPDB) amounting to Rs. 3.045 million (2024: Rs. 3.045 million).

Rupees in '000		Note	2025	2024
28.	**SHORT TERM INVESTMENTS**			
	Amortized cost	28.1	87,000	244,360
	Fair value through profit or loss (FVTPL)	28.2	2,248,852	1,132,754
	Investment in commodity		150,000	–
			2,485,852	1,377,114

28.1 This represents investment in term deposit receipt by Holding Company, carrying markup ranging from 8.94% to 18% (2024:18% to 18.75%) maturing on June 27, 2026.

28.2 Fair value through profit or loss (FVTPL)

2025	2024		Note	2025	2024
Number of shares				Rupees in '000	
29,325,723	11,846,098	Quoted – investments	28.2.1	2,248,852	1,132,754
1,996	1,996	Innovative Investment Bank Limited		2,777	2,777
		Less: Provision for impairment		(2,777)	(2,777)
				–	–
			28.2.3	2,248,852	1,132,754

28.2.1 Quoted – investments

The Group holds investments in ordinary shares / units of mutual funds of the following investee entities:

Shariah Compliant Investments

2025	2024	Name of investees	2025	2024
Number of shares / units			Rupees in '000	
–	75,000	Agritech Limited	–	1,534
118,000	–	AGP Limited	22,533	–
10,000	–	At-Tahur Limited	402	–
300,000	409,500	Avanceon Limited	14,637	22,121
200,000	–	Barkat Frisian Agro Limited	8,190	–
250,000	30,000	Cherat Cement Limited	72,575	4,894
20,000	–	Citi Pharma Limited	1,679	–
–	100,000	Dewan Cement Limited	–	854
572,000	41,000	Engro Holdings Limited	104,424	13,641
232,822	413,000	Engro Fertilizer Limited	43,209	68,649
460,000	360,000	Engro Polymer and Chemical Limited	14,513	16,171
485,000	–	Fauji Cement Company Limited	21,665	–
–	176,944	Fast Cables Limited	–	4,231
1,100,000	–	Faysal Bank Limited	76,692	–
–	2,500	Gandhara Industries Limited	–	683
17,000	–	Haleon Pakistan Limited	12,518	–
–	1,040,424	Pak Qatar Asset Management Company	–	104,043
197,400	225,700	International Industries Limited	34,942	44,172
200,000	200,000	International Steels Limited	18,540	16,910
800,000	322,100	Interloop Limited	54,208	22,814
–	200,000	Kot Addu Power Company Limited	–	6,622
–	500,000	Kohinoor Energy Limited	–	20,355
38,000	14,000	Lucky Cement Limited	13,499	12,694
25,000	–	Maple Leaf Cement Factory Limited	2,107	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2025

2025	2024	Name of investees	2025	2024
Number of shares / units			Rupees in '000	
272,700	20,000	Mari Energies Limited	170,953	54,247
519,500	289,225	Meezan Bank Limited	172,500	69,238
152,500	42,000	Millat Tractors Limited	85,196	26,715
558,000	277,700	Oil and Gas Development Company Limited	123,072	37,592
–	1,000,000	Pakistan International Bulk Terminal Limited	–	6,170
700,000	538,840	Pakistan Petroleum Limited	119,119	63,104
490,000	351,800	Pakistan State Oil Company Limited	184,990	58,473
–	100,000	Pakistan Refinery Limited	–	2,320
64,000	–	Sazgar Engineering Works Limited	72,948	–
30,000	–	Nishat Chunian Power Limited	729	–
–	10,000	Nishat Mills Limited	–	708
200,000	35,000	Systems Limited	21,428	14,641
196,000	292,000	Tariq Glass Industries Limited	49,229	34,033
10,000	18,000	Sui Northern Gas Pipelines Limited	1,167	1,142
–	25,000	The Organic Meat Company Limited	–	880
988,000	675,000	The Hub Power Company Limited	136,156	110,079
4,020	1,472,341	Pak Qatar Income Plan	532	149,001
9,211,967	9,184,098		1,654,352	988,731

Non-Shariah Compliant Investments

2025	2024	Name of investees	2025	2024
Number of shares / units			Rupees in '000	
17,663,256	–	Altern Energy Limited	195,002	–
305,000	202,500	Fauji Fertilizer Company Limited	119,685	33,084
852,500	1,533,500	HBL Growth Fund – Class A	9,548	10,688
–	725,000	HBL Investment Fund – Class A	–	2,016
50,000	–	Lalpir Power Limited	1,305	–
800,000	–	Matco Foods Limited	39,282	–
6,000	–	Pakistan Aluminium Beverage Cans Limited	866	–
287,000	164,000	Pakistan Oilfields Limited	169,379	80,351
150,000	37,000	Thal Limited	59,433	17,884
20,113,756	2,662,000		594,500	144,023
29,325,723	11,846,098		2,248,852	1,132,754

28.2.2 The market value of investments which have been pledged with financial institutions as security against financing facilities (refer note 14.5) are as follows:

Rupees in '000	2025	2024
Name of investees		
Altern Energy Limited	171,327	1,491,643
The Crescent Textile Mills Limited	154,913	84,868
AGP Limited	6,684	–
Avanceon Limited	14,637	9,994
Cherat Cement Company Limited	58,060	–
Engro Fertilizer Limited	26,168	68,649
Engro Holdings Limited	63,896	–
Engro Polymer and Chemicals Limited	6,058	4,133
Fauji Cement Company Limited	20,548	–
Fauji Fertilizer Company Limited	98,103	33,084
Faysal Bank Limited	52,290	–
HBL Investment Fund – Class A	–	1,390
HBL Growth Fund – Class A	9,548	5,942
Interloop Limited	33,880	5,107
International Industries Limited	21,666	44,171
International Steels Limited	11,773	16,910
Lucky Cement Limited	–	12,694
Mari Energies Limited	80,336	54,247
MATCO Foods Limited	24,550	–
Meezan Bank Limited	156,064	63,253
Millat Tractors Limited	55,866	–
Oil and Gas Development Company Limited	94,328	36,915
Pakistan Oilfields Limited	141,134	58,862
Pakistan Petroleum Limited	111,666	57,618
Pakistan State Oil Company Limited	144,655	51,386
Sazgar Engineering Works Limited	34,195	–
Tariq Glass Industries Limited	12,559	5,827
Thal Limited	29,717	–
The Hub Power Company Limited	117,828	110,079
	1,752,449	2,216,772

28.2.3 This represents investment in ordinary shares of listed companies and certificates of mutual funds. Under IAS 39, these were classified as held for trading whereas under IFRS 9 these have been classified and held as FVTPL. Under IAS 39, these were classified as available for sale and reclassified to FVTPL on initial application of IFRS 9 as management has not designated it as FVOCI.

Rupees in '000	Note	2025	2024
29. OTHER RECEIVABLES			
Dividend receivable		1,296	2,701
Provision there against		(886)	(886)
		410	1,815
Receivable against sale of shares		37,596	1,651
Receivable against commodity	29.1	16,500	16,500
		54,096	18,151
Provision there against		(17,723)	(17,723)
		36,373	428
Receivable against rent from investment property		45	345
Claim receivable		461	461
Due from related parties	29.2	1,704	4,459
Sales tax refundable	29.3	689,894	20,867
Margin on letter of credit		3,471	–
Margin on letter of guarantee		2,411,491	21,464
Receivable from staff retirement benefits funds	47.1.3	312,797	29,640
Others		820	2,829
		3,457,466	82,308

29.1 This represents the amount provided to the party under buying and selling agreements of a commodity. However, due to uncertainty of the recovery of the amount the provision there against has been made.

Rupees in '000	2025	2024
29.2 Due from related parties		
The Crescent Textile Mills Limited	571	552
Premier Insurance Limited	54	–
Shakarganj Food Products Limited	1,079	3,907
	1,704	4,459

29.2.1 Maximum aggregate amount outstanding from related party at any time during the year calculated by reference to month-end balance is as follows:

Rupees in '000	2025	2024
The Crescent Textile Mills Limited	817	996
Premier Insurance Limited	791	–
Shakarganj Food Products Limited	4,138	4,437
	5,746	5,433
29.2.2 The aging of amount due from related parties:		
Not yet due	377	1,137
Past due 1 – 30 days	246	454
Past due 31 – 180 days	–	983
Past due 180 days	1,081	1,885
	1,704	4,459

29.3 Sales tax refundable

29.3.1 This includes payment made to Punjab Revenue Authority (PRA) against order received for non withholding of Punjab sales tax on services and its deposit with PRA. Currently, the appeal is pending adjudication at the Appellate Tribunal Inland Revenue – PRA. After consultation with legal advisor, the management considers that the appeal would be decided in the Holding Company's favour.

29.3.2 During the year ended June 30, 2020, order under section 11 of the Sales Tax Act, 1990 has been issued and a demand of Rs. 1.83 million was raised in respect of alleged short deposit of sales tax to Hadeed (Billet) Division [before amalgamation, it was Crescent Hadeed (Private) Limited)]. An appeal was preferred with the Commissioner Appeals which was decided in the Holding Company's favour. The Tax Department has filed an appeal before the Appellate Tribunal against the order of commissioner appeals which is pending adjudication.

29.3.3 During the year ended June 30, 2021, sales tax audit under section 11 of the Sales Tax Act, 1990 has been conducted and a demand order of Rs. 1.01 million has been issued in respect of Hadeed (Billet) Division [before amalgamation, it was Crescent Hadeed (Private) Limited)]. An appeal has been preferred with the Commissioner Appeals which is pending adjudication.

29.3.4 During the year ended June 30, 2023, input tax amounting to Rs. 0.46 million was disallowed by the tax authorities under section 8(1) of the Sales Tax Act, 1990, asserting that the purchases were not related to taxable activity. The Holding Company preferred an appeal under Section 45B of the said Act before the Commissioner Inland Revenue (Appeals), which is currently pending adjudication. Based on the legal advice, the management is confident that the matter will be decided in the Holding Company's favor.

29.3.5 During the year ended June 30, 2023, an assessment order was passed by the Assistant Commissioner Inland Revenue under Section 11 of the Sales Tax Act, 1990, whereby input tax amounting to Rs. 6.69 million was disallowed in respect of purchases relating to Tax Year 2023.

29.3.6 In the previous years, the Holding Company adopted fixed regime of sales tax for Hadeed (Billet) division whereby sales tax liability was discharged on the basis of units of electricity consumed at Rs. 13 per unit, supported by judgement of the Lahore High Court (LHC) in writ petition no. 243530/2018 instead of ad valorem basis. Subsequently, the department filed Intra Code Appeal (ICA) wide no. 23517/2019 before High Court which is sub-judice. No proceedings have been held till date.

Rupees in '000	2025	2024
30. TAXATION – NET		
Advance taxation	4,248,195	3,727,225
Provision for taxation	(3,857,215)	(3,569,579)
	390,980	157,646

30.1 The income tax assessments of the Holding Company have been finalized up to and including Tax Year 2024. Deemed assessments for certain tax years have been amended by the tax authorities on account of various issues as explained below:

(a) Income tax assessment for Tax Year 2006 has been amended by the Additional Commissioner Inland Revenue (ACIR) by making amendments to reassess loss from Rs. 410.59 million to Rs. 296.87 million. The Holding Company being dissatisfied, contested the same before Commissioner Inland Revenue Appeals (CIRA) after the appeal filed before Appellate Tribunal Inland Revenue (ATIR) was dismissed in entirety. Department has now filed case in the Lahore High Court (LHC) challenging the ATIR decision, which is pending at adjudication.

(b) Income tax assessments of the Holding Company for the Tax Year 2013 have been amended by the Commissioner Inland Revenue (CIR) whereby, tax demands of Rs. 95.94 million have been raised. Appeals had been preferred with the Commissioner (Appeals) where most of the issues were decided in favour of the Holding Company whereas for remaining issues, appeals were preferred before the ATIR by both FBR and the Holding Company. ATIR decided the Holding Company's appeal in the favor of the Holding Company. Department has filed references in LHC against the decisions of ATIR.

(c) The Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment of the Holding Company for the Tax Years 2009 and 2011 thereby raising demands of Rs. 4.94 million and Rs. 22.22 million, respectively. The Holding Company filed appeals with the CIRA in which majority of the issues were decided in the Holding Company's favour in case of Tax Year 2009 and the case was remanded back to the assessing officer for Tax Year 2011. The Holding Company filed appeal with the ATIR for Tax Year 2009 which is pending adjudication whereas for Tax Year 2011, set aside proceedings have been initiated which have been duly responded to.

(d) Orders under section 161/205 of the Income Tax Ordinance, 2001 have been issued by the ACIR, whereby demand aggregating to Rs. 8.69 million (inclusive of default surcharge) has been raised in respect of Tax Year 2014 and Rs. 5.79 million in respect of Tax Year 2010. Majority of the matters have been decided in favour of the Holding Company at the Commissioner (Appeals) level, whereas appeals have been preferred in ATIR for remaining issues.

(e) During the year ended June 30, 2021, order under section 122(5A) of the Income Tax Ordinance, 2001 has been passed by the CIR in respect of Crescent Hadeed (Private) Limited (previously wholly owned subsidiary – now amalgamated with and into the Holding Company) where expenses to the tune of Rs. 9.5 million have been disallowed. Appeal was preferred with the Commissioner Appeals which was decided against the Holding Company. The Holding Company has now preferred appeal with the ATIR which is pending adjudication.

(f) During the year ended June 30, 2018, Orders under section 161/205 of the Income Tax Ordinance, 2001 have been issued by the ACIR, whereby demand aggregating to Rs. 4.25 million (inclusive of default surcharge) has been raised in respect of Tax Year 2017. Appeal was preferred with the CIRA where majority of issues were decided in the Holding Company's favour along with rectification of original order. Appeal has been preferred with the ATIR for remaining issues which is pending adjudication.

(g) Order in respect of Crescent Hadeed (Private) Limited (previously wholly owned subsidiary – now amalgamated with and into the Holding Company) for the Tax Year 2017 under section 214D of the Income Tax Ordinance, 2001 was issued whereby tax demand of Rs. 27.31 million was raised against the Holding Company. The order was challenged at the Commissioner Appeals which was rejected. The Holding Company has now preferred an appeal with the ATIR which is pending adjudication.

(h) During the year ended June 30, 2021, Orders under section 161/205 of the Income Tax Ordinance, 2001 were issued by the ACIR in respect of Tax Years 2016 through 2019 whereby demands aggregating Rs. 1 million (approximately) were raised for CS Energy (Private) Limited (previously wholly owned subsidiary – now amalgamated with and into the Holding Company). Associated expense has been recognized accordingly in these consolidated financial statements.

(i) During the year ended June 30, 2023, Orders under section 4C of the Income Tax Ordinance, 2001 were issued by the ACIR in respect of Tax Year 2022 whereby demands aggregating Rs. 126.46 million were raised against the Holding Company. An expense of Rs. 54 million related to these demands have been recognized in these consolidated financial statements. For remaining, the Holding Company has obtained stay from LHC through writ petition. Currently, the appeal is pending adjudication at the CIRA for remaining issue. Based on the consultation with legal advisor, the management considers that the appeal would be decided in the Holding Company's favour.

(j) During the year ended June 30, 2023, the tax department has revised the assessment due to an objection raised regarding the incorrect add–back of normal depreciation on the addition made in plant and machinery for the Tax Year 2016 for Hadeed (Billet) Division [before amalgamation, it was Crescent Hadeed (Private) Limited]. The assessment order alleges that the Holding Company claimed significant initial allowance and depreciation allowance whereas minimal amount added back as accounting depreciation. Based on the consultation with legal advisor, the management considers that the appeal would be decided in the Holding Company's favour.

(k) During the year ended June 30, 2023, the Holding Company has been selected by the tax department for an audit under section 177 of the Income Tax Ordinance, 2001 for the Tax Year 2020. A Pre Audit Report has been issued, highlighting observations and requesting data and supporting documentation. The Holding Company has submitted the required information to the Assistant/ Deputy Commissioner of the Federal Board of Revenue (FBR) in response to the report. The case is pending at department level for hearing.

(l) Income tax assessment of the Holding Company for the Tax Year 2016 have been amended by the CIR whereby tax demand of Rs. 143.8 million has been raised. The Holding Company preferred an appeal before CIRA who vide its order dated April 30, 2019 partially accepted the Holding Company's contentions and reduced the demand to Rs. 18.6 million. The Holding Company filed against the order before the ATIR which is yet to be fixed for hearing and the department has also filed cross appeal against the decision of CIRA before the ATIR. The ATIR decided in favour of the Holding Company by upholding the order of CIRA.

No provision has been made in these consolidated financial statements in respect of demands raised by the tax authorities for tax years as mentioned above. The management, based on the tax consultant's advice, is confident of favourable outcome of these appeals.

Rupees in '000	Note	2025	2024
31. CASH AND BANK BALANCES			
With banks			
– in saving account	31.1	50,624	32,215
– in current accounts		27,695	304,474
	31.2	78,319	336,689

31.1 Mark–up rate on saving account ranged between 9.5% to 19% (2024: 19.5% to 20.5%) per annum.

31.2 This includes balances amounting to Rs. 3.02 million (2024: Rs. 203.55 million) with Shariah compliant banks.

32. NON–CURRENT ASSETS HELD FOR SALE

The Board of Directors of the Holding Company in their meeting held on October 3, 2024 has approved the disposal of plant and machinery and certain other related assets of Hadeed (Billet) segment. Consequently, the operation of Hadeed (Billet) segment has been classified as discontinued operation and presented in note 46.2 .

Further, the Holding Company has entered into an 'Equipment Purchase Agreement' dated February 21, 2025, with respect to the aforementioned assets for a consideration of Rs. 637 million. An amount of Rs. 250 million has been received and presented under trade and other payables. The buyer shall complete the purchase of all assets from the Holding Company in due course.

The carrying amount of the assets classified as non-current assets held for sale are presented below:

Rupees in '000	Note	2025	2024
33. SALES – NET			
Continuing operations			
Local sales			
Bare pipes	33.1	4,888,284	6,415,711
Pipe coating		90,205	440,750
Coated pipes	33.2	2,175,977	3,423,193
Cotton yarn / raw cotton / polyester		40,559	65,291
Others	33.3	135,493	165,788
Scrap / waste		169,325	241,463
		7,499,843	10,752,196
Sales tax		(1,119,193)	(1,640,585)
		6,380,650	9,111,611
Discontinued operation			
Scrap / waste		35,172	–
Sales tax		(3,870)	–
		31,302	–
		6,411,952	9,111,611

33.1 This is presented net of liquidated damages amounting to Rs. 6.42 million (2024: Rs. Nil million).

33.2 This includes revenue amounting to Rs. 2,030.13 million (2024: Rs. 2,461.64 million) where HRC (Hot Rolled Coil) was supplied by the customer.

33.3 This represents revenue earned from manufacturing of metal structures by cutting, bending and assembling process.

33.4 Revenue is disaggregated by operating segments under note 46.2. Additionally revenue by major customer is disclosed in note 46.4.

Rupees in '000	Note	2025	2024
34. COST OF SALES			
Continuing operations			
Steel segment	34.1	4,690,400	6,188,178
Cotton segment	34.1	107,376	164,972
Energy segment	34.1	58,436	61,193
		4,856,212	6,414,343
Discontinued operation			
Hadeed (Billet) segment	34.1	62,345	60,901
		4,918,557	6,475,244

		Continuing operations								Discontinued operation			
		Steel segment		Cotton segment		Energy segment		Sub-total		Hadeed (Billet) segment		Total	
Rupees in '000	Note	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
34.1 Breakup of cost of sales													
Raw materials consumed		3,686,300	4,987,916	-	-	-	-	3,686,300	4,987,916	43,170	-	3,729,470	4,987,916
Cost of raw cotton / polyester sold		-	-	35,503	90,989	-	-	35,503	90,989	-	-	35,503	90,989
Stores and spares consumed		319,079	239,140	609	458	(2,410)	317	317,278	239,915	17	4	317,295	239,919
Fuel, power and electricity		178,801	222,741	18,870	22,707	40	40	197,711	245,488	196	683	197,907	246,171
Salaries, wages and other benefits	34.2	343,554	338,500	34,291	32,250	-	-	377,845	370,750	5,260	6,718	383,105	377,468
Insurance		4,567	6,367	1,821	1,953	1,093	1,124	7,481	9,444	711	820	8,192	10,264
Commission		-	-	-	277	-	-	-	277	-	-	-	277
Repairs and maintenance		34,986	27,266	2,497	1,028	-	-	37,483	28,294	19	235	37,502	28,529
Depreciation	16.1.2	145,723	116,814	9,316	14,307	59,713	59,713	214,752	190,834	12,389	49,668	227,141	240,502
Other expenses		276,806	227,165	1,159	1,004	-	(1)	277,965	228,168	583	2,773	278,548	230,941
		4,989,816	6,165,909	104,066	164,973	58,436	61,193	5,152,318	6,392,075	62,345	60,901	5,214,663	6,452,976
Opening stock of work-in-process		49,506	59,954	11,040	11,039	-	-	60,546	70,993	-	-	60,546	70,993
Closing stock of work-in-process	24	(49,293)	(49,506)	(7,730)	(11,040)	-	-	(57,023)	(60,546)	-	-	(57,023)	(60,546)
		213	10,448	3,310	(1)	-	-	3,523	10,447	-	-	3,523	10,447
Cost of goods manufactured		4,990,029	6,176,357	107,376	164,972	58,436	61,193	5,155,841	6,402,522	62,345	60,901	5,218,186	6,463,423
Opening stock of finished goods		99,278	111,099	-	-	-	-	99,278	111,099	-	-	99,278	111,099
Closing stock of finished goods - net	24	(398,907)	(99,278)	-	-	-	-	(398,907)	(99,278)	-	-	(398,907)	(99,278)
		(299,629)	11,821	-	-	-	-	(299,629)	11,821	-	-	(299,629)	11,821
		4,690,400	6,188,178	107,376	164,972	58,436	61,193	4,856,212	6,414,343	62,345	60,901	4,918,557	6,475,244
34.2 Detail of salaries, wages and other benefits													
Salaries, wages and other benefits	34.2.1	326,949	303,465	32,141	29,834	-	-	359,090	333,299	5,097	6,473	364,187	339,772
Pension fund	34.2.2	11,086	23,637	1,303	1,475	-	-	12,389	25,112	-	-	12,389	25,112
Gratuity fund	34.2.2	(1,739)	5,067	-	72	-	-	(1,739)	5,139	-	-	(1,739)	5,139
Provident fund contributions		7,258	6,331	847	869	-	-	8,105	7,200	163	245	8,268	7,445
		343,554	338,500	34,291	32,250	-	-	377,845	370,750	5,260	6,718	383,105	377,468

34.2.1 This includes contribution amounting to Rs. 0.65 million (2024: Rs. 10 million) to Staff Benevolent Fund ("the Fund"). The Fund has been established as separate legal entity under the Trust Act, 1882 and registered under Income Tax Ordinance, 2001. The objective of the Fund is to provide at the discretion of the trustees, post retirement medical cover / facilities for retired employees and other hardship cases of extraordinary nature of existing employees of the Holding Company. The Holding Company does not have any right in the residual interest of the Fund.

	2025		2024	
Rupees in '000	Pension	Gratuity	Pension	Gratuity
34.2.2 Staff retirement benefits				
Current service costs	9,004	6,004	10,458	3,031
Interest costs	36,741	15,988	45,300	8,637
Return on plan assets, excluding interest income	(33,356)	(23,731)	(30,646)	(6,529)
	12,389	(1,739)	25,112	5,139

Rupees in '000	Note	2025	2024
35. INCOME FROM INVESTMENTS – NET			
Dividend income	35.1	114,080	120,033
Realized gain on sale of FVTPL investments – net	35.1	138,623	56,847
Unrealized gain on FVTPL investments – net	35.1	268,645	419,905
Income from Treasury Bills		–	1,846
Rental income from investment properties	35.2	7,605	6,806
Other income		3,931	317
		532,884	605,754

35.1 Break up of dividend income, realized gain / (loss) and unrealized gain is as follows:

Rupees in '000	Dividend income	Realized gain / (loss)	Unrealized gain
Shariah compliant investee companies	62,006	159,122	185,511
Non – Shariah compliant investee companies	52,074	(20,499)	83,134
	114,080	138,623	268,645

35.1.1 Unrealized gain amounting to Rs. 88.38 million (2024: Rs. 3.56 million) was recognized in the other comprehensive income during the year.

35.1.2 Income from investment was categorized as Shariah / Non–Shariah compliant investee companies on the basis All Shares Islamic Index as circulated by the Pakistan Stock Exchange.

35.2 Direct operating expenses incurred against rental income from investment properties amounted to Rs. 5.48 million (2024: Rs. 4.61 million).

36. DISTRIBUTION AND SELLING EXPENSES

		Continuing operations						Discontinued operation			
		Steel segment		Cotton segment		Sub-total		Hadeed (Billet) segment		Total	
Rupees in '000	Note	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salaries, wages and other benefits	36.1	9,818	10,403	2,926	2,471	12,744	12,874	1,453	1,222	14,197	14,096
Consultant fee		-	23,963	-	-	-	23,963	-	-	-	23,963
Travelling, conveyance and entertainment		919	1,116	41	32	960	1,148	22	21	982	1,169
Depreciation	16.1.2	902	902	-	-	902	902	-	-	902	902
Insurance		61	75	-	-	61	75	-	-	61	75
Postage, telephone and telegram		90	70	66	69	156	139	2	12	158	151
Advertisement		4,529	4,206	-	-	4,529	4,206	-	-	4,529	4,206
Bid bond expenses		318	43	-	-	318	43	-	-	318	43
Legal and professional charges		4,326	5,357	-	-	4,326	5,357	-	-	4,326	5,357
Others		9,852	4,971	1,830	1,524	11,682	6,495	604	530	12,286	7,025
		30,815	51,106	4,863	4,096	35,678	55,202	2,081	1,785	37,759	56,987
36.1 Detail of salaries, wages and other benefits											
Salaries, wages and other benefits		8,240	9,041	2,375	2,014	10,615	11,055	1,177	1,162	11,792	12,217
Pension fund	36.1.1	835	721	286	239	1,121	960	144	-	1,265	960
Gratuity fund	36.1.1	348	300	120	99	468	399	60	-	528	399
Provident fund contributions		395	341	145	119	540	460	72	60	612	520
		9,818	10,403	2,926	2,471	12,744	12,874	1,453	1,222	14,197	14,096

	2025		2024	
Rupees in '000	Pension	Gratuity	Pension	Gratuity
36.1.1 Staff retirement benefits				
Current service costs	920	(1,823)	400	235
Interest costs	3,754	(4,854)	1,732	671
Return on plan assets, excluding interest income	(3,409)	7,205	(1,172)	(507)
	1,265	528	960	399

37. ADMINISTRATIVE EXPENSES

		Continuing operations										Discontinued operation			
		Steel segment		Cotton segment		Energy segment		IID segment		Sub - total		Hadeed (Billet) segment		Total	
Rupees in '000	Note	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salaries, wages and other benefits	37.1	261,460	218,387	4,838	29,300	-	-	21,882	21,402	288,180	269,089	9,442	8,312	297,622	277,401
Rents, rates and taxes		6,282	9,158	426	583	-	-	2,475	822	9,183	10,563	96	584	9,279	11,147
Travelling, conveyance and entertainment		8,065	13,648	296	880	-	-	413	663	8,774	15,191	247	115	9,021	15,306
Fuel and power		21,165	20,366	1,086	1,689	-	-	893	1,052	23,144	23,107	4,165	4,309	27,309	27,416
Postage, telephone and telegram		3,223	5,809	78	778	-	-	170	303	3,471	6,890	24	47	3,495	6,937
Insurance		4,642	2,468	52	209	1	1	275	186	4,970	2,864	58	82	5,028	2,946
Repairs and maintenance		53,540	15,525	203	888	-	-	3,757	802	57,500	17,215	338	120	57,838	17,335
Auditors' remuneration	37.2	6,963	5,389	103	503	143	119	905	753	8,114	6,764	-	-	8,114	6,764
Legal, professional and corporate service charges		53,983	29,376	3,217	3,133	22	1,701	9,202	1,784	66,424	35,994	47	-	66,471	35,994
Advertisement		4,645	2,527	-	14	-	-	243	129	4,888	2,670	-	-	4,888	2,670
Donations	37.3	106,715	87,159	-	200	-	-	5,644	5,124	112,359	92,483	-	-	112,359	92,483
Depreciation	16.1.2 & 18.1	38,156	17,178	507	1,464	3	8	5,545	4,988	44,211	23,638	564	1,840	44,775	25,478
Amortization	17.1	-	1,214	-	157	-	-	-	56	-	1,427	-	-	-	1,427
Printing, stationery and		-	-	-											
office supplies		4,103	4,909	3	369	-	-	329	373	4,435	5,651	8	1	4,443	5,652
Newspapers, subscriptions and periodicals		5,847	765	700	769	1,365	987	499	52	8,411	2,573	-	-	8,411	2,573
Others		13,578	5,711	53	560	-	-	5,304	1,452	18,935	7,723	880	714	19,815	8,437
		592,367	439,589	11,562	41,496	1,534	2,816	57,536	39,941	662,999	523,842	15,869	16,124	678,868	539,966
37.1 Detail of salaries, wages and other benefits															
Salaries, wages and other benefits		229,380	177,273	4,300	21,029	-	-	19,395	17,699	253,075	216,001	9,285	8,178	262,360	224,179
Pension fund	37.1.1	25,278	27,411	294	6,460	-	-	1,630	2,637	27,202	36,508	-	-	27,202	36,508
Gratuity fund	37.1.1	(1,974)	7,280	135	1,195	-	-	164	518	(1,675)	8,993	-	-	(1,675)	8,993
Provident fund contributions		8,776	6,423	109	616	-	-	693	548	9,578	7,587	157	134	9,735	7,721
		261,460	218,387	4,838	29,300	-	-	21,882	21,402	288,180	269,089	9,442	8,312	297,622	277,401

	2025		2024	
Rupees in '000	Pension	Gratuity	Pension	Gratuity
37.1.1 Staff retirement benefits				
Current service costs	19,769	5,779	15,204	5,304
Interest costs	80,671	15,390	65,858	15,115
Return on plan assets, excluding interest income	(73,238)	(22,844)	(44,554)	(11,426)
	27,202	(1,675)	36,508	8,993

Rupees in '000	Note	2025	2024
37.2 Auditors' remuneration			
Audit fee		5,379	4,293
Certifications, tax and other assurance services		983	1,118
Out of pocket expenses		1,247	913
Sales tax		505	440
	37.2.1	8,114	6,764

37.2.1 Audit fee includes services for audit of annual unconsolidated and consolidated financial statements including audit of annual individual financial statements of the subsidiary companies of the Group, audit of annual consolidated financial statements for group taxation purpose, limited scope review of unconsolidated condensed interim financial information for the six months period, review report on statement of compliance with best practices of the Code of Corporate Governance, taxation services and other statutory certifications.

37.3 Donations

Donations include the following in which a director is interested:

Name of director	Interest in donee	Name and address of the donee	Amount donated	
Rupees in '000			**2025**	2024
Mr. Ahsan M. Saleem	Director	The Citizens Foundation		
		Plot No. 20, Sector – 14,		
		New Brookes Chowrangi,		
		Korangi Industrial Area, Karachi	97,824	73,631

37.3.1 Donations other than those mentioned above were not made to any donee in which a director or his spouse had any interest at any time during the year.

Rupees in '000	Note	**2025**	2024
38. OTHER OPERATING EXPENSES			
Continuing operations			
Exchange loss		11,880	–
Impairment of capital work–in–progress		–	66,445
Impairment loss on trade debts	25.3	3,755	5,373
Provision for:			
– Workers' Profit Participation Fund	12.4	38,113	92,580
– Workers' Welfare Fund		11,332	33,922
– Doubtful advances		–	40,892
– Slow moving stores, spares and loose tools – net	23.1	11,038	17,165
Fixed assets written off		109	5,346
Impairment on equity accounted investee	19.1	220,171	–
Others		–	9,579
		296,398	271,302
Discontinued operation:			
Impairment on non–current assets held for sale	32	50,000	–
Provision on slow moving stores, spares and loose tools – net		–	5,000
		346,398	276,302

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Rupees in '000	Note	2025	2024
39. OTHER INCOME			
Income from financial assets / liabilities			
Return on deposits – from conventional banking		28,388	29,937
Gain on realization of deposit		3,861	–
Exchange gain		–	25,397
Liabilities written–back		4,000	989
Unwinding of discount on long term deposit		2,695	1,923
		38,944	58,246
Income from non–financial assets / liabilities			
Gain on disposal of operating fixed assets		10,080	4,994
Deferred income amortized	11	537	538
Land licensing fee		–	36,000
Rent income		6,890	7,440
Insurance claim		7,565	–
Others		11,981	–
		37,053	48,972
		75,997	107,218
40. FINANCE COSTS			
Mark – up on short term loans – Shariah arrangement		52,306	76,905
Interest on Non – Shariah Arrangement			
– finance lease obligations		35,633	45,803
– long term loans		65,031	136,716
– running finances		38,730	113,811
– short term loans		85,590	114,249
Bank charges		11,660	9,958
		288,950	497,442
41. SHARE OF (LOSS) / PROFIT IN EQUITY ACCOUNTED INVESTEES			
Altern Energy Limited	19.1	(474,924)	450,963
Shakarganj Limited		–	(29,933)
		(474,924)	421,030
42. TAXATION			
Current			
– for the year		289,504	589,532
– for prior years		(1,868)	(1,335)
		287,636	588,197
Deferred		31,147	539,817
		318,783	1,128,014

Rupees in '000	2025	2024
42.1 Relationship between taxation expense and accounting profit		
Profit before taxation from continuing operations	374,370	2,483,638
Tax at the applicable rate of 29% (2024: 29%)	108,567	720,255
Tax effect of inadmissible expenses / losses	7,397	89,685
Tax effect of income taxed at a lower rate	(130,095)	(134,664)
Tax effect arising due to super tax	202,293	188,930
Tax effect of discontinued operation	(28,708)	(24,350)
Tax effect of change in effective tax rate and others	161,197	289,493
Prior year tax effect	(1,868)	(1,335)
	318,783	1,128,014

43. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

	2025	2024
Net (loss) / profit for the year	(43,406)	1,271,658
Net profit for the year from continuing operations	55,587	1,355,624
Net loss from discontinued operation	(98,993)	(83,966)
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	77,632,491	77,632,491
	(Rupees)	
Basic and diluted – (loss) / earnings per share	(0.56)	16.38
Basic and diluted – earnings per share from continuing operations	0.72	17.46
Basic and diluted – loss per share from discontinued operation	(1.28)	(1.08)

Rupees in '000	Note	2025	2024
44. CASH GENERATED FROM OPERATIONS			
Profit before tax		495,548	2,399,672
Adjustments for non cash charges and other items :			
Depreciation on operating fixed assets,			
right–of–use assets and investment properties	16.1.2 & 18	272,963	267,027
Amortization of intangible assets	17	–	1,427
Charge for the year on staff retirement benefit funds	47.1.7	37,972	77,111
Dividend income	35.1	(114,080)	(120,033)
Unrealized gain on FVTPL investments – net	35.1	(268,645)	(419,905)
Realized gain on FVTPL investments – net	35.1	(138,623)	(56,847)
Provision for slow moving stores, spares and loose tools – net	23.1	11,038	22,165
Charge of impairment loss on trade debts	38	3,755	5,373
Provision for Workers' Welfare Fund	38	11,332	33,922
Provision for Workers' Profit Participation Fund	38	38,113	92,580
Financial assets written off	38	109	5,346
Return on deposits	39	(28,388)	(29,937)
Gain on disposal of operating fixed assets	39	(10,080)	(4,994)
Deferred income amortized	39	(537)	(538)
Provision for doubtful advances	38	–	40,892
Unwinding of discount on long term deposit	39	(2,695)	(1,923)
Liabilities written back	39	(4,000)	(989)
Gain on realization of deposit	39	(3,861)	–
Impairment of capital work–in–progress	38	–	66,445
Impairment of non–current asset held for sale	32	50,000	–
Finance costs	40	288,950	497,442
Share of (loss) / profit from equity accounted investees	41	474,924	(421,030)
Impairment loss	19.1	–	–
Working capital changes		(1,815,721)	(1,285,349)
Cash (used in) / generated from operations		(701,926)	1,167,857
Changes in:			
– Stores, spares and loose tools		9,093	(87,426)
– Stock–in–trade		(1,536,207)	(178,627)
– Trade debts		(172,541)	(1,013,576)
– Advances		(112,719)	(63,027)
– Trade deposits and short term prepayments		(3,446)	(2,076)
– Other receivables		(3,053,954)	244,099
– Trade and other payables		3,054,053	(184,716)
		(1,815,721)	(1,285,349)

44.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

Rupees in '000	Long term loans	Lease liabilities (Including mark-up accrued)	Short term borrowings	Unclaimed dividend	Total
Note	9	10 & 13	14		
Opening balance as at July 1, 2024	427,466	255,228	579,271	26,188	1,288,153
Proceeds from long term loans	150,000	–	–	–	150,000
Repayment of long term loans	(270,191)	–	–	–	(270,191)
Proceeds from short term borrowings	–	–	3,938,369	–	3,938,369
Repayment of short term borrowings	–	–	(3,152,798)	–	(3,152,798)
Dividends paid	–	–	–	(574,368)	(574,368)
Lease payments	–	(88,329)	–	–	(88,329)
	(120,191)	(88,329)	785,571	(574,368)	2,683
Dividends declared	–	–	–	659,877	659,877
Amortization of transaction cost	(517)	–	–	–	(517)
Interest accrued on lease obligation	–	35,633	–	–	35,633
	(517)	35,633	–	659,877	694,993
Closing balance as at June 30, 2025	306,758	202,532	1,364,842	111,697	1,985,829

Rupees in '000	Note	2025	2024
44.2 The cash flows from discontinued operation are as follows:			
Net cash flows from operating activities		12,820	(12,912)
Net cash flows from investing activities		–	–
Net cash flows from financing activities		–	–
		12,820	(12,912)
45. CASH AND CASH EQUIVALENTS			
Running finances under mark–up arrangements	14.1	(609,196)	(199,216)
Term deposits receipt		–	150,000
Cash and bank balances	31	78,319	336,689
		(530,877)	287,473

46. SEGMENT REPORTING

46.1 Reportable segments

The Group's reportable segments under are as follows:

- Steel segment – It comprises of manufacturing and coating of steel pipes (note 1.1.2);
- Cotton segment – It comprises of manufacturing of yarn (note 1.1.3);
- Investment and Infrastructure Development (IID) segment – To effectively manage the investment portfolio in shares and other securities (strategic as well as short term) and investment properties (held for rentals as well as long term appreciation) (note 1.1.4);
- Energy segment – It comprises of generating and supplying electricity / power (note 1.1.5); and
- Hadeed (Billet) segment – It comprises of manufacturing billets (note 1.1.6).

The Group's all segments are engaged in shariah compliant businesses except mentioned in note 35 to these consolidated financial statements. Information regarding the Group's reportable segments is presented below:

46.2 Segment revenues and results

Following is an analysis of the Group's revenue and results by reportable segment:

	Continuing operations					Discontinued operation	
Rupees in '000	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	Total
For the year ended June 30, 2025							
Sales – net	6,346,278	34,372	–	–	6,380,650	31,302	6,411,952
Cost of sales	4,690,400	107,376	58,436	–	4,856,212	62,345	4,918,557
Gross profit / (loss)	1,655,878	(73,004)	(58,436)	–	1,524,438	(31,043)	1,493,395
Income from investments – net	–	–	–	532,884	532,884	–	532,884
	1,655,878	(73,004)	(58,436)	532,884	2,057,322	(31,043)	2,026,279
Distribution and selling expenses	30,815	4,863	–	–	35,678	2,081	37,759
Administrative expenses	592,367	11,562	1,534	57,536	662,999	15,869	678,868
Other operating expenses	74,783	1,297	147	–	76,227	50,000	126,227
	697,965	17,722	1,681	57,536	774,904	67,950	842,854
	957,913	(90,726)	(60,117)	475,348	1,282,418	(98,993)	1,183,425
Other income	54,643	13,096	3,861	4,397	75,997	–	75,997
Operating profit / (loss) before finance costs	1,012,556	(77,630)	(56,256)	479,745	1,358,415	(98,993)	1,259,422
Finance costs	288,329	87	2	532	288,950	–	288,950
Share of loss in equity accounted investees	–	–	–	(474,924)	(474,924)	–	(474,924)
Profit / (loss) before taxation	724,227	(77,717)	(56,258)	4,289	594,541	(98,993)	495,548
Taxation							318,783
Loss for the year							176,765
For the year ended June 30, 2024							
Sales	9,056,280	55,331	–	–	9,111,611	–	9,111,611
Cost of sales	6,188,178	164,972	61,193	–	6,414,343	60,901	6,475,244
Gross profit / (loss)	2,868,102	(109,641)	(61,193)	–	2,697,268	(60,901)	2,636,367
Income from investments – net	–	–	–	605,754	605,754	–	605,754
	2,868,102	(109,641)	(61,193)	605,754	3,303,022	(60,901)	3,242,121
Distribution and selling expenses	51,106	4,096	–	–	55,202	1,785	56,987
Administrative expenses	439,589	41,496	2,816	39,941	523,842	16,124	539,966
Other operating expenses	220,296	46,573	4,433	–	271,302	5,000	276,302
	710,991	92,165	7,249	39,941	850,346	22,909	873,255
	2,157,111	(201,806)	(68,442)	565,813	2,452,676	(83,810)	2,368,866
Other income	92,665	11,029	–	3,524	107,218	–	107,218
Operating profit / (loss) before finance costs	2,249,776	(190,777)	(68,442)	569,337	2,559,894	(83,810)	2,476,084
Finance costs	488,561	5,881	2	2,842	497,286	156	497,442
Share of profit in equity accounted investees	–	–	–	421,030	421,030	–	421,030
Profit / (loss) before taxation	1,761,215	(196,658)	(68,444)	987,525	2,483,638	(83,966)	2,399,672
Taxation							1,128,014
Profit for the year							1,271,658

46.2.1 The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 6 to these consolidated financial statements. The Steel segment allocates certain percentage of the common expenditure to the Cotton, Energy, Hadeed (Billet) and IID segments. In addition, finance costs between Steel, Cotton and Hadeed (Billet) segments are allocated at average mark–up rate on the basis of funds utilized. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

46.3 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 33 to these consolidated financial statements.

46.4 Information about major customers

Revenue from major customers of Steel segment represents an aggregate amount of Rs. 6,050.79 million (2024: Rs. 8,694.83 million) of total Steel segment revenue of Rs. 6,346.28 million (2024: Rs. 9,056.28 million). Revenue from major customers of Cotton segment represents an aggregate amount of Rs. 31.42 million (2024: Rs. 55.33 million) of total Cotton segment revenue of Rs. 34.37 million (2024: Rs. 55.33 million).

46.5 Geographical information

46.5.1 All Group's revenue from external customers by geographical location is within Pakistan.

46.5.2 All non–current assets of the Group as at June 30, 2025 and 2024 were located and operating in Pakistan.

46.6 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Continuing operations					Discontinued operation	
Rupees in '000	Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Hadeed (Billet) segment	Total
As at June 30, 2025							
Segment assets for reportable segments	9,284,478	310,514	487,405	3,540,293	13,622,690	450,949	14,073,639
Unallocated corporate assets							1,577,387
Total assets as per consolidated statement of financial position							15,651,026
Segment liabilities for reportable segments	4,129,584	89,724	78,610	18,184	4,316,102	90,124	4,406,226
Unallocated corporate liabilities and deferred income							2,837,468
Total liabilities as per consolidated statement of financial position							7,243,694

Rupees in '000	Continuing operations: Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Discontinued operation: Hadeed (Billet) segment	Total
As at June 30, 2024							
Segment assets for reportable segments	4,747,273	182,806	572,814	2,072,518	7,575,411	621,933	8,197,344
Investment in equity accounted investees	–	–	–	2,572,926	2,572,926	–	2,572,926
Unallocated corporate assets							901,993
Total assets as per consolidated statement of financial position							11,672,263
Segment liabilities for reportable segments	1,265,608	97,287	81,191	157,936	1,602,022	86,102	1,688,124
Unallocated corporate liabilities and deferred income							1,293,043
Total liabilities as per consolidated statement of financial position							2,981,167

46.6.1 For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than those directly relating to corporate and taxation assets; and

- all liabilities are allocated to reportable segments other than those directly relating to corporate and taxation.

Cash and bank balances, borrowings and related mark–up receivable there-from and payable thereon, respectively are not allocated to reporting segments as these are managed by the Group's central treasury function.

46.7 Other segment information

Rupees in '000	Continuing operations: Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Discontinued operation: Hadeed (Billet) segment	Total
For the year ended June 30, 2025							
Capital expenditure	574,532	7,723	5,569	–	587,824	–	587,824
Depreciation and amortization	184,781	9,823	59,716	5,690	260,010	12,953	272,963
Non–cash items other than depreciation and amortization	347,609	3,872	149	(48,495)	303,135	204	303,339

Rupees in '000	Continuing operations: Steel segment	Cotton segment	Energy segment	IID segment	Sub-total	Discontinued operation: Hadeed (Billet) segment	Total
For the year ended June 30, 2024							
Capital expenditure	247,154	–	–	690	247,844	–	247,844
Depreciation and amortization	136,108	15,928	59,866	5,044	216,946	51,508	268,454
Non–cash items other than depreciation and amortization	660,237	17,513	(202)	(1,015,342)	(337,794)	5,556	(332,238)

47. STAFF RETIREMENT BENEFITS

47.1 Defined benefit plans

47.1.1 The actuarial valuation of both pension and gratuity schemes has been conducted in accordance with IAS 19, 'Employee benefits' as at June 30, 2025. The projected unit credit method, using the following significant assumptions, has been used for the actuarial valuation:

Rupees in '000	2025 Pension	2025 Gratuity	2024 Pension	2024 Gratuity
Financial assumptions				
– Discount rate used for interest cost in profit or loss charge	15.25%	15.25%	16.25%	16.25%
– Discount rate used for year end obligation	12.00%	12.00%	15.25%	15.25%
– Expected rate of increase in salaries	12.00%	12.00%	15.25%	15.25%
Demographic assumptions				
- Retirement assumption	Age 58		Age 58	
- Expected mortality for active members	SLIC (2001-05)		SLIC (2001-05)	

47.1.2 The amounts recognized in consolidated statement of financial position are as follows:

Rupees in '000	Note	2025 Pension	2025 Gratuity	2025 Total	2024 Pension	2024 Gratuity	2024 Total
Present value of defined benefit obligations	47.1.4	936,364	216,051	1,152,415	804,399	173,925	978,324
Fair value of plan assets	47.1.5	(1,112,267)	(352,945)	(1,465,212)	(736,462)	(203,565)	(940,027)
(Asset) / liability recognized in consolidated statement of financial position		(175,903)	(136,894)	(312,797)	67,937	(29,640)	38,297

Rupees in '000	Note	2025 Pension	2025 Gratuity	2025 Total	2024 Pension	2024 Gratuity	2024 Total
47.1.3 Movement in the net defined benefit (asset) / liability							
Opening balance		67,937	(29,640)	38,297	237,901	41,889	279,790
Net benefit cost charged to profit or loss	47.1.7	40,857	(2,885)	37,972	62,580	14,531	77,111
Remeasurements recognized in other comprehensive income	47.1.8	(252,195)	(91,243)	(343,438)	(206,190)	(75,645)	(281,835)
Contributions by the Holding Company	47.1.5	(32,502)	(13,126)	(45,628)	(26,354)	(10,415)	(36,769)
Closing balance		(175,903)	(136,894)	(312,797)	67,937	(29,640)	38,297
47.1.4 Movement in the present value of defined benefit obligations							
Opening balance		804,399	173,925	978,324	701,907	160,692	862,599
Current service costs		29,693	9,960	39,653	26,062	8,570	34,632
Interest costs	47.1.7	121,167	26,524	147,691	112,890	24,423	137,313
Benefits paid		(19,722)	–	(19,722)	(14,399)	(20,788)	(35,187)
Remeasurement loss / (gain) of defined benefit obligation		827	5,642	6,469	(22,061)	1,028	(21,033)
Closing balance		936,364	216,051	1,152,415	804,399	173,925	978,324
47.1.5 Movement in the fair value of plan assets							
Opening balance		736,462	203,565	940,027	464,006	118,803	582,809
Contributions by the Holding Company		32,502	13,126	45,628	26,354	10,415	36,769
Interest income on plan assets	47.1.7	110,003	39,369	149,372	76,372	18,462	94,834
Benefits paid		(19,722)	–	(19,722)	(14,399)	(20,788)	(35,187)
Return on plan assets, excluding interest income		253,022	96,885	349,907	184,129	76,673	260,802
Closing balance		1,112,267	352,945	1,465,212	736,462	203,565	940,027
47.1.6 Actual return on plan assets		363,025	136,254	499,279	260,501	95,135	355,636

47.1.7 Following amounts have been charged in the profit or loss in respect of these benefits:

Rupees in '000	2025 Pension	2025 Gratuity	2025 Total	2024 Pension	2024 Gratuity	2024 Total
Current service costs	29,693	9,960	39,653	26,062	8,570	34,632
Interest costs	121,167	26,524	147,691	112,890	24,423	137,313
Expected return on plan assets	(110,003)	(39,369)	(149,372)	(76,372)	(18,462)	(94,834)
Charge recognized in profit or loss	40,857	(2,885)	37,972	62,580	14,531	77,111

47.1.8 Following amounts of remeasurements have been charged in other comprehensive income in respect of these benefits:

	2025			2024		
Rupees in '000	Pension	Gratuity	Total	Pension	Gratuity	Total
Remeasurement:						
Actuarial gain from changes in demographic assumptions	(33,410)	(9,331)	(42,741)	-	-	-
Actuarial gain from change in financial assumptions	(19,930)	(82)	(20,012)	(5,275)	(21)	(5,296)
Experience adjustments	54,167	15,055	69,222	(16,786)	1,049	(15,737)
	827	5,642	6,469	(22,061)	1,028	(21,033)
Return on plan assets, excluding interest income	(253,022)	(96,885)	(349,907)	(184,129)	(76,673)	(260,802)
Remeasurement gains recognized in the other comprehensive income	(252,195)	(91,243)	(343,438)	(206,190)	(75,645)	(281,835)
47.1.9 Total defined benefit cost recognized in profit or loss and other comprehensive income	(211,338)	(94,128)	(305,466)	(143,610)	(61,114)	(204,724)
Weighted average duration of the defined benefit obligation (years)	10.50	1.84		11	2.00	
Analysis of present value of defined benefit obligation						
Type of Members:						
Pensioners	34	-		34	-	
Beneficiaries	91	91		82	82	
Vested / Non-Vested						
Vested benefits	874,594	189,175	1,063,769	737,566	149,183	886,749
Non - vested benefits	61,770	26,876	88,646	66,833	24,742	91,575
	936,364	216,051	1,152,415	804,399	173,925	978,324

	2025			2024		
Rupees in '000	Pension	Gratuity	Total	Pension	Gratuity	Total
Disaggregation of fair value of plan assets						
The fair value of the plan assets at reporting date for each category are as follows:						
Cash and cash equivalents	31,939	12,446	44,385	10,765	5,097	15,862
Debt instruments						
AA–	2,996	–	2,996	–	–	–
AAA	2,500	2,500	5,000	2,500	2,500	5,000
A+	–	–	–	3,017	–	3,017
CCC+	219,808	2,614	222,422	–	–	–
CCC	–	–	–	282,452	55,701	338,153
	225,304	5,114	230,418	287,969	58,201	346,170
Equity instruments						
Cement	2,900	–	2,900	8,818	–	8,818
Chemicals	–	–	–	256	–	256
Banks	15,797	–	15,797	1,952	–	1,952
Engineering	659,290	313,589	972,879	218,692	104,690	323,382
Fertilizer	24,788	1,159	25,947	10,421	482	10,903
Insurance	84	–	84	74	–	74
Oil and Gas Exploration Companies	40,952	4,522	45,474	12,509	3,644	16,153
Oil and Gas Marketing Company	481	–	481	218	–	218
Refineries	149	–	149	–	–	–
Investment Company	20,992	–	20,992	629	–	629
Gas Distribution Company	476	–	476	424	–	424
Pharmaceuticals	1,721	–	1,721	684	–	684
Power Generation and Distribution	42,206	13,781	55,987	42,014	16,308	58,322
Sugar and Allied Industries	7,924	2,334	10,258	4,611	1,358	5,969
Technology and Communication	859	–	859	661	–	661
Textile Composite	13,552	–	13,552	1,771	–	1,771
	832,171	335,385	1,167,556	303,734	126,482	430,216
Mutual funds						
Income Fund	22,853	–	22,853	131,148	13,785	144,933
Equity Fund	–	–	–	2,846	–	2,846
	1,112,267	352,945	1,465,212	736,462	203,565	940,027

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Rupees in '000	Pension	Gratuity
Discount rate +1%	(89,210)	(3,678)
Discount rate -1%	107,450	4,280
Salary increase +1%	14,016	4,267
Salary decrease -1%	(12,249)	(3,733)
Pension indexation rate increase +1%	101,550	-
Pension indexation rate decrease -1%	(87,151)	-

47.1.10 Through its defined benefit gratuity plan, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Fund believes that due to the long-term nature of the plan liabilities and the strength of the Holding Company's support, the current investment strategy manages this risk adequately.

Inflation risk

The majority of the plan's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities. However, the Fund manages plan assets to offset inflationary impacts.

Life expectancy / withdrawal rate

The majority of the plan's obligations are to provide benefits on severance with the Holding Company or on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

47.1.11 Expected future expense to be charged in profit or loss for the year ending June 30, 2026:

Rupees in '000	Pension	Gratuity
Current service cost	31,344	10,876
Interest cost on defined benefit obligation	111,127	15,534
Interest income on plan assets	(134,619)	(32,921)
	7,852	(6,511)

47.2 Defined contribution plan

The Holding Company has set up provident fund for its permanent employees. The total charge against provident fund for the year ended June 30, 2025 was Rs. 18.62 million (2024: Rs. 15.69 million). Reporting year end of Provident Fund Financial Statements are December 31, and June 30, for Steel & IID Division, and Cotton & Hadeed Division, respectively.

Investments out of the provident funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under.

48. FINANCIAL RISK MANAGEMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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: Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. 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 categorized:

Rupees in '000	June 30, 2025								
	Carrying amount					Fair Value			
	Fair value through profit or loss	Fair value through other compre-hensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
Financial assets measured at fair value									
Recurring fair value measurements									
Investments									
- Listed equity securities	2,248,852	204,192	-	-	2,453,044	2,453,044	-	-	2,453,044
- Unlisted equity securities	734,380	-	-	-	734,380	-	-	734,380	734,380
	2,983,232	204,192	-	-	3,187,424	2,453,044	-	734,380	3,187,424
Financial assets not measured at fair value									
Deposits	-	-	80,737	-	80,737	-	-	-	-
Short term investments	-	-	237,000	-	237,000	-	-	-	-
Trade debts	-	-	1,641,032	-	1,641,032	-	-	-	-
Other receivables	-	-	2,454,775	-	2,454,775	-	-	-	-
Bank balances	-	-	78,319	-	78,319	-	-	-	-
	-	-	4,491,863	-	4,491,863	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	306,758	306,758	-	-	-	-
Lease liabilities	-	-	-	202,508	202,508	-	-	-	-
Trade and other payables	-	-	-	1,216,154	1,216,154	-	-	-	-
Mark-up accrued	-	-	-	27,284	27,284	-	-	-	-
Short term borrowings	-	-	-	1,974,038	1,974,038	-	-	-	-
Unclaimed dividend	-	-	-	111,697	111,697	-	-	-	-
	-	-	-	3,838,439	3,838,439	-	-	-	-

Rupees in '000	June 30, 2024								
	Carrying amount					Fair Value			
	Fair value through profit or loss	Fair value through other compre-hensive income	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
Financial assets measured at fair value									
Recurring fair value measurements									
Investments									
- Listed equity securities	1,132,754	106,575	-	-	1,239,329	1,239,329	-	-	1,239,329
- Unlisted equity securities	742,932	-	-	-	742,932	-	-	742,932	742,932
	1,875,686	106,575	-	-	1,982,261	1,239,329	-	742,932	1,982,261
Financial assets not measured at fair value									
Deposits	-	-	78,368	-	78,368	-	-	-	-
Short term investments	-	-	244,360	-	244,360	-	-	-	-
Trade debts	-	-	1,472,246	-	1,472,246	-	-	-	-
Other receivables	-	-	31,801	-	31,801	-	-	-	-
Bank Balances	-	-	336,689	-	336,689	-	-	-	-
	-	-	2,163,464	-	2,163,464	-	-	-	-
Financial liabilities not measured at fair value									
Long term loans	-	-	-	427,466	427,466	-	-	-	-
Lease liabilities	-	-	-	254,987	254,987	-	-	-	-
Trade and other payables	-	-	-	884,201	884,201	-	-	-	-
Mark-up accrued	-	-	-	61,577	61,577	-	-	-	-
Short term borrowings	-	-	-	778,487	778,487	-	-	-	-
Unclaimed dividend	-	-	-	26,188	26,188	-	-	-	-
	-	-	-	2,432,906	2,432,906	-	-	-	-

The Group has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

Investment properties fair value have been determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 18.2. The valuations are conducted by the valuation experts appointed by the Group. The valuation experts used a market based approach to arrive at the fair value of the Group's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these consolidated financial statements.

48.1 Valuation techniques and significant unobservable inputs

The fair values of unquoted equity investments have been determined by the valuation expert. The following table shows the valuation techniques used in measuring Level 3 fair values at June 30, 2025 for unquoted equity investments measured at fair value in the consolidated statement of financial position, as well as the significant unobservable inputs used.

Name of investee company	Valuation technique	Significant unobservable inputs		Inter-relationship between significant unobservable inputs and fair value measurement
- Shakarganj Food Products Limited	- Discounted free cash flows with terminal growth: The valuation model considers the present value of expected free cashflows, discounted using Weighted Average Cost of Capital.	- Expected free cash flows - Terminal growth rate - Weighted Average Cost of Capital	 5.00% 20.45%	The estimated fair value would increase (decrease) if: - The expected free cash flows were higher / (lower) - The terminal growth rate were higher / (lower) - The Weighted Average Cost of Capital were lower / (higher)
- Central Depository Company of Pakistan Limited	- Dividend growth model: The valuation model considers the present value of future dividends, discounted using Weighted Average Cost of Capital.	- Dividend growth rate - Weighted Average Cost of Capital	6.50% 15.05%	The estimated fair value would increase / (decrease) if: - The dividend growth rate were higher / (lower) - The Weighted Average Cost of Capital were lower / (higher)

48.2 Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

Rupees in '000	
Balance at July 1, 2024	
– Shakarganj Food Products Limited	529,513
– Central Depository Company of Pakistan Limited (CDC)	213,419
	742,932
Fair value recognized in profit or loss during the year	
– Shakarganj Food Products Limited	(111,534)
– Central Depository Company of Pakistan Limited (CDC)	102,982
	(8,552)
Balance at June 30, 2025	
– Shakarganj Food Products Limited	417,979
– Central Depository Company of Pakistan Limited (CDC)	316,401
	734,380

Sensitivity analysis

For the fair value of unquoted equity investments, reasonably possible changes at June 30, 2025 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Profit or loss	
Rupees in '000	Increase	Decrease
Shakarganj Food Products Limited		
– Expected cash flows (10% movement)	48,363	(48,363)
– Terminal growth rate (100 bps)	21,128	(18,560)
– Weighted Average Cost of Capital (100 bps)	(29,697)	33,839
Central Depository Company of Pakistan Limited		
– Dividend growth rate (100 bps)	24,684	(19,513)
– Weighted Average Cost of Capital (100 bps)	(18,063)	22,850

49. FINANCIAL INSTRUMENTS

The Group has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Group's risk management framework. The Board of Directors is also responsible for developing and monitoring the Group's risk management policies.

49.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter-parties fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the Group. It arises principally from trade debts, bank balances, security deposits, mark–up accrued and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

Rupees in '000	**2025**	2024
Deposits	80,737	78,368
Short term investments	237,000	244,360
Trade debts	1,641,032	1,472,246
Other receivables	2,454,775	31,801
Bank balances	78,319	336,689
	4,491,863	2,163,464

Trade and other receivables

To manage exposure to credit risk in respect of trade and other receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales tenders and credit terms are approved by the tender approval committee. Where considered necessary, advance payments are obtained from certain parties. Sales of steel segment made to major customers are secured through letters of credit. The management has set a maximum credit period of 15 days in respect of Cotton segment's sales to reduce the credit risk.

All the trade debtors at the reporting date represent domestic parties.

The maximum exposure to credit risk before any credit enhancements for trade debts at the reporting date by type of customer was as follows:

Rupees in '000	2025	2024
Steel segment	1,638,305	1,472,052
Cotton segment	564	–
IID	2,150	–
Hadeed (Billet) segment	13	194
	1,641,032	1,472,246
The aging of trade debts at the reporting date is		
Not past due	220,759	1,171,633
Past due 1 – 30 days	10,393	6,328
Past due 31 – 180 days	271,432	252,514
Past due 180 days	1,165,977	65,545
	1,668,561	1,496,020
Less: Impaired loss	27,529	23,774
	1,641,032	1,472,246

The movement in the allowances for impairment in respect of trade debts and advances is given in note 25.3.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before June 30, 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Holding Company has identified the GDP and the unemployment rate of Pakistan in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward–looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance.

Loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and Group's view of economic conditions over the expected lives of the trade debts.

Based on past experience the management believes that no impairment allowance is necessary, except mentioned above, in respect of trade debts past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Settlement risk

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Group's policy is to enter into financial instrument contract by following internal guidelines such as approving counter-parties and approving credits.

Bank balances

The Group kept its surplus funds with banks having good credit rating. Currently, the surplus funds are kept with banks having rating from AAA to A1+.

The credit quality of the Group's investment in units of mutual funds can be assessed with reference to external credit rankings as follows:

	Rankings		Ranking	2025	2024
Rupee in '000	Short term	Long term	Agency		
Mutual Funds					
HBL Growth Fund (A)	A+	AAA	VIS	9,548	10,688
HBL Investment Fund (A)	A+	AAA	VIS	–	2,016
Pak Qatar Asset Management Company	–	AA	Pacra	532	253,044
				10,080	265,748

Deposits

The Group has provided security deposits and retention money as per the contractual terms with counter parties as security and does not expect material loss against those deposits and retention money.

Investment in debt securities

Credit risk arising on debt securities is mitigated by investing principally in investment grade rated instruments. Where the investment is considered doubtful a provision is created there against. The Group has debt security amounting to Rs. 237 million as at reporting date.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Group believes that it is not exposed to major concentration of credit risk.

49.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligation arising from financial liabilities that are settled by delivering cash or another financial asset or that such obligation will have to be settled in a manner disadvantageous to the Group. The Group is not materially exposed to liquidity risk as substantially all obligation / commitments of the Group are short term in nature and are restricted to the extent of available liquidity. In addition, the Group has obtained running finance facilities from various commercial banks to meet the short term liquidity commitments, if any.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

Rupees in '000	2025							
	Carrying amount	Contractual cash flows	On demand	Six months or less	Six to twelve months	One to two years	Two to five years	Over five years
Financial liabilities								
Long term loans	306,758	306,758	–	135,165	39,377	78,429	50,164	3,623
Lease liabilities	202,508	248,187	–	48,357	34,616	54,556	110,658	–
Trade and other payables	1,216,154	1,216,154	–	1,216,154	–	–	–	–
Unclaimed dividend	111,697	111,697	111,697	111,697	–	–	–	–
Mark-up accrued	27,284	27,284	–	27,284	–	–	–	–
Short term borrowings	1,974,038	1,974,038	609,196	1,364,842	–	–	–	–
	3,838,439	3,884,118	720,893	2,903,499	73,993	132,985	160,822	3,623

Rupees in '000	2024							
Financial liabilities								
Long term loan	427,466	427,466	–	134,826	135,170	137,139	11,304	9,027
Lease liabilities	254,987	376,489	–	45,713	43,856	79,629	208,136	–
Trade and other payables	884,201	884,201	–	884,201	–	–	–	–
Unclaimed dividend	26,188	26,188	26,188	–	–	–	–	–
Mark-up accrued	61,577	61,577	–	61,577	–	–	–	–
Short term borrowings	778,487	778,487	199,216	579,271	–	–	–	–
	2,432,906	2,554,408	225,404	1,705,588	179,026	216,768	219,440	9,027

49.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Investment Committee monitors the portfolio of its investments and adjust the portfolio in light of changing circumstances.

49.3.1 Currency risk

The Group is exposed to currency risk on import of raw materials and stores and spares denominated in US Dollars (USD) and Euros. The Group's exposure to foreign currency risk for these currencies is as follows:

	2025	
Rupees in '000	USD	Euro
Outstanding letters of credit	557,100	185,385

	2024	
Rupees in '000	USD	Euro
Outstanding letters of credit	1,418,260	–

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2025	2024	**2025**	2024
USD to PKR	279.35	283.17	283.76	278.34
Euro to PKR	303.97	306.01	332.66	297.69

Sensitivity analysis

At the reporting date, if the PKR had strengthened by 10% against the USD and Euro with all other variables held constant, pre-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign creditors.

Effect on profit or loss

Rupees in '000	**2025**	2024
USD	15,563	40,161
Euro	5,635	–
	21,198	40,161

The weakening of the PKR against USD and Euro would have had an equal but opposite impact on the pre tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the year and assets / liabilities of the Group.

49.3.2 Interest rate risk

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

	2025	2024	**2025**	2024
	Effective interest rate (Percentage)		Carrying amount (Rupees in '000)	
Financial liabilities				
Variable rate instruments:				
Long term loan	14.09 – 24.76	24.08 – 24.76	306,758	427,466
Lease liabilities	18.22 – 31.53	17.04 – 31.12	202,508	254,987
Short term borrowings	12.69 – 23.71	21.91 – 25.22	1,974,038	778,487

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have (increased) / decreased loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

	Profit and loss 100 bp	
Rupees in '000	Increase	Decrease
As at June 30, 2025		
Cash flow sensitivity – Variable rate financial liabilities	(24,833)	24,833
As at June 30, 2024		
Cash flow sensitivity – Variable rate financial liabilities	(14,609)	14,609

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the year and assets / liabilities of the Group.

49.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Other price risk arises from the Group's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Group diversifies its portfolio and continuously monitors developments in equity markets. In addition the Group actively monitors the key factors that affect stock price movement.

A 10% increase / decrease in share prices at year end would have increased / decreased in the Group's gain / loss in case of fair value through profit or loss and increase / decrease surplus on re-measurement of investments in case of fair value through other comprehensive income investments as follows:

Rupees in '000	2025	2024
Effect on profit	224,885	113,275
Effect on equity	20,419	10,658
Effect on investments	245,304	123,933

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit / equity for the year and assets of the Group.

50. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

Rupees in '000	Chief Executive 2025	Chief Executive 2024	Directors 2025	Directors 2024	Executives 2025	Executives 2024	Total 2025	Total 2024
Managerial remuneration (including incentives)	62,505	48,164	–	–	141,138	106,732	203,643	154,896
Fees	–	–	5,995	5,560	–	–	5,995	5,560
Contributions to								
– Gratuity fund	2,487	2,007	–	–	5,200	3,789	7,687	5,796
– Pension fund	5,970	4,818	–	–	13,571	10,546	19,541	15,364
– Provident fund	2,985	2,409	–	–	6,715	5,157	9,700	7,566
Others	8,064	21,129	–	–	11,643	18,261	19,707	39,390
	82,011	78,527	5,995	5,560	178,267	144,485	266,273	228,572
Number of persons	1	1	7	7	17	16	25	24

50.1 During the year remuneration paid to the non–executive Chairman of the Board of Directors amounted to Rs. 2.4 million (2024: Rs. 2.05 million).

50.2 The chief executive and nine executives are provided with free use of Company maintained cars, in accordance with their entitlements.

50.3 The chief executive, executives and their families are also covered under group life and hospitalization insurance. A director is also covered under group hospitalization scheme.

51. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors of the Group, companies in which directors also hold directorship, related group companies, key management personnel and staff retirement benefit funds. All transaction with related parties are under agreed terms / contractual arrangements. Transactions between the Holding Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Transactions with related parties other than those disclosed elsewhere are as follows:

Rupees in '000 Name	Nature of relationship	Basis of relationship	Nature of transaction	2025	2024
Altern Energy Limited	Associated	10.02%	Dividend income	753,916	796,238
	company		Dividend received	753,916	796,238
			Sale of investment	606,408	-
Shakarganj Limited	Associated	21.93% holding	Services rendered	1,558	1,629
	company		Payment made	5,857	-
			Dividends paid	1,530	360
			Rent	144	-
			Reimbursable expenses	6,860	6,884

Name	Nature of relationship	Basis of relationship	Nature of transaction	2025	2024
			Rupees in '000		
Crescent Socks (Private) Limited	Associated company	48.99% holding	Payments received against services rendered	-	600
Shakarganj Food Products Limited	Related party	Subsidiary Company's related party	Reimbursable expenses	3,633	4,269
			Services rendered	3,318	3,187
			Rent	2,486	2,755
			Payments received	5,000	4,000
			Investment in commodity	150,000	-
			Gain on investment	3,931	-
The Crescent Textile Mills Limited	Related party	Common directorship	Rent	2,010	3,940
			Payments received against services rendered	3,779	7,656
			Reimbursable expenses	1,788	4,019
			Dividends paid	72,576	17,077
			Dividend income	-	565
			Dividend received	-	565
Premier Insurance Limited	Related party	Common directorship	Insurance premium	14,085	8,602
			Insurance premium paid	15,582	7,162
			Dividends paid	1,203	283
The Citizens Foundation	Related party	Common directorship	Donations given	97,824	73,631
Indus Valley School of Arts and Architecture	Related party	Common directorship	Donation given	-	3,142
Pakistan Centre For Philanthropy	Related party	Common directorship	Annual membership fee	396	360
			Payment annual membership fee	396	360
Pak Qatar Asset Management Company Limited	Related party	Common directorship	Investment in units of mutual funds	810,830	649,000
			Redemption of investment in units of mutual funds	927,966	501,582
			Dividend received	593	-
			Dividend paid	-	15,450
Pak-Qatar Asset Allocation Plan	Related party	Common directorship	Loan repayment	56,667	40,000
			Profit repayment	13,238	26,970
			Dividends paid	46,938	-
Pak Qatar Family Takaful Company Limited	Related party	Common directorship	Payments made	63,783	-
			Payments received	63,783	-

Rupees in '000				2025	2024
Name	Nature of relationship	Basis of relationship	Nature of transaction		
Pak-Qatar Income Plan	Related party	Common directorship	Sale of investment	191,070	15,271
			Purchase of investment	40,405	164,000
			Dividend income	1	-
			Dividend received	1	-
Pak-Qatar Monthly income Plan	Related party	Common directorship	Sale of investment	68	-
			Purchase of investment	69	-
Pak-Qatar Cash Plan	Related party	Common directorship	Sale of investment	86,091	-
			Purchase of investment	86,000	-
Jubilee General Insurance Limited	Related party	Common directorship	Insurance premium	7,104	-
			Insurance premium paid	7,104	-
Pakistan Stock Exchange Limited	Related party	Common directorship	Annual charges	1,223	-
			Annual charges paid	1,223	-
Pak Elektron Limited	Related party	Common directorship	Sales made	91,852	152,014
			payment received	113,931	146,569
Meezan Bank Limited	Related party	Common directorship	Dividend income	11,399	2,463
			Dividend received	11,399	2,463
International Steels Limited	Related party	Common directorship	Dividend income	600	1,090
			Dividend received	600	1,090
			Sale of investment	-	4,918
Trustees Shakarganj Mills Limited - Provident Fund	Related party	Associated company's retirement benefit plan	Dividends paid	1,432	337
Trustees Shakarganj Mills Limited - Provident Fund Gratuity Fund	Related party	Associated company's retirement benefit plan	Dividends paid	570	134
Trustees Shakarganj Mills Limited - Provident Fund Pension Fund	Related party	Associated company's retirement benefit plan	Dividends paid	952	224
Crescent Cotton Products - Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	2,324	1,342
Crescent Steel and Allied Products Limited - Gratuity Fund	Retirement benefit fund	Employees benefit fund	Contributions made	13,126	10,518
			Dividends paid	18,386	3,877
Crescent Steel and Allied Products Limited - Pension Fund	Retirement benefit fund	Employees benefit fund	Contributions made	32,502	26,601
			Dividends paid	38,403	8,077

Name	Nature of relationship	Basis of relationship	Nature of transaction	2025	2024
			Rupees in '000		
Crescent Steel and Allied Products	Retirement	Employees	Contributions made	15,995	14,426
Limited – Staff Provident Fund	benefit fund	benefit fund	Dividends paid	1,056	248
Crescent Hadeed (Private)	Retirement	Employees			
Limited – Staff Provident Fund	benefit fund	benefit fund	Contributions made	296	356
CSAP – Staff Benevolent Fund	Staff welfare	Employees	Contributions made	654	10,000
	fund	welfare fund	Dividends paid	308	72
Key management personnel	Related parties	Executives	Remuneration and		
			benefits	222,879	223,012
			Dividend paid	36,607	9,662
Chairman of the Board	Related party	Chairman	Honorarium	2,400	2,050
Directors and their spouses	Related parties	Directors	Meeting fee	3,595	3,510
			Dividend paid	24,787	4,488

51.1 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.

51.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Holding Company. There were no transactions with the key management personnel during the year other than their terms of employment / entitlements.

51.3 Outstanding balances and other information with respect to related parties as at June 30, 2025 and 2024 are included in issued, subscribed and paid–up capital (note 7.1), trade and other payables (note 12.3), investment in equity accounted investees (note 19), other receivables (note 29.2), administrative expenses (note 37.3) and staff retirement benefits (note 47).

52. CAPITAL RISK MANAGEMENT

The Group's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and bank balances. Total capital is calculated as equity as shown in these consolidated statement of financial position plus net debt.

52.1 Gearing ratio

The gearing ratio at end of the year is calculated as follows:

Rupees in '000	Note	2025	2024
Total debt	52.1.1	2,483,304	1,460,940
Less: Cash and bank balances		78,319	336,689
Net debt		2,404,985	1,124,251
Total equity	52.1.2	8,407,332	8,691,096
Total capital		10,812,317	9,815,347
Gearing ratio		22.2%	11.5%

52.1.1 Total debt is defined as long term loans, lease liabilities and short term borrowings, as described in notes 9, 10 and 14 to these consolidated financial statements.

52.1.2 Total equity includes issued, subscribed and paid–up capital and reserves.

53. PLANT CAPACITY AND PRODUCTION

53.1 Steel segment

Pipe plant

The plant's installed / rated capacity for production based on single shift is 66,667 tons (2024: 66,667 tons) annually on the basis of notional pipe size (whereas the notional pipe size is taken as 30" dia x ½" thickness for SP1600 and 40"dia x 5/8" thickness for SP 2003). The actual production achieved during the year was 41,175.3 tons (2024: 59,453.3 tons) line pipes of varied sizes and thickness. Actual production is equivalent to 82,286.1 tons (2024: 97,542.9 tons) when translated to the notional pipe size of 30" diameter.

Coating plant

The coating plant has a capacity of shot blasting and coating of line pipes with single layer FBE and multilayer polyolefin coatings on pipe sizes ranging from 114 mm to 2134 mm outside diameter.

The annual capacity of the plant works out to 600,000 square meters outside surface area of line pipes based on notional size of 14" dia on single shift working. Coating of 98,072 meters (2024: 230,275 meters) of different diameter pipes and 319,711 square meters surface area was achieved during the year (2024: 553,906 square meters surface area). Actual production is in line with market demand.

53.2 Cotton segment

Spinning unit 1

The plant capacity converted to 20s count polyester cotton yarn based on three shifts per day for 1,092 shifts is 9,197,007 kilogram (2024: 9,197,007 kilograms). Actual production converted into 20s count was Nil kilograms for Nil shifts (2024: Nil kilograms for Nil shifts).

53.3 Energy segment

The plant's installed production capacity was 118,856 MWh (2024: 118,856 MWh) and the actual production achieved during the year was Nil (2024: Nil). Reason for underutilization was that no power was supplied to FESCO, Hadeed (Billet) segment (internal customer) and Shakarganj Limited (external customer).

53.4 Hadeed segment

The designed capacity of Plant is 85,000 mtons (2024: 85,000 mtons) of billets per annum, but the total production during the year was Nil (2024: Nil) of billets. Unit would not be operated on self–generated (Inter division) power supply that was only compatible during crushing season of three months and two months on bagasse (purchased) on off and on basis. The Group has classified plant and machinery and certain other related assets as non–current assets held for sale.

54. SHARIAH COMPLIANCE DISCLOSURE

Rupees in '000	Note	Non-shariah compliant	Shariah compliant	Total
Consolidated statement of financial position				
Long term loans	9	173,942	132,816	306,758
Lease liabilities	10	202,508	–	202,508
Short term borrowings	14	1,826,198	147,840	1,974,038
Other long term investments	20	734,380	204,192	938,572
Short term investments	28	831,498	1,654,354	2,485,852
Cash and bank balances	31	75,299	3,020	78,319
Consolidated statement of profit or loss and other comprehensive income				
Sales (gross)	33	–	7,535,015	7,535,015
Dividend income	35	52,074	62,006	114,080
Realized (loss) / gain on sale of investments	35	(20,499)	159,122	138,623
Unrealized gain on sale of investments	35	83,134	185,511	268,645
Return on deposits	39	28,388	–	28,388
Finance costs	40	236,644	52,306	288,950

55 GENERAL

55.1 Number of employees

The total number of employees, including contractual employees, of the Group as at June 30, 2025 were 406 (2024: 431) and weighted average number of employees were 420 (2024: 434).

The number of factory employees, including contractual employees, of the Group as at June 30, 2025 were 223 (2024: 353) and weighted average number of employees were 288 (2024: 354).

55.2 Comparative information

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of better presentation, However, we have no material reclassifications to report.

55.3 Subsequent event

The Board of Directors of the Holding Company in its meeting held on July 31, 2025 has recommended a final cash dividend of Rs. 2.5 per share for the year ended June 30, 2025. These consolidated financial statements do not reflect the effect of final cash dividend payable as recommended by the Board of Directors.

56 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue in the Board of Directors meeting held on July 31, 2025.

Chief Executive | Director | Chief Financial Officer

SHAREHOLDERS INFORMATION

Stock Exchange Listing

Crescent Steel and Allied Products Limited is a listed Company, and its shares are traded on the Pakistan Stock Exchange. The Company's shares are quoted in leading dailies under the Engineering Sector with symbol 'CSAP'.

Ownership

On June 30, 2025, there were 4,290 shareholders on record of the Company's ordinary shares.

Annual General Meeting

The annual shareholders meeting will be held on Tuesday, October 28, 2025, at 11:00 AM at the 503-E, Johar Town, Lahore. Shareholders as of October 21, 2025, are encouraged to participate and vote. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company. Proxies should be filed with the company at least 48 hours before the meeting time.

Book Closure

The Share Transfer Books of the Company will remain closed from October 22, 2025, to October 28, 2025 (Both days inclusive). Transfers received in order at the office of our Share Registrar, M/s CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore by the close of business on October 25, 2025, will be treated in time for the entitlement to attend, speak and vote at the Annual General Meeting of the Company.

Share Registrar

Enquiries concerning lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to Company's Share Registrar.

M/s CorpTec Associates (Private) Limited,
503-E Johar Town, Lahore.
Tel: +92 42 3517 0336-37
Fax: +92 42 3517 0338
Email: info@corptec.com.pk

Placement of Financial Statements

The Company has placed the Audited Annual Unconsolidated and Consolidated Financial Statements for the year ended June 30, 2025, along with Auditors and Directors Report thereon on Company's website. All quarterly reports are also regularly posted on the Company's website.

Issues Raised at Last AGM

During the 40th Annual General Meeting of the Company held on October 28, 2024, the members raised some queries on the Financial Statements which were duly responded by the Chairman to the entire satisfaction of the members and no significant issues were raised.

Investor Relations And Greivance Redressal

Investor grievances are addressed through our Company Secretary's office. Investors can lodge queries or complaints regarding information they require or for non-receipt of any right available to them directly to the Company Secretary through the contacts available on our website. A strong investor relations function enables us to provide efficient services to investors and to effectively address and redress the grievances of the investors in a timely manner and to manage recurrences.

Corporate Briefing Summary: Crescent Steel & Allied Products Limited

Date: March 12, 2025
Location: MS Teams

Crescent Steel & Allied Products Limited (CSAPL) held its Corporate Briefing Session for FY2025 on March 12, 2025, welcoming a diverse group of stakeholders including institutional investors, equity analysts, and potential shareholders. The session provided a comprehensive overview of the company's financial performance, strategic initiatives, and future outlook.

During the Q&A session, the CEO addressed concerns regarding the profit decline and strategic divestments with transparency and confidence. He emphasized the company's commitment to long-term value creation, operational efficiency, and sustainable growth. His responses were well-received, with attendees expressing satisfaction over the clarity and strategic direction outlined.

NOTICE OF 41st ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting ("AGM") of the shareholders of Crescent Steel and Allied Products Limited (the "Company") will be held on Tuesday, October 28, 2025 at 11:00 AM, at the at 503-E, Johar Town, Lahore and through video link to transact the following ordinary business:

1. To receive, consider and adopt the Chairman's Review Report, the Reports of Directors, and Auditors together with Audited Annual Unconsolidated and Consolidated Financial Statements of Crescent Steel and Allied Products Limited for the year ended June 30, 2025.

   As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including the Notice of Meeting, Financial Statements and reports have been uploaded on the website of the Company which can be downloaded using the following link or QR enabled code:

https://www.crescent.com.pk/uploads/media/annual-report-2025.pdf	

2. To approve the payment of final cash dividend of Rs. 2.5 per share (i.e., @ 25%) in addition to interim cash dividend of Rs. 5 per share each, a total cash distribution of Rs. 7.5 per share (i.e., @ 75%) for the year ended June 30, 2025.
3. To appoint the Company's auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s A. F. Ferguson & Co. Chartered Accountants for appointment as auditors of the Company.

BY ORDER OF THE BOARD

Azeem Sarwar, FCA
Company Secretary

Lahore: October 07, 2025

Notes:

1. Venue and participation by video link:

In view of the requirements of the Securities and Exchange Commission of Pakistan, the following arrangement have been made by the Company for participation of shareholders in the AGM:

(a) The venue of the meeting for shareholders who wish to attend the AGM physically will be at 503-E, Johar Town, Lahore.

(b) The directors and management of the Company may attend the AGM via video link.

(c) The AGM can be attended by shareholders virtually using smart phones / tablets / computers. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at company.secretary@crescent.com.pk by October 25, 2025.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided with a video link by the Company at the same email address that they emailed the Company with. The Login facility will remain open from the start of the meeting till its proceedings are concluded.

Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if Company receives consent from shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

(d) Shareholders are requested to notify the change of address, if any, and the email address to comply with the SECP directions issued from time to time.

2. Book Closure and Proxies:

The Share Transfer Books of the Company will remain closed from October 22, 2025, to October 28, 2025 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on October 21, 2025, will be treated in time for the entitlement to attend, speak and vote at the AGM and for payment of final cash dividend.

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking, and voting at the AGM as are available to the members. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form. A Proxy must be a member of the Company.

The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.

3. e-Payment of Dividend:

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

4. Zakat Declarations:

The members of the Company are required to submit a Declaration(s) for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980 to the Company's Share Registrar at the address given herein above.

5. Withholding tax on Dividend

Withholding Tax on cash dividend of those shareholders, whose name will not appear (at the time of issuance/process of dividend) in the Active Taxpayers List, will be subject to higher rate of tax deduction as required under prevailing Income Tax Laws. Corporate shareholders are also required to update their NTN number NTN certificate to Company's Share Registrar (if shares are held in physical form).

6. Circulation of Financial Statements:

The shareholders who wish to receive hard copy of the Annual Report may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.crescent.com.pk.

7. Unclaimed Dividend / Shares:

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s. Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore, to collect/ enquire about their unclaimed dividend / shares, if any.

8. Placement of Financial Statements:

The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2025 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: www.crescent.com.pk

9. Deposit of Physical Shares into CDC Accounts:

As per Section 72 of the Companies Act, 2017, every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e., May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares into the book entry form. For this purpose, the shareholders may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited. It also reduces the risks and costs associated with storing share certificate(s) and replacing lost or stolen certificate(s) as well as fraudulent transfer of shares. For the procedure of conversion of physical shares into book-entry form, you may approach our Share Registrar at the contact information given above.

10. Statutory Code of Conduct at AGM:

Shareholders are requested to observe the Statutory Code of Conduct at the AGM in accordance with Section 215 of the Companies Act, 2017 and Regulation 55 of the Companies Regulations, 2024, whereby shareholders are not permitted to exert influence or approach the Management directly for decisions, which may lead to creation of hurdles in the smooth functioning of the Management. As mentioned in these provisions, shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

3۔ ڈیویڈنڈ کی ای مینڈیٹ

کمپنیز ایکٹ 2017 کی دفعہ 242 کی پروویژنز کے مطابق فہرستی کمپنیوں کیلئے ضروری ہے کہ کوئی منافع منقسمہ قابل ادا نقد صورت میں فقط الیکٹرونک موڈ کے ذریعے براہ راست مستحق حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائیگا۔ اس کے مطابق مادی حصص کے مالک حصص داران سے درخواست ہے درج بالا پتہ پر کمپنی کے شیئرز رجسٹرار کو کمپنی کی ویب سائٹ پر دستیاب ای ڈیویڈنڈ فارم پر الیکٹرونک ڈیویڈنڈ مینڈیٹ فراہم کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں یہ معلومات اپ ڈیٹنگ اور کمپنی کو ارسال کرنے کیلئے سی ڈی ایس پارٹیسپنٹس کو مہیا کی جانی چاہئیں۔ جمع نہ کروانے کی صورت میں، آئندہ کے تمام منافع کی ادائیگی روکی جاسکتی ہے۔

4۔ زکوٰۃ ڈیکلریشن

کمپنی کے ارکان کو زکوٰۃ اینڈ عشر آرڈیننس 1980 کی شرائط میں زکوٰۃ ایگزیمپشن کے لئے کمپنی کے پاس ڈیکلریشن جمع کرانا ضروری ہے

5۔ ڈیویڈنڈ پر ودہولڈنگ ٹیکس

ایسے شیئر ہولڈرز جن کے نام (ڈیویڈنڈ کے اعلان کے وقت) فعال ٹیکس دہندگان کی فہرست میں شامل نہیں ہوگا، ان کی کیش ڈیویڈنڈ پر ودہولڈنگ ٹیکس کی کٹوتی موجودہ انکم ٹیکس قوانین کے مطابق زیادہ شرح سے ہوگی۔ شیئر ہولڈرز کے لیے بھی لازمی ہے کہ اپنا NTN نمبر اور NTN سرٹیفکیٹ کو کمپنی کے شیئرز رجسٹرار کو اپ ڈیٹ کریں (اگر شیئرز فزیکل فارم میں موجود ہیں)۔

6۔ مالی حسابات کی ترسیل

حصص داران جو مذکورہ بالا دستاویزات کی ہارڈ کاپیاں وصول کرنا چاہتے ہوں کمپنی سیکرٹری / شیئرز رجسٹرار کو کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم ارسال کریں اور کمپنی حصص داران کو مطالبہ پر مذکورہ بالا دستاویزات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصص داران جو سالانہ رپورٹ بشمول اجلاس کے نوٹس بذریعہ ای میل بھی وصول کرنا چاہتے ہوں ان سے درخواست ہے کہ کمپنی کی ویب سائٹ www.crescent.com.pk پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

7۔ ان کلیمڈ ڈیویڈنڈ / شیئرز

وہ حصص یافتگان جنہوں نے کسی وجہ سے اپنا منافع یا بونس شیئرز حاصل نہیں کیے یا اپنے فزیکل شیئرز وصول نہیں کیے، تو انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئر رجسٹرار M/s. Corptec Associates (Private) Limited، پتہ: E-503، جوہر ٹاؤن، لاہور سے رابطہ کریں تاکہ اپنے غیر وصول شدہ منافع / شیئرز کے بارے میں معلومات حاصل کرسکیں یا انہیں وصول کرسکیں (اگر کوئی ہوں تو)۔

8۔ مالی حسابات کی اشاعت

کمپنی نے اپنی ویب سائٹ www.crescent.com.pk پر 30 جون 2025 کو ختم ہونے والے سال کا AGM نوٹس، آڈٹ شدہ جداگانہ اور مربوط سالانہ مالی حسابات مع ان پر آڈیٹرز اور ڈائریکٹرز کی رپورٹس اور چیئرمین کا جائزہ رکھ دیے ہیں۔

9۔ CDC اکاؤنٹس میں فزیکل شیئرز جمع کروانا

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق، ہر موجودہ کمپنی اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کرے گی جیسا کہ بیان کیا گیا ہے اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مطلع کردہ تاریخ سے، ایک مدت کے اندر کمپنیز ایکٹ، 2017 کے آغاز سے چار سال یعنی 31 مئی 2017۔ فزیکل شکل میں حصص رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ براہ کرم اپنے حصص کو بک انٹری فارم میں تبدیل کریں۔ اس مقصد کے لیے شیئر ہولڈرز کسی بھی بروکرز یا سرمایہ کار کے اکاؤنٹ کے ساتھ براہ راست سی ڈی سی کے ساتھ سی ڈی سی کا ذیلی اکاؤنٹ کھول سکتے ہیں تاکہ اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں رکھ سکیں۔ یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا جس میں حصص کی محفوظ تحویل اور فروخت بھی شامل ہے، جب وہ چاہیں، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔ یہ شیئرز سرٹیفکیٹ (سرٹیفکیٹ) کو ذخیرہ کرنے اور گمشدہ یا چوری شدہ سرٹیفکیٹ کو تبدیل کرنے کے ساتھ ساتھ حصص کی دھوکہ دہی سے منسلک متعلقہ خطرات اور اخراجات کو بھی کم کرتا ہے۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کے طریقہ کار کے لیے، آپ اوپر دی گئی رابطہ معلومات پر ہمارے شیئر رجسٹرار سے رجوع کر سکتے ہیں۔

10۔ AGM میں قانونی ضابطہ اخلاق

شیئر ہولڈرز سے درخواست کی جاتی ہے کہ AGM میں سیکیورٹی کوڈ آف کنڈکٹ کی پابندی کریں، جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 215 اور کمپنیز ریگولیشنز 2024 کے ریگولیشن 55 کے تحت ہے، جس کے مطابق شیئر ہولڈرز کو فیصلوں کے لیے مینجمنٹ کے لیے براہ راست اثر ڈالنے یا رابطہ کرنے کی اجازت نہیں ہے، جو مینجمنٹ کے ہموار فنکشن میں رکاوٹ پیدا کر سکتا ہے۔ جیسا کہ ان دفعات میں ذکر ہے شیئر ہولڈرز کو ایسے مواد لانے کی اجازت نہیں جس سے AGM میں شریک افراد یا مقامات کو خطرہ لاحق ہو، AGM کے نوٹس میں شامل ایجنڈا آئٹم تک محدود رہنا ہوگا اور خود کو کسی بھی سیاسی وابستگی کا اظہار کرنے کے انداز میں پیش نہیں کرنا ہوگا۔ مزید برآں، کمپنی کمپنیز ایکٹ 2017 کے سیکشن 185 کے تحت اپنی میٹنگز میں کسی بھی شکل میں اپنے شیئر ہولڈرز کو تحائف تقسیم کرنے کی اجازت نہیں ہے۔

اطلاع 41واں سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ کریسنٹ اسٹیل اینڈ الائیڈ پروڈکٹس لمیٹڈ (کمپنی) کے حصص داران کا 41واں سالانہ اجلاس E-503 جوہر ٹاؤن لاہور میں اور ویڈیو لنک کے ذریعے 28 اکتوبر 2025 بروز منگل صبح 11:00 بجے درج ذیل عمومی امور کی انجام دہی کیلئے منعقد ہوگا۔

1۔ 30 جون 2025 کو ختم ہونے والے مالی سال کیلئے کمپنی کے نظرثانی شدہ جداگانہ اور مربوط سالانہ مالی حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس، چیئرمین کی جائزہ رپورٹ کو موصول کرنا، زیر غور لانا اور منظور کرنا۔

جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 223 کے تحت اور مورخہ 21 مارچ 2023 کے ایس آر او نمبر 389(I)/2023 کے مطابق، سالانہ رپورٹ بشمول اجلاس کے نوٹس، مالی بیانات اور رپورٹس کمپنی کی ویب سائٹ پر اپ لوڈ کی گئی ہیں، جنہیں درج ذیل لنک یا کیو آر کوڈ کے ذریعے ڈاؤن لوڈ کیا جا سکتا ہے:

https://www.crescent.com.pk/uploads/media/annual-report-2025.pdf

2۔ 30 جون 2025 کو ختم ہونے والے سال کے لئے 5 روپے فی حصص کے پہلے عبوری نقد منافع کے علاوہ 2.5 روپے فی حصص (یعنی 25 فیصد) کے حتمی نقد منافع کی ادائیگی کی منظوری دینے کے لئے 7.5 روپے فی حصص (یعنی 75 فیصد) کی کل کیش تقسیم کی جائے گی۔

3۔ کمپنی کے آڈیٹرز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ اراکان کو بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کی حیثیت سے مقرر کرنے کی سفارش کی ہے۔

بحکم بورڈ

عظیم سرور FCA
کمپنی سیکرٹری

لاہور: 07 اکتوبر 2025

نوٹس

1۔ مقام اور شرکت بذریعہ ویڈیو لنک

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ضروریات کے پیش نظر، کمپنی کی جانب سے AGM میں شیئر ہولڈرز کی شرکت کے لیے درج ذیل انتظامات کیے گئے ہیں:

a) اے جی ایم میں شرکت کے خواہشمند شیئر ہولڈرز کے لیے اجلاس کا مقام E-503 جوہر ٹاؤن، لاہور ہوگا۔

b) کمپنی کے ڈائریکٹرز اور انتظامیہ ویڈیو لنک کے ذریعے اے جی ایم میں شرکت کر سکتے ہیں۔

c) شیئر ہولڈرز اپنے اسمارٹ فونز/ٹیبلٹس/کمپیوٹرز کا استعمال کرتے ہوئے اے جی ایم میں شرکت کر سکتے ہیں۔ ویڈیو لنک کے ذریعے اجلاس میں شرکت کے لئے ممبران اور ان کے پراکسیز سے درخواست ہے کہ وہ 25 اکتوبر 2025 تک company.secretary@crescent.com.pk پر ای میل کے ذریعے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (دونوں اطراف)/پاسپورٹ، بورڈ ریزولوشن/پاور آف اٹارنی کی تصدیق شدہ کاپی (کارپوریٹ شیئر ہولڈرز کی صورت میں) کے ساتھ مندرجہ ذیل معلومات فراہم کرکے اپنا اندراج کریں۔

ممبر کا نام	شناختی کارڈ نمبر	CDC اکاؤنٹ نمبر/ فولیو نمبر	موبائل نمبر	ای میل ایڈریس

ضروری تصدیق کے بعد رجسٹرڈ ہونے والے ممبروں کو کمپنی کے ذریعہ ای میل ایڈریس پر ایک ویڈیو لنک فراہم کیا جائے گا جس کے ساتھ وہ کمپنی کو ای میل کرتے ہیں۔ لاگ ان کی سہولت میٹنگ کے آغاز سے اس کی کارروائی مکمل ہونے تک کھلی رہے گی۔

کمپنیز ایکٹ 2017 کے سیکشن 132(2) اور سیکشن 134(b) کے تحت، اگر کمپنی کو ان شیئر ہولڈرز کی رضامندی ملتی ہے جو مجموعی طور پر 10% یا اس سے زیادہ شیئر ہولڈنگ رکھتے ہیں اور جغرافیائی مقام پر مقیم ہیں تاکہ ملاقات میں ویڈیو کانفرنس کے ذریعے شرکت کریں، اور یہ رضامندی ملاقات کی تاریخ سے کم از کم 7 دن قبل حاصل ہو تو کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت فراہم کرے گی بشرطیکہ اس شہر میں ایسی سہولت دستیاب ہو۔

d) شیئر ہولڈرز سے درخواست ہے کہ SECP کی جانب سے وقتاً فوقتاً جاری کردہ ہدایات کی تعمیل کے لیے ایڈریس اور ای میل ایڈریس میں کوئی تبدیلی ہونے کی صورت میں اطلاع دیں۔

2۔ کتابوں کی بندش اور پراکسیز

کمپنی کی حصص منتقلی کتابیں 22 اکتوبر 2025 تا 28 اکتوبر 2025 (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار دفتر میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، E-503 جوہر ٹاؤن، لاہور پر 21 اکتوبر 2025 کو کاروبار کے اختتام تک موصول منتقلیاں اجلاس عام (AGM) میں شرکت کے استحقاق اور ووٹ دینے کے حق کیلئے بروقت تصور ہوں گی۔

اس میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے اور اس طرح مقرر کردہ پراکسی کو بھی وہی حقوق حاصل ہوں گے، جو شرکت کرنے، بولنے اور ووٹ دینے کے حوالے سے ہیں۔ اے جی ایم میں جیسا کہ اراکین کے لیے دستیاب ہے۔ پراکسی فارم پر دو افراد گواہی دیں گے، جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔ ایک پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

پراکسی اور پاور آف اٹارنی یا دیگر اتھارٹی کا تقرر کرنے والا آلہ جس کے تحت اس پر دستخط کیے گئے ہیں یا پاور آف اٹارنی کی نوٹریل تصدیق شدہ کاپی کمپنی کے رجسٹرڈ آفس میں کم از کم 48 گھنٹے پہلے جمع کرائی جانی چاہیے۔ پراکسی فارم انگلش اور اردو زبانوں میں ممبران کو اے جی ایم کے نوٹس کے ساتھ بھیجے گئے ہیں۔

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS

As at June 30, 2025

No. of Shareholders	Shareholding		Total Shares held
	From	To	
1,129	1	100	41,415
1,106	101	500	341,906
640	501	1,000	531,479
907	1,001	5,000	2,312,397
199	5,001	10,000	1,554,197
66	10,001	15,000	826,671
49	15,001	20,000	882,177
33	20,001	25,000	735,808
18	25,001	30,000	502,211
17	30,001	35,000	561,228
7	35,001	40,000	268,574
5	40,001	45,000	206,275
10	45,001	50,000	487,892
4	50,001	55,000	207,154
4	55,001	60,000	230,647
2	60,001	65,000	122,490
3	65,001	70,000	200,805
6	70,001	75,000	445,917
5	75,001	80,000	387,532
5	80,001	85,000	414,573
2	85,001	90,000	180,000
2	90,001	95,000	183,185
9	95,001	100,000	894,532
2	100,001	105,000	204,000
1	110,001	115,000	112,000
1	115,001	120,000	115,544
3	120,001	125,000	371,200
1	125,001	130,000	125,915
2	135,001	140,000	275,365
1	140,001	145,000	141,500
2	145,001	150,000	300,000
1	155,001	160,000	160,000
1	165,001	170,000	168,500
1	175,001	180,000	180,000
1	180,001	185,000	181,148
1	185,001	190,000	188,000
1	220,001	225,000	221,000
1	235,001	240,000	237,500
2	245,001	250,000	500,000
1	260,001	265,000	264,057
1	265,001	270,000	268,750

No. of Shareholders	Shareholding		Total Shares held
	From	To	
2	295,001	300,000	600,000
2	365,001	370,000	733,940
1	380,001	385,000	383,452
1	390,001	395,000	390,646
1	415,001	420,000	415,460
1	430,001	435,000	435,000
1	450,001	455,000	455,000
1	455,001	460,000	458,000
2	495,001	500,000	1,000,000
1	500,001	505,000	500,129
1	540,001	545,000	541,822
1	620,001	625,000	625,000
1	650,001	655,000	650,600
1	745,001	750,000	750,000
1	805,001	810,000	806,992
1	995,001	1,000,000	1,000,000
1	1,065,001	1,070,000	1,067,083
1	1,190,001	1,195,000	1,191,200
1	1,230,001	1,235,000	1,234,000
1	1,310,001	1,315,000	1,313,000
1	1,330,001	1,335,000	1,330,736
1	1,435,001	1,440,000	1,438,933
1	1,595,001	1,600,000	1,597,673
1	1,645,001	1,650,000	1,649,024
1	1,745,001	1,750,000	1,750,000
1	1,840,001	1,845,000	1,843,600
1	1,915,001	1,920,000	1,917,700
1	2,070,001	2,075,000	2,070,263
1	2,590,001	2,595,000	2,594,000
1	2,710,001	2,715,000	2,712,000
1	4,250,001	4,255,000	4,252,000
1	4,495,001	4,500,000	4,500,000
1	4,740,001	4,745,000	4,743,956
1	5,605,001	5,610,000	5,609,435
1	8,535,001	8,540,000	8,538,303
4,290			77,632,491

CATEGORIES OF SHAREHOLDING

As at June 30, 2025

Categories of Shareholder	Total	% age
Directors, Chief Executive Officer, Their spouses and Minor Children		
Ahsan Muhammad Saleem	1,067,083	1.4%
Directors		
Ahmad Shafi	415,460	0.5%
Ahmad Waqar	27	0.0%
Muhammad Kamran Saleem	500	0.0%
Nadeem Maqbool	79,713	0.1%
Nihal Cassim	1,750,000	2.3%
Nausheen Ahmad	2	0.0%
Syed Mahmood Ehtishamullah	19,495	0.0%
Director's Spouse		
Shahnaz Ahsan Saleem	650,600	0.8%
Directors, Chief Executive Officer, Their Spouses and Minor Children	**3,982,880**	**5.1%**
List of Associated Companies, Undertakings & Related Parties		
CSAP Staff Benevolent Fund	578,000	0.7%
Shakarganj Limited	180,000	0.2%
Suraj Cotton Mills Limited	500,129	0.6%
The Crescent Textile Mills Limited	8,538,303	11.0%
Trustees Crescent Cotton Products Staff Provident Fund	74,800	0.1%
Trustees Crescent Steel&Allied Prod G.F.	2,712,000	3.5%
Trustees Crescent Steel&Allied Prod Pn.F	5,609,435	7.2%
Trustees Crescent Steel&Allied Prod SPF	124,200	0.2%
M/s. Muhammad Amin Muhammad Bashir Limited	848	0.0%
CSAPL - Employees Pension Fund	5,000	0.0%
List of Associated Companies, Undertakings & Related Parties	**18,322,715**	**23.6%**
Mutual Funds and Modarabas		
M/s. Unicap Modaraba	190	0.0%
CDC - Trustee Meezan Balanced Fund	90,000	0.1%
CDC - Trustee Al Meezan Mutual Fund	455,000	0.6%
CDC - Trustee Meezan Islamic Fund	1,438,933	1.9%
CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	435,000	0.6%
CDC - Trustee NIT-Equity Market Opportunity Fund	383,452	0.5%
First Elite Capital Modaraba	4,500	0.0%
CDC Trustee - Meezan Dedicated Equity Fund	20,000	0.0%
CDC - Trustee Alfalah Consumer Index Exchange Traded Fund	5,473	0.0%
CDC - Trustee-PQIAAF - Pak-Qatar Asset Allocation Plan IIIA	4,500,000	5.8%
Mutual Funds and Modarabas	**7,332,548**	**9.4%**
CDC - Trustee National Investment (Unit) Trust	**1,330,736**	**1.7%**

Categories of Shareholder	Total	% age
Banks, DFIs, NBFCs		
M/s. Saudi Pak Industrial & Agrl. Investment Co. Limited	110	0.0%
M/s. Islamic Development Bank	4,743,956	6.1%
M/s. Industrial Development Bank of Pakistan	707	0.0%
M/s. Pak Libya Holding Co. (Pvt) Limited	133	0.0%
M/s. Samba Bank Limited	2,381	0.0%
Bank Alfalah Limited	625,000	0.8%
Innovative Investment Bank Limited (Under Liquidation)	1,765	0.0%
National Bank of Pakistan	1,193,600	1.5%
MCB Bank Limited - Treasury	366,400	0.5%
National Asset Management Company Limited	100	0.0%
	6,934,152	8.9%
List of Insurance Companies		
Askari General Insurance Company Limited	42,000	0.1%
Premier Insurance Limited	141,500	0.2%
Ghaf Limited	5,000	0.0%
	188,500	0.2%
Other Companies (Local and Foreign)	11,425,568	14.7%
Public		
Local	28,112,392	36.2%
Foreign	3,000	0.0%
	28,115,392	36.2%
Total	77,632,491	100.0%

FINANCIAL CALENDAR RESULTS AND DIVIDEND ANNOUNCED FY 2025

RESULT

October 28, 2024	*January* 31, 2025	*April* 29, 2025	*July* 31, 2025
First Quarter ended September 30, 2024, Approved and announced	Half year ended December 31, 2024, Approved and announced	Third Quarter ended March 31, 2025, Approved and announced	Year ended June 30, 2025, Approved and announced

DIVIDEND

Annual – Financial year 2024

Approved on August 7, 2024	*Book Closure on* October 18, 2024	*Paid on* November 11, 2024

First interim – Financial year 2025

Approved on January 31, 2025	*Book Closure on* February 14, 2025	*Paid on* February 28, 2025

Second interim – Financial year 2025

Approved on April 29, 2025	*Book Closure on* May 13, 2025	*Paid on* May 26, 2025

EXPECTED MEETING CALENDAR FY 2026:

The Company follows the period of July 01 to June 30 as the financial year. Financial Results will be announced as per the following schedule:

October 28, 2025	*October* 28, 2025*	*January* 29, 2026*	*April* 29, 2026*	*July* 31, 2026*
Annual General Meeting	First Quarter ending September 30, 2025	Half year ending December 31, 2025	Third Quarter ending March 31, 2026	Year ending June 30, 2026
June 25, 2026*				
FY27 Budget Approval				

* Dates are tentative, and the Company reserves the right to change.

BCR CRITERIA INDEX

1	ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT	
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1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	06, 32-37
1.03	Geographical location and address of all business units including sales units and plants.	22
1.04	The legislative and regulatory environment in which the company operates.	4-5
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	6-9, 28, 76
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	22, 28
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	28
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	88-89
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	10-15
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	183-185
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	32-37
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response. b) The effect of seasonality on business in terms of production and sales.	50-51
1.13	The legitimate needs, interests of key stakeholders and industry trends.	107-112
1.14	SWOT Analysis of the company.	48
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	52-55
1.16	History of major events.	24-25
1.17	Details of significant events occurred during the year and after the reporting period.	25
2	**STRATEGY AND RESOURCE ALLOCATION**	
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2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	41
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	44-46
2.04	Company's strategy on market development, product and service development.	43
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	41-42
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	43
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	43
2.08	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	80, 84
2.09	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	64-65

3	**RISKS AND OPPORTUNITIES**	
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	56-63
3.02	A Statement from the Board for determining the following: a) Company's level of risk tolerance by establishing risk management policies; b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	174
4	**SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR)**	
4.01	Board's statement for the adoption of CSR best practices including Board's commitment to continuous improvement and implementation updates in the form of periodic reviews to ensure the relevance and effectiveness of CSR practices in business strategies.	80-84
4.02	Board's statement about the company's strategic objectives and the intended impact on stakeholders on ESG (Environmental, Social and Governance) reporting/ Sustainability Reporting in line with IFRS S1 ' and IFRS S2 '.	95
4.03	A chairman's overview on how the company's sustainable practices can affect the financial performance of the company.	93
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR: • Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc.; • Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources; • Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs); • Information on consumption and management of materials, energy, water, emissions and waste.	68-73
4.05	• Status of adoption/ compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP. • ISO certifications acquired for best sustainability and CSR practices.	Not applicable
4.06	Certifications acquired for best sustainability and CSR practices or have a membership of any environmental or social groups.	158-159
5	**GOVERNANCE**	
5.01	Board composition: a) Leadership structure of those charged with governance; b) Name of independent directors indicating justification for their independence; c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience; d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.; e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	76-79, 81
5.02	A brief description about role of the Chairman and the CEO.	82, 96
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	102
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives; b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year'; c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	92-93, 102
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	102
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	96, 102
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	Not applicable
5.08	Details of formal orientation courses for directors.	Not applicable
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	105-106
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	103-104

5.11	Disclosure about related party transactions: a) Approved policy for related party transactions; b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding; c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement; d) Disclosure of director's interest in related party transactions; e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	103-104
5.12	Disclosure of Board's Policy on the following significant matters: a) Governance of risk and internal controls. b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. c) Disclosure of director's interest in significant contracts and arrangements. d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. f) Security clearance of foreign directors. g) Board meetings held outside Pakistan. h) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Gender and race diversity; • Appointment of / quota for people with disability; and • Employee engagement /feedback. i) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions. j) Communication with stakeholders. k) Dividend policy. l) Investors' relationship and grievances. m) Employee's health, safety and protection. n) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in Audit Committee's report. o) Safety of records of the company.	80-84, 96, 102, 107-112, 120-136, 140-142, 162-175
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	180-181
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	105, 203
5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives; b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	390-391
5.16	Details about Board meetings and its attendance.	84
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	82-84
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days Within 50 days Within 60 days	392

5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	103-104
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	103-104
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	180-181
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	Not applicable
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	15, 113-117, 183, 289
6	**ANALYSIS OF THE FINANCIAL INFORMATION**	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred and future prospects of profits.	185-188, 194, 197
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	191-198, 295-297
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	189-191, 292-294
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	Not applicable
6.05	a) Information about business segment and non-business segment; and b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	185-186, 258-262, 357, 361
6.06	Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	199
6.07	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	174-175, 178-179
6.08	Disclosure of market share of the company and its products and services.	213, 208
6.09	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	183, 289
6.10	Statement of Economic value added (EVA)	184

7	**Business Model**	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	30-31
7.02	Explanation of any material changes in the entity's business model during the year.	30-31
8	**Disclosures on IT Governance and Cybersecurity**	
8.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	180-181
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	
8.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	
8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	
8.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	
8.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	
9	**Future Outlook**	
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	21
9.02	Explanation as to how the performance of the company aligns with the forward-looking disclosures made in the previous year.	
9.03	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year.	
9.04	Sources of information and assumptions used for projections / forecasts in the forward- looking statement, and any assistance taken by any external consultant.	
9.05	Disclosure about company's future Research & Development initiatives.	
10	**Stakeholders Relationship and Engagement**	
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	107
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	107-108
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	111
10.04	Investors' Relations section on the corporate website.	09
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	382
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Analyst briefing conducted during the year.	
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	17, 183, 289

11	**Striving for Excellence in Corporate Reporting**	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	94
11.02	BCR criteria cross referred with page numbers of the annual report.	393-398
12	**SPECIFIC DISCLOSURES OF THE FINANCIAL STATEMENTS**	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	213-283, 307-381
Annexure II	**Specific Disclosures of the Financial Statements**	
1	Fair value of Property, Plant and Equipment.	Not Applicable
2	Particulars of significant/ material assets and immovable property including location and area of land.	237, 333
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	283, 381
4	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	Not Applicable
5	Specific disclosures required for shariah compliant companies/ companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	Not Applicable
6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)	Not Applicable
7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	Not Applicable
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans	Not Applicable
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed	Not Applicable
Specific disclosures required for shariah compliant companies		
	Loans/advances obtained as per Islamic mode	282, 380
	Shariah compliant bank deposits/bank balances	249, 347
	Profit earned from shariah compliant bank deposits/bank balances;	Not applicable
	Revenue earned from a shariah compliant business segment	282, 380
	Gain/loss or dividend earned from shariah compliant investments	
	Exchange gain earned	255, 354
	Mark up paid on Islamic mode of financing	282, 380
	Relationship with shariah compliant banks; and	232, 328
	Profits earned or interest paid on any conventional loan or advance	255, 354

APPENDICES
GRI CONTENT INDEX

The following table has been provided to help the reader in locating content within the document and specifies each of the GRI Standards used and lists all disclosures included in the report. Each disclosure is followed by a reference to the appropriate pages in the 2025 Sustainability Report or other publicly available sources.

Key

Statement of use	CSAPL has reported in accordance with the GRI Standards for the year July 1, 2024 to June 30, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	No sector standard is available for our sector.

GRI Standard/ Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	08,22			
	2-2 Entities included in the organization's sustainability reporting	04			
	2-3 Reporting period, frequency and contact point	04			
	2-4 Restatements of information	04			
	2-5 External assurance	04	Not seeking assurance this year		
	2-6 Activities, value chain and other business relationships	28,32			
	2-7 Employees	128	2-7b (iii)	Such Employees are not required	
	2-8 Workers who are not employees	-	2-8 a,b,c	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2025
	2-9 Governance structure and composition	76,80,88,90			
	2-10 Nomination and selection of the highest governance body	16			
	2-11 Chair of the highest governance body	80,105			
	2-12 Role of the highest governance body in overseeing the management of impacts	16,80			
	2-13 Delegation of responsibility for managing impacts	16			
	2-14 Role of the highest governance body in sustainability reporting	81,88,90			
	2-15 Conflicts of interest	102			
	2-16 Communication of critical concerns	80-83,102			
	2-17 Collective knowledge of the highest governance body	76			
	2-18 Evaluation of the performance of the highest governance body	96			
	2-19 Remuneration policies	96			
	2-20 Process to determine remuneration	96			
	2-21 Annual total compensation ratio	-	2-21a-c	Confidentiality constrain	Sensitive information

GRI Standard/ Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	16			
	2-23 Policy commitments	29,80,102			
	2-24 Embedding policy commitments	107,176			
	2-25 Processes to remediate negative impacts	102			
	2-26 Mechanisms for seeking advice and raising concerns	102			
	2-27 Compliance with laws and regulations	103			
	2-28 Membership associations	11			
	2-29 Approach to stakeholder engagement	107			
	2-30 Collective bargaining agreements	125			
Material Topics					
GRI 2: General Disclosures 2021	3-1 Process to determine material topics	38			
	3-2 List of material topics	38-40			
ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	113,114			
	201-2 Financial implications and other risks and opportunities due to climate change	-		Information unavailable	CSAPL does not have mechanism in place to calculate financial implications of climate change.
	201-3 Defined benefit plan obligations and other retirement plans	135			
	201-4 Financial assistance received from government	114			
MARKET PRESENCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	126			
	202-2 Proportion of senior management hired from the local community	126			
Indirect Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	144-147			
	203-2 Significant indirect economic impacts	144-147,152			
PROCUREMENT PRACTICES					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 204:Procurement Practices 2016	204-1 Proportion of spending on local suppliers	174			

GRI Standard/ Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
TAX					
GRI 3: Material Topics 2021	3-3 Management of material topics	40			
GRI 207:Tax 2019	207-1 Approach to tax	116			
	207-2 Tax governance, control, and risk management	116-117			
	207-3 Stakeholder engagement and management of concerns related to tax	116-117			
	207-4 Country-by-country reporting	116-117			
MATERIALS					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	176			
	301-2 Recycled input materials used	176			
	301-3 Reclaimed products and their packaging materials	169			
ENERGY					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	166			
	302-2 Energy consumption outside of the organization	166-168			
	302-3 Energy intensity	165			
	302-4 Reduction of energy consumption	166			
EMISSIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	162-163			
	305-2 Energy indirect (Scope 2) GHG emissions	164			
	305-3 Other indirect (Scope 3) GHG emissions	164			
	305-4 GHG emissions intensity	163			
	305-6 Emissions of ozone-depleting substances (ODS)	163	Not Applicable		
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	163			
WATER AND EFFLUENTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	170-171			
	303-2 Management of water discharge related impacts	170-171			
	303-3 Water withdrawal	170-171			
	303-4 Water discharge	170-171			
	303-5 Water consumption	170-171			

GRI Standard/ Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
WASTE					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 306: EFFLUENT AND WASTE 2020	306-1 Waste generation and significant waste-related impacts	168-169			
	306-2 Management of significant wasterelated impacts	168-169			
	306-3 Waste generated	168-169			
	306-4 Waste diverted from disposal	168-169			
	306-5 Waste directed to disposal	168-169			
ENVIRONMENTAL COMPLIANCE 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	174			
	308-2 Negative environmental impacts in the supply chain and actions taken	174	a-e	Information unavailable/ incomplete	CSAPL does not collect such information due to non-availability and reliability.
Employment and Labor Relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 401 : EMPLOYMENT 2016	401-1 New employee hires and employee turnover	130			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	135			
GRI 402: : Labor / Management Relations	402-1 Minimum notice periods regarding operational changes	125, 135 and (One month notice period)			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	125-127			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	125			

GRI Standard/ Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 403: Occupation Health and Safety 2018	403-1 Occupational health and safety management system	140-142			
	403-2 Hazard identification, risk assessment, and incident investigation	140-142			
	403-3 Occupational health services	140-142			
	403-4 Worker participation, consultation, and communication on occupational health and safety	140-142			
	403-5 Worker training on occupational health and safety	140-142			
	403-6 Promotion of worker health	140-142			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	140-142			
	403-8 Workers covered by an occupational health and safety management system	140-142			
	403-9 Work-related injuries	140-142			
	403-10 Work-related ill health	140-142			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and Safety impacts of products and services	176-177			
TRAINING					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	127			
	404-2 Programs for upgrading employee skills and transition assistance programs	127,133-134			
	404-3 Percentage of employees receiving regular performance and career development reviews	125-127			
LOCAL COMMUNITIES					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	107			
	413-2 Operations with significant actual and potential negative impacts on local communities	107			
MARKETING AND LABELING					
GRI 3: Material Topics 2021	3-3 Management of material topics	40,113			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	177			
	417-2 Incidents of non-compliance concerning product and service information and labeling	177			
	417-3 Incidents of non-compliance concerning marketing communications	177			

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

SDGS		PAGE NO	GRI STANDARDS DISCLOSURE
1 NO POVERTY	End poverty in all its forms everywhere	126144-145,152	202-1, 203-2, 413-2
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	113-114,144,147,107	201-1, 203-1 , 203-2, 413-2
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	105,140-142,162-163,164,168-169	2-27,203-1, 203-2, 305-1, 305-2, 305-3, 305-4, 305-7, 306-1, 306-2 , 403-2, 403-3
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	126-127,146-147,152,156	404-1
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.	113-114,125-127,130,133-135, 144-147	201-1, 202-1,203-1, 401-1, 401-2, 404-2,404-3, 405-1, 406-1
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all.	168-169,170-172	303-1, 303-2, 303-3, 306-1, 306-2
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all.	113-114,144,147,165 - 168	201-1, 203-1 302-1, 302-2 , 302-3, 302-4
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	103,113-114,125-135,140-147, 165-173	2-7,2-30, 201-1, 202-2, 204-1, 203-1, 203-2, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 303-3, 401-1, 401-2, 403-1, 403-2, 403-3, 404-1, 404-2, 404-3,405-1
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote sustainable industrialization and foster innovation	113-114,144-145,162-173,176-177	201-1, 203-1

SDGS		PAGE NO	GRI STANDARDS DISCLOSURE
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	103,125-127,130	2-7 ,401-1,404-3
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities inclusive, safe, resilient and sustainable	144,147	203-1
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	162-173,178-179	301-1,301-2,301-3, 302-1, 302-2,302-3, 303-3,305-1, 305-2,305-3, 305-7,306-1,306-2, 417-1
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	162-173	302-1,302-2,302-3,302-4, 305-1,305-2,305-3,305-4
14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources	162-164,168-169	305-1, 305-2, 305-3, 305-4, 305-6, , 305-7, 306-1
15 LIFE ON LAND	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	162-165	305-1, 305-2, 305-3, 305-4, 305-7
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote just, peaceful and inclusive societies	29,80,102,103,176-177	2-23,2-27, 416-2,417-2,417-3
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the global partnership for sustainable development	67,69-73	Not applicable

DEFINITIONS AND FORMULAS

Term	Explanation
Absentee	An employee absents from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity etc. are excluded.
Base year	Used for comparison in the measure of business activity. The base year for the report is 2023.
Benefit	The direct benefit provided in the form of financial contributions paid by the organization or reimbursement of expenses to employee
Carbon dioxide (CO_2)	The measure used to compare the emissions from various types of greenhouse gas (GHG). The CO_2 equivalent for a gas is determined by multiplying the metric tonnes of the gas
Community development	A plan that details actions to minimize, mitigate, or compensate for adverse financial, social, and environmental impacts and find opportunities or actions to enhance the positive impacts of a project on the community
Defined benefit plan	Post-employment benefit plan other than a defined contribution plan
Defined contribution plan	Post-employment benefit plan under which an entity pays fixed contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods
Direct (Scope 1) GHG emissions	Direct GHG emissions occur from sources that are owned or controlled by an organization
Employee	An individual who is in an employment relationship with the organization, according to national law or its application
Employee turnover	Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service
Foreign Suppliers	We consider foreign suppliers as those who are situated outside Pakistan.
Grievance mechanism	System consisting of procedures, roles and rules for receiving complaints and providing remedial actions
Governance body	Committee or board responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders
Indirect Energy (Scope 2) GHG emissions	GHG emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization
Injury	Non-fatal or fatal injury arising out of, or in the course of work
Injury rate	The frequency of injuries, relative to the total time worked by all workers during the reporting period
Local Suppliers	We consider local suppliers as those who operate within the region of our significant locations of operations or are conducting business within Pakistan.
Local minimum wage	Minimum compensation for employment per hour, or other unit of time, allowed under law
Local communities	The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by these operations.
Management approach disclosure	Narrative description of how an organization manages its material topics and their related impacts
Material topic	A topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders
Other indirect (Scope 3) GHG emissions	Indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions
Significant locations of operations	We consider significant locations of operations which are near to our corporate offices in Karachi and Lahore and near our plant sites at Nooriabad, Bhone, Jaranwala and Dalowal.
Senior management	Top ranking members of the management of an organization that include the Chief Executive Officer (CEO) and other individuals reporting directly to the CEO

Formulas Used

A) Standards, methodologies, assumptions, and/or calculation tools used.
B) Source of the conversion factors used.

TYPE OF FUEL	CONVERSION FACTOR FOR CONVERTING IN GIGA JOULES (GJ)
Coal (metric tonne)	27
Crude oil (metric tonne)	44.8
Diesel (metric tonne)	43.33
Natural Gas (MMBtu)	1.054615
Electricity (kilowatt-hour)	0.0036

C) The organization-specific metric used for the calculation of Emissions Intensity is sales turnover. Emissions intensity constitutes direct GHG emissions from self-generated energy from diesel oil and natural gas at 74.1 and 56.1 MT of CO_2 per GJ as per base year (2023).

D) Indirect GHG emission factor for electricity purchased from WAPDA is 0.67 kg of CO_2 eqv. /kWh and from that of KE is 0.58 kg of CO2 eqv. /kWh. It has been assumed that the electricity at Nooriabad, Jaranwala and Bhone is supplied from WAPDA, while the electricity at the Head Office in Karachi is supplied by KE as per IPCC standards and indirect

GHG emissions on management best estimates.

TYPE OF FUEL (IN GJ)	IPCC (INTERNATIONAL PANEL ON CLIMATE CHANGE) DEFAULT KG CO_2/GJ
Coal	96
Diesel Oil	74.1
Natural Gas	56.1

METRIC	CONVERSION IN LITRE
1 Cubic meter	1,000 Liters
1 tonne of water	1,000 Liters

METRIC	CONVERSION IN KG
1 metric ton	1,000 kilograms

Energy Intensity =
Absolute energy consumption / organization-specific metric
GHG Emissions Intensity =
Absolute GHG Emissions / Product or Sales quantity
Reused Water-Coating Plant (Litters) =
Net production time x 90
Reused water-Hydro Tester (Litters) =
Water required / Water consumed
Percentage of reclaimed products and their packaging materials=
Products and their packaging materials reclaimed within the reporting period x 100 / Products sold within the reporting period
Percentage of recycled input materials used (%) =
Total recycled input materials used / Total input materials used
Opening No. of Employees =
Closing - Outgoing + Incoming
Average No. Of Employees =
(Opening + Closing) / 2
Rate of Employee Turnover =
(Outgoing / Average No. Of Employees) x 100
Training hours per employee:
Training hours / number of employees
In time into in cash conversion:
Average Salary = Total Gross Salary of all Employees / Total Number of Employees

Ratio of standard entry-level wage for workers compared to local minimum wage: Median Wage of all workers who joined in FY24 (July 01, 2023 to June 30, 2024) / Minimum Wage for the Period (Rs. 32,000)

Ratio of Median Wage of Management without Variable Allowances: Median Wage of Management without Variable Allowances (Male/Female) / Minimum Wage for the Period (Rs. 32,000)

Ratio of Median Wage of Management with Variable Allowances: Median Wage of Management with Variable Allowances (Male/Female) / Minimum Wage for the Period (Rs. 32,000)

Ratio of Median Wage of All Workers without Overtime: Median Wage of All Workers without Overtime / Minimum Wage for the Period (Rs. 32,000)

Ratio of Median Wage of All Workers with Overtime: Median Wage of All Workers with Overtime (Male) / Minimum Wage for the Period (Rs. 32,000)

Ratio of Median Wage of All Staff without Variable Allowances: Median Wage of All Staff without Variable Allowances (Male/Female) / Minimum Wage for the Period (Rs. 32,000)

Ratio of Median Wage of All Staff with Variable Allowances: Median Wage of All Staff with Variable Allowances (Male/Female) / Minimum Wage for the Period (Rs. 32,000)

Injury rate (Injuries/day) = Number of injuries / total number of days worked by the total workforce

Occupational Disease rate (Occupational disease cases / day) = Number of occupational disease cases / total number of days worked by the total workforce

Lost day rate (Lost days / day) = Total lost days by the affected workers (due to occupational accidents and diseases) / total number of days scheduled to be worked by the workforce in the reporting period

Absentee rate = [Actual absentee days lost / total days scheduled to be worked by the workforce for the period] x 100

Gender Pay Gap Statement formulas

Mean Gender Pay Gap = $\frac{(A - B)}{A} \times 100$

A = Mean hourly rate of pay of all male full pay relevant employees
B = Mean hourly rate of pay of all female full pay relevant employees

Median Gender Pay Gap = $\frac{(C - D)}{C} \times 100$

C = Median hourly rate of pay of all male full pay relevant employees
D = Median hourly rate of pay of all female full pay relevant employees

Economic Performance:

PBT % of Sales: Profit before Tax/Total Sales
Gross Profit Margin: Sales Revenue/ Gross Income
Value generated per Share: Wealth Distributed/ Average Number of Shares Outstanding.
Value distributed per Share: Value generated/ Average Number of Shares Outstanding

EMISSIONS RESULTS

External Test Results (March 2025)				
Measuring Parameters	Units	Testing Method	SEQS Limits	Test Results
A. Power House- Generators Emission				
A) CUMMINS 1400 KVA				
CO	Mg/ Nm^3	ASTM D-6522	800	212
SO_2	Mg/ Nm^3	ASTM D-6522	1700	49
Oxides of Nitrogen	Mg/ Nm^3	ASTM D-6522	600	296
Particulate Matter	Mg/ Nm^3	ASTM D-3685	300	31
Smoke	Ringelmann Scale	ASTM D-2156	2	1
Noise	Decibels	ASTM E-1686-16	85	74.2

External Test Results (March 2025)				
b) Waukesha C94773/2				
CO	Mg/ Nm^3	ASTM D-6523	800	232
Oxides of Nitrogen	Mg/ Nm^3	ASTM D-6522	600	254
c) Komatsu 100 Kva				
CO	Mg/ Nm^3	ASTM D-6522	800	292
SO_2	Mg/ Nm^3	ASTM D-6522	1700	84
Measuring Parameters	Units	Testing Method	SEQS Limits	Test Results
Oxides of Nitrogen	Mg/ Nm^3	ASTM D-6522	600	244
Particulate Matter	Mg/ Nm^3	ASTM D-3685	300	32
Smoke	Ringelmann Scale	ASTM D-2156	2	1
Noise	Decibels	ASTM E-1686-16	85	76.2
B. Coating Plant Stripping Emission -Furnace/Heaters				
Main Gas Furnace				
CO	Mg/ Nm^3	ASTM D-6522	800	75
Oxides of Nitrogen	Mg/ Nm^3	ASTM D-6522	400	22
Pre-Heater 1				
CO	Mg/ Nm^3	ASTM D-6522	800	63
Oxides of Nitrogen	Mg/ Nm^3	ASTM D-6522	400	26
Pre-Heater 2				
CO	Mg/ Nm^3	ASTM D-6522	800	73
Oxides of Nitrogen	Mg/ Nm^3	ASTM D-6522	400	21
C. Vehicular Emission				
TCM-FD1605-3 8A505081				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6523	6	2.6
Noise	Decibels	ASTM E-1686-16	85	80.9
TCM-FD1605-3 8A505190				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6522	6	2.2
Noise	Decibels	ASTM E-1686-16	85	77.2
TRACTOR MF-240				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6523	6	3.2
Noise	Decibels	ASTM E-1686-16	85	79.8
HI-ACE CZ-8036				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6522	6	1.1
Noise	Decibels	ASTM E-1124	85	62.1

External Test Results (March 2025).				
Measuring Parameters	Units	Testing Method	SEQS Limits	Test Results
HI-ACE JF-6042				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6522	6	0.9
Noise	Decibels	ASTM E-1124	85	67.5
CAR BWT-096				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6522	6	0.5
Noise	Decibels	ASTM E-1124	85	65.9
CAR BWX-021				
Smoke	Ringelmann Scale	ASTM D-2156	2	1
CO	CO (%)	ASTM D-6522	6	.7
Noise	Decibels	ASTM E-1124	85	69.2
D. PROCESS Emission				
a) CP STRIPPING				
CO	Mg/ Nm^3	ASTM D-6523	800	72
Oxides of Nitrogen	Mg/ Nm^3	ASTM D-6522	400	17

D. Backup Generators (non-routine; only operative when KESC/WAPDA supply is down)
The following parameters are analyzed: CO, Oxides of Nitrogen, Smoke, SO_2, Noise and Particulate matter

GLOSSARY - LIST OF ABBREVIATIONS

ACIR	Additional Commissioner Inland Revenue
AEL	Altern Energy Limited
API	American Petroleum Institute
APTMA	All Pakistan Textile Mills Association
ASTM	American Society for Testing and Materials
AWWA	American Water Works Association
BCI	Better Cotton Initiative
BCR	Best Corporate Report
BMR	Balancing, Modernization and Replacement
Board	Board of Directors
BOI	Board of Investment
BU	Business Unit
CCP	Crescent Cotton Products
CDC	Central Depository Company of Pakistan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHEC-AFI	China Harbour Engineering Company – Al Fajr International Joint Venture
CIO	Chief Information Officer
CIR	Commissioner Inland Revenue
CIRA	Commissioner Inland Revenue Appeals
CO	Carbon monoxide
CO2	Carbon dioxide
COVID-19	Coronavirus Disease of 2019
CPEC	China Pakistan Economic Corridor
CRTM	Crescent Textile Mills Limited
CSAPL	Crescent Steel and Allied Products Limited
CSCL	CS Capital (Private) Limited
CSR	Corporate Social Responsibility
CVN Test	Charpy V-Notch
Dia	Diameter
DISCOS	Distribution Companies
DRP	Disaster Recovery Plan
DSC	Differential Scanning Calorimeter
E&P	Exploration and Production
EBIT	Earnings before Interest and Taxation
EBITDA	Earnings before Interest, Taxation Depreciation and Amortization
ECL	Expected Credit Loss
EDB	Engineering Development Board of Pakistan
EOBI	Employees' Old Age Benefit Institute
EPS	Earning Per Share
ERP	Enterprise Resource Planning
ERS	Expeditious Refund System
ESG	Environmental, Social, Governance
FBR	Federal Board of Revenue
FCF	Free Cash Flow
FDI	Foreign Direct Investment
FESCO	Faisalabad Electric Supply Company
FVOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
GDP	Gross Domestic Product
GHG	Greenhouse gas
GIDC	Gross Infrastructure Development Cess
GJ	Gigajoule
GoP	Government of Pakistan
GoS	Government of Sindh
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HAZ	Heat Affected Zone
HIRA	Hazard Identification and Risk Assessment
HR	Human Resource
HR Coil	HR Coil Hot Rolled Coil
HRR	Human Resource and Remuneration
HSAW	Helical Sub-merged Arc Welded
HSE	Health, Safety and Environment
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAS	Islamic Financial Accounting Standards
IFAS	Islamic Financial Accounting Standards
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IID	Investment and Infrastructure Development
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standards
IT	Information Technology
ITP	Import Trade Prices
KG	Kilo Gram
KIBOR	Karachi Interbank Offer Rate
Lbs	Pounds
LC	Letter of Credit
LED	Light Emitting Diode
LHC	Lahore High Court
LNG	Liquefied Natural Gas

LOI	Letter of Interest
LRQA	Lloyd`s Register Quality Assurance
LSM	Large Scale Manufacturing
MFI	Melt Flow Index
Mg/ Nm3	Milligrams per cubic meter
MT	Metric tons
MT	Metric ton
MWh	Megawatt-Hour
NBV	Net Book Value
NEQS	National Environmental Quality Standards
NRV	Net Realisable Value
NTDC	National Transmission and Despatch Company
OCI	Other Comprehensive Income
OHSAS	Occupational Health and Safety Management System
OPS	Ounce Per Spindle
OSH&E	Occupational Safety, Health and Environment
PEPA	Pakistan Environmental Protection Act
PEPCO	Pakistan Electric Power Company
PICG	Pakistan Institute of Corporate Governance
PKR	Pakistani Rupee
PNAC	Pakistan National Accreditation Council
PPA	Power Purchase Agreement
PPDB	Punjab Power Development Board
PRA	Punjab Revenue Authority
PSDP	Public Sector Development Programme
PSML	Pakistan Steel Mills Limited
PSX	Pakistan Stock Exchange
PSX	Pakistan Stock Exchange
QMS	Quality Management System
QMS	Quality Management Standard
RoU	Right of Use Asset
SBP	State Bank of Pakistan
SCP	Supreme Court of Pakistan
SdeE	Solution de Energy (Private) Limited
SECP	Securities and Exchange Commission of Pakistan
SEQS	Sindh Environmental Quality Standards
SFPL	Shakargaj Food Products Limited
SHC	Sindh High Court
SITE	Sindh Industrial Trade Estate
SMEDA	Small and Medium Enterprise Development Authority
SML	Shakarganj Mills Limited
SNGPL	Sui Northern Gas Pipelines Limited
SO2	Sulphur Dioxide
SOP	Standard Operating Procedure
SP	Spiral Pipe
SRB	Sindh Board of Revenue
SSGC	Sui Southern Gas Company Limited
TCF	The Citizens Foundation
THF	The Health Foundation
UNEP	United Nations Environment Programme
USD	United States Dollars
USDA	United States Department of Agriculture
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund
YoY	Year on Year

FORM OF PROXY
41ST ANNUAL GENERAL MEETING

I/We_______________________________________s/o________________________________ r/o_______________, being member(s) of Crescent Steel and Allied Products Limited and holder of ____________ Shares as per Folio No.___________/CDC Participation ID # ____________and Sub Account # __________/CDC Investor Account ID #_____________________________hereby appoint _________________________________s/o___________________ _______r/o________________ having Folio No. __________________CDC Participation ID # __________ and Sub Account # __________/CDC Investor Account ID #_____________as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of Crescent Steel and Allied Products Limited scheduled to be held on Tuesday, October 28, 2025 at 11:00 am, Lahore, through video-link and any adjournment thereof.

At witness my/our hand this_____ day of _____________2025.

1. Name _________________________
   CNIC _________________________
   Address _________________________
   ____

2. Name _________________________
   CNIC _________________________
   Address _________________________
   ____

Please affix here Revenue Stamps of Rs. 50/-

____
Members' Signature

Note:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint another member as proxy.

2. The instrument appointing a Proxy validly filled and signed together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office or the office of the Share Registrar of the Company, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore, not less than 48 hours before the time of holding the Meeting.

3. CDC account holders will further have to follow the guidelines as laid down in circular # 1 dated 26 January 2000 of the Securities & Exchange Commission of Pakistan for appointing Proxies.

4. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

5. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

6. The members who are registered after the necessary verification shall be provided a video-link of the meeting by the Company on the same email address that they emailed the company with.

7. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures and email details of the representative and a copy of CNIC shall be submitted along with proxy form to the Company.

پراکسی فارم

41 واں سالانہ اجلاس

میں مسمی / مسماۃ ____________ بن / بنت ____________ ساکن / ساکنہ ____________

بحیثیت رکن (ممبر) کریسنٹ اسٹیل اینڈ الائیڈ پروڈکٹس لمیٹڈ

اور حامل ________ حصص بحوالہ فولیو نمبر ________ سی ڈی سی شراکت داری شناختی نمبر ________ اور ذیلی اکاؤنٹ نمبر ________

سی ڈی سی انویسٹر اکاؤنٹ نمبر ________ بذریعہ ہذا مسمی / مسماۃ ________ بن / بنت ________

ساکن / ساکنہ ________ حامل فولیو نمبر ________ سی ڈی سی شراکت داری شناختی نمبر ________

اور ذیلی اکاؤنٹ نمبر ________ سی ڈی سی انویسٹر اکاؤنٹ نمبر ________ کو اپنی جانب سے پراکسی مقرر کرتا ہوں / کرتی ہوں کہ بروز منگل مورخہ 28 اکتوبر 2025 بوقت صبح 11 بجے، لاہور پر یا بذریعہ ویڈیو لنک کے طریقے سے کریسنٹ اسٹیل اینڈ الائیڈ پروڈکٹس لمیٹڈ کے سالانہ اجلاس عام میں میری جانب سے شرکت کرے، اپنی رائے کا اظہار کرے اور میری جانب سے حق رائے دہی استعمال کرے۔

مورخہ ________ 2025 کو میرے / ہمارے دستخط سے جاری ہوا۔

برائے مہربانی یہاں 50 روپے والی ریونیو اسٹیمپ چسپاں کریں

____

دستخط ممبر

نام ________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ________

پتہ ________

____

نام ________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ________

پتہ ________

____

نوٹس:

1۔ کوئی بھی ممبر جو کہ اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کا استحقاق رکھتا ہو اپنی جگہ کسی اور ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔

2۔ پراکسی مقرر کرنے کیلئے باقاعدہ پر شدہ اور دستخط شدہ دستاویز اور اگر لازم ہو تو پاور آف اٹارنی کے ساتھ جو دستخط شدہ ہو یا نوٹری سے توثیق شدہ ہو اور اس کی نقل کمپنی کے حصص رجسٹرار کورپ لنک (پرائیویٹ) لمیٹڈ E-503، جوہر ٹاؤن، لاہور کے پاس اجلاس منعقد ہونے سے کم از کم 48 گھنٹے قبل جمع کروا دی جائے۔

3۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو سرکلر نمبر 1 مورخہ 26 جنوری 2000 از سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان برائے پراکسی میں مذکور ہدایات پر بھی عمل کرنا ہوگا۔

4۔ پراکسی فارم پر دو افراد کی جانب سے گواہی ہونا لازم ہے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر بھی فارم پر درج کرنا لازم ہے۔

5۔ پراکسی فارم کے ساتھ مستفید مالک اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا لازم ہے۔

6۔ لازمی توثیق کے بعد رجسٹرڈ ہونے والے ممبران کو کمپنی کے اجلاس کے سلسلے میں ای میل پر ایک ویڈیو لنک فراہم کیا جائے گا جو کہ ان کی جانب سے کمپنی کو فراہم کیا گیا تھا۔

7۔ بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد بمعہ نمونہ دستخط اور ای میل تفصیلات بابت نمائندہ اور کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل کمپنی کو فراہم کیا جانا لازم ہے۔


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