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reclaiming leadership

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

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CHINOY GROUP

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a **bold** new face



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With a renewed identity, we move forward with the same
trust we have built over the past 77 years as
Pakistan's leading pipe company.

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 **ASC** AMIR S.
CHINOV
GROUP

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Company Information

Chairman (Non-Executive)

Mr. Kamal A. Chinoy

Independent Directors

Mr. Asif Jooma
Mr. Haider Rashid
Mr. Mansur Khan

Non-Executive Directors

Mr. Asim Rafiq
Mr. Mustapha A. Chinoy
Mrs. Selina Rashid Khan

Chief Executive Officer

Mr. Yousuf H. Mirza

Executive Director

Mr. Zain K. Chinoy

Chief Financial Officer

Mr. Salman Najeeb

Company Secretary & Head of Legal Affairs

Mr. Mohammad Irfan Bhatti

Chief Internal Auditor

Mr. Muhammad Atif Khan

External Auditor

M/s A.F. Fergson & Co.

Bank

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
Meezan Bank Limited
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
The Bank of Punjab
JS Bank Limited

Legal Advisor

K.M.S. Law Associates

National Tax Number

0710735-8

Sales Tax Registration Number

02-04-7306-001-82

Registered Office

101 Beaumont Plaza,
10 Beaumont Road,
Karachi - 75530, Pakistan.
Telephone: +9221-35680045-54
UAN: +9221-111-019-019
E-mail: investors@iil.com.pk

Lahore Office

Chinoy House, 6 Bank Square,
Lahore - 54000, Pakistan
Telephone: +92-42-37229752-55
UAN: +92-42-111-019-019
Email: lahore@iil.com.pk

Islamabad Office

Plot No. 9, Street No. 01,
Ibrahim Tower, Business Park,
Gulberg Green, Islamabad, Pakistan

Multan Office

Office No. 708-A, United Mall,
Abdali Road, Multan.

Peshawar Office

Office No. 1 & 2, 1st Floor,
Hurmaz Plaza, Opp. Airport
Main University Road, Peshawar, Pakistan.
Telephone: +9291-5845068

IIL Trading (Pvt.) Limited

101 Beaumont Plaza, 10 Beaumont Road
Karachi - 75530, Pakistan
Website: www.iil.com.pk/csl

• IIL Trading Display Outlets

Karachi :

Plot No. 91-C, Phase-II
Ext. 24th Commercial Street,
DHA, Karachi.

Lahore :

BWB 192, Broadway Commercial,
DHA, Phase 8, Lahore.

IIL Americas Inc.

Suite 210-5800
Ambler Drive, Mississauga
ONL4W4J4, Canada

IIL Australia Pty Limited

101-103, Abbott Road, Hallam, Victoria 3803, Australia
Website: www.australia.com

INIL Europe Limited

Ground Floor 71,
Lower Baggot Street,
Dublin 2, Co. Dublin,
D02 P593, Ireland

Factories

Factory 1

LX 15-16, Landhi Industrial Area,
Karachi - 75120, Pakistan
Telephone: +9221-3508045-55

Factory 2

Survey # 405 & 406, Rehri Road,
Landhi, Karachi - 75160, Pakistan

Factory 3

22 KM, Sheikhupura Road, Lahore, Pakistan
Telephone: +9242-37190491-3

Investor Relations Contact

Share Registrar
CDC Share Registrar Services Limited
CDC House, 99 B, Block B, S.M.C.H.S.
Main Shahra-e-Faisal, Karachi, Pakistan.
Telephone: +92-21-34326053
E-mail: info@cdcsrsl.com
Website: www.cdcsrsl.com

Corporate Website

www.iil.com.pk

Directors' Report

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

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

Macroeconomic conditions remained broadly stable during the period, supported by fiscal discipline and the continued implementation of structural reforms under the International Monetary Fund's Extended Fund Facility (EFF) and Resilience and Sustainability Facility (RSF) programmes. A stable inflation environment enabled the State Bank to reduce the policy rate to 10.5% in its most recent review, following a period of policy stability. External sector indicators remained satisfactory, with a manageable current account position, relative stability in the exchange rate, and an improvement in foreign exchange reserves, together reinforcing overall macroeconomic stability.

The global steel industry continued to operate in a challenging environment, marked by structural overcapacity, ongoing trade restrictions, and uneven demand across major economies. Global demand remained generally subdued, while elevated export volumes and trade barriers continued to exert pressure on pricing and margins. Against this backdrop, the domestic steel industry remained relatively resilient, supported by ongoing infrastructure activity and steady demand from the construction and allied sectors.

During the period, the Company achieved double-digit growth in sales volumes across its major product lines, reflecting strong operational efficiency and an enhanced market presence. Profit after tax increased by 80% to Rs. 699 million, compared to Rs. 387 million in the corresponding period last year. This improvement was primarily attributable to higher dividend income from the subsidiary, along with consistent operating performance. Earnings per share (EPS) increased to Rs. 5.30, as compared to Rs. 2.94 in the same period of the previous year.

The Company's primary subsidiary, International Steels Limited (ISL), recorded a profit after tax of Rs. 1,615 million, an increase from the Rs. 534 million reported in the equivalent period last year. This translated to an EPS of Rs. 3.71 for ISL, compared to Rs. 1.23 in the prior year's corresponding period.

The outlook for the remainder of the financial year is positive, supported by improving macroeconomic stability and firm domestic demand. While regional geopolitical conflicts continue to persist, the Company does not expect any material disruption to its supply chain, which remains resilient and well diversified. The Company is well positioned to benefit from these conditions and will continue to focus on operational excellence, cost optimisation, and product diversification to strengthen its competitive position and deliver sustainable long-term value to all stakeholders.

The Board of Directors expresses its sincere appreciation to all shareholders, customers, employees, and business partners for their continued trust, dedication, and support.

For & on behalf of
International Industries Limited



Kamal A. Chinoy
Chairman

Karachi: January 29, 2026

ڈائریکٹرز کی رپورٹ

برائے 31 دسمبر 2025

کمپنی کے بنیادی ذیلی ادارے، انٹرنشنل اسٹیلز لمیٹڈ (ISL) نے 1,615 ملین روپے کا بعد ازاں لیکس منافع ریکارڈ کیا جبکہ گزشتہ سال 534 ملین روپے تھا۔ اس کے نتیجے میں ISL کے فی شیئر آمدنی 3.71 روپے رہی جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت میں 1.23 روپے تھی۔

مالی سال کے بقیہ حصے کا منظر نامہ ثبت نظر آرہا ہے جس کا سبب میکرو اکنامک کے استحکام میں بہتری اور رہنمائی ملکی طلب ہے۔ اگرچہ علاقائی جغرافیائی تباہات برقرار ہیں، لیکن کمپنی کو اپنی سپلائی چین میں کسی رکاوٹ کی توقع نہیں ہے، جو کہ لچک دار اور مناسب طور پر متنوع ہے۔ کمپنی ایسے حالات میں بھی فائدہ حاصل کرنے کیلئے اچھی پوزیشن میں ہے اور اپنی مسابقاتی پوزیشن کو مضبوط رکھنے کیلئے آپریشنز کی مہارت، لاگت کی اصلاح اور پروڈکٹ کے تنوع پر خصوصی توجہ جاری رکھے گی اور اپنے تمام اسٹیک ہولڈرز کو طویل مدت تک مستحکم خدمات پیش کرنے کیلئے پر عزم ہے۔

بورڈ آف ڈائریکٹرز اپنے تمام حصص داران، صارفین، ملازمین اور کاروباری شرکت داروں کے بھرپور اعتماد، خلوص اور تعاوون کیلئے مشکور ہے۔

برائے اور منجانب

انٹرنشنل انڈ سٹریز لمیٹڈ

کمال اے چنانے

چیئر مین

کراچی: 29 جنوری 2026

ڈائریکٹر کی رپورٹ

برائے 31 دسمبر 2025

ڈائریکٹر، کمپنی کے مالیاتی ایٹمنٹس برائے ششماہی مختتمہ 31 دسمبر 2025 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مذکورہ مدت میں میکرو اکنامکس کے حالات بڑی حد تک مستحکم رہے جس کو مالیاتی انتظام اور انٹریشنس مانیٹری فنڈز کی ایکسٹنڈ ڈ فنڈ فیسیلیٹی (EFF) اور ریزائلنس اینڈ سٹیشن ایبلیٹی فیسیلیٹی (RSF) پروگرامز سے بھی مدد ملی۔ اسٹیٹ بینک نے معاشی استحکام کی بناء پر اپنے تازہ ترین جائزے میں پالیسی ریٹ 10.5% تک کم کر دیا جبکہ بیرونی شعبہ کے اشارے بھی تسلی بخش رہے جس میں کرنٹ اکاؤنٹ کی قابل انتظام صورتحال، زر مبادلہ کی شرح میں نسبتاً استحکام اور زر مبادلہ کے ذخائر میں بہتری شامل ہے جن سے مجموعی طور پر معاشی ایتھکام کو تقویت حاصل ہوئی۔

عالمی سطح پر اسٹیٹل کی صنعت کا پیداواری عمل مشکلات کا شکار رہا جس میں ساختی اضافی گنجائش، جاری تجارتی پابندیاں اور بڑی معيشتوں کی طلب میں اتار چڑھاؤ شامل رہا۔ عام طور پر عالمی طلب میں کمی دیکھنے میں آئی جبکہ برآمدی جنم میں اضافے اور تجارتی پابندیوں کے باعث قیمتوں اور مارجنز پر مسلسل دباؤ جاری رہا۔ اس پس منظر کے برخلاف، ملکی اسٹیٹل اندسٹری میں نسبتاً چک کی صورتحال رہی جس کو انفراء اسٹرکچر کی جاری سرگرمیوں اور تعمیراتی اور دیگر متعلقہ شعبہ جات کی جانب سے اضافی طلب سے مدد ملی۔

مذکورہ عرصے میں کمپنی اپنی بنیادی مصنوعات کے فروخت کے حجم میں دو ہندسی اضافہ حاصل ہوا، جس سے آپرینگ کی مضبوط استعداد اور مارکیٹ میں بہتر موجودگی کا اظہار ہوتا ہے۔ بعد از ٹیکس منافع 80% اضافے کے ساتھ 699 ملین روپے حاصل ہوا جو کہ گز شستہ سال اسی مدت میں 387 ملین روپے تھا۔ یہ بہتری بنیادی طور پر ذیلی کمپنی سے حاصل ہونے والے ڈیویڈنڈ کی زیادہ آمدی اور آپرینگ کی یکساں کارکردگی کی بناء پر ممکن ہوئی۔ فی شیئر آمدی (EPS) بڑھ کر 5.30 روپے رہی جو گز شستہ سال کی اسی مدت کیلئے 2.94 روپے تھی۔

Independent Auditors' Review Report

For the period ended December 31, 2025



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

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

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

Scope of Review

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

Conclusion

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

Other matter

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

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.


A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: February 12, 2026

UDIN: RR202510059gfG4ikhnB

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

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Unconsolidated
Condensed Interim Financial Position

Unconsolidated Condensed Interim Statement of Financial Position

AS AT DECEMBER 31, 2025

	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025
		----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	12,670,097	12,960,428
Intangible assets		341	612
Investments	6	3,448,380	3,448,380
Long-term deposits		7,450	7,450
		16,126,268	16,416,870
CURRENT ASSETS			
Stores and spares	7	289,745	186,095
Stock-in-trade		10,103,317	7,933,437
Trade debts		3,874,108	4,129,520
Advances, trade deposits and prepayments		105,482	73,910
Other receivables		24,409	43,404
Staff retirement benefits		68,854	82,240
Sales tax receivable		765,212	250,985
Cash and bank balances	8	1,060,593	802,581
		16,291,720	13,502,172
TOTAL ASSETS		32,417,988	29,919,042
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		2,700,036	2,700,036
Unappropriated profit		8,471,856	8,229,862
Capital reserve			
Revaluation surplus on property, plant and equipment		7,340,095	7,410,004
TOTAL SHAREHOLDERS' EQUITY		19,830,806	19,658,721
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	9	417,743	462,692
Deferred income - government grant		17,903	21,669
Deferred taxation - net		154,048	305,653
		589,694	790,014
CURRENT LIABILITIES			
Trade and other payables	10	3,961,903	3,167,510
Contract liabilities		476,572	429,517
Short-term borrowings - secured	11	7,028,397	5,156,157
Unclaimed dividend		44,384	40,534
Current portion of long-term financing - secured	9	99,039	126,017
Taxation - net		308,755	511,466
Accrued mark-up		78,438	39,106
		11,997,488	9,470,307
TOTAL LIABILITIES		12,587,182	10,260,321
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		32,417,988	29,919,042

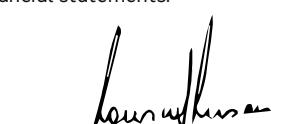
The annexed notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Note	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in '000)			
Revenue from contracts with customers	13	14,005,420	11,851,845	6,703,188
Cost of sales	14	(12,328,867)	(10,650,260)	(5,940,945)
Gross profit		1,676,553	1,201,585	762,243
Selling and distribution expenses		(836,633)	(639,457)	(431,480)
Administrative expenses		(249,193)	(201,798)	(122,136)
(Charge) / reversal of loss allowance on trade debts		(4,036)	15,104	(1,882)
Operating profit		586,691	375,434	206,745
Finance cost		(303,157)	(347,081)	(160,988)
Other operating (expense) / income		(32,171)	(9,698)	(8,933)
Other income / (expense)	15	721,614	691,436	112,846
Profit before levies and income tax		972,977	710,091	149,670
Levies	16	-	(15,154)	-
Profit before tax		972,977	694,937	149,670
Income tax expense	17	(273,364)	(307,454)	(47,253)
Profit / (loss) after tax for the period		699,613	387,483	102,417
Earnings / (loss) per share - basic and diluted (Rupees)		5.30	2.94	0.78
				(0.50)

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



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial Officer



Yousuf H. Mirza
Chief Executive Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended December 31, 2025	December 31, 2024	Quarter ended December 31, 2025	December 31, 2024
----- (Rupees in '000) -----				
Profit / (loss) after tax for the period	699,613	387,483	102,417	(66,467)
Other comprehensive income				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	699,613	387,483	102,417	(66,467)

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



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial Officer



Yousuf H. Mirza
Chief Executive Officer

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserve Revaluation surplus on property, plant and equipment	Total
		General reserve	Unappropriated profit		
(Rupees in '000) -----					
Balance as at July 1, 2024		1,318,819	2,700,036	7,440,635	6,968,184
Profit after tax for the period		-	-	387,483	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	387,483	387,483
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax		-	-	34,836	(34,836)
Transactions with owners recorded directly in equity - distributions					
Final dividend at 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024		-	-	(461,587)	-
Balance as at December 31, 2024		1,318,819	2,700,036	7,401,367	6,933,348
Balance as at July 1, 2025		1,318,819	2,700,036	8,229,862	7,410,004
Profit after tax for the period		-	-	699,613	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	699,613	699,613
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax		-	-	69,909	(69,909)
Transactions with owners recorded directly in equity - distributions					
Final dividend at 40% (i.e. Rs. 4.00 per share) for the year ended June 30, 2025		-	-	(527,528)	-
Balance as at December 31, 2025		1,318,819	2,700,036	8,471,856	7,340,095
					19,830,806

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



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Note	Half year ended	
	December 31, 2025	December 31, 2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	18	(741,260) 4,991,428
Finance cost paid		(259,463) (576,152)
Restricted cash on account of lien		(189,000) (140,000)
Income on bank deposits received		2,830 13,925
Staff retirement benefits paid		(6,834) (46,501)
Payment on account of compensated absences		(10,121) (20,165)
Income tax and levies paid		(627,680) (374,958)
Increase in long-term deposit		- (3,092)
Net cash (used in) / generated from operating activities		(1,831,528) 3,844,485
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment		(127,440) (189,163)
Investment in associate		- (48,450)
Proceeds from disposal of property, plant and equipment		53,290 41,643
Dividend received		702,417 735,167
Net cash generated from investing activities		628,267 539,197
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing		(76,289) (1,133,324)
Short term - borrowing obtained		16,553,485 9,495,088
Short term - borrowing repaid		(14,226,041) (11,764,493)
Dividend paid		(523,678) (460,958)
Net cash generated / (used in) from financing activities		1,727,477 (3,863,687)
Net increase in cash and cash equivalents		524,216 519,995
Cash and cash equivalents at beginning of the period		(247,123) (135,091)
Cash and cash equivalents at end of the period	19	277,093 384,904

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



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1. STATUS AND NATURE OF BUSINESS

International Industries Limited ("the Company") was incorporated in Pakistan on March 1, 1948 under the Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The Company is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, structural hollow sections, stainless steel tubes, polymer pipes & fittings. The Company also offers customized construction solution services. The registered office of the Company is situated at 101-107 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

The manufacturing facilities of the Company are situated as follows:

- i) LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi;
- ii) Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi; and
- iii) 22 KM Sheikhupura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhupura.

The sales offices and warehouse of the Company are situated as follows:

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Office No. 708-A, United Mall, Abdali Road, Multan;
- iii) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
- iv) Plot no. 9, Gulberg Green, Islamabad; and
- v) Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and associates have been accounted for at cost less accumulated impairment losses, if any. Details of the Company's investment in subsidiaries and associated companies are stated in note 6 to these unconsolidated condensed interim financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

2.1.2 These unconsolidated condensed interim financial statements are unaudited and are being submitted to the shareholder as required under section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2025.

2.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (Gratuity Fund) which is determined on the basis of the present value of defined benefit obligations less fair value of plan assets determined by an independent actuary and land and buildings at revalued amounts assessed by an independent valuer which are stated at fair value.

2.3 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION

3.1 The accounting policies and methods of computation (except as disclosed in note 4.4) adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of audited annual separate financial statements of the Company as at and for the year ended June 30, 2025.

3.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2026. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements except for;

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The management is in process of assessing the impact of above changes.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2025.

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

4.4 During the period the management reassessed the useful life of certain components of buildings based on the historical pattern of physical wear and tear. As a result of this reassessment, depreciation expense for the half year ended has decreased by Rs. 12.91 million which is not material to these unconsolidated condensed interim financial statements.

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Operating assets	Capital work-in-progress (including capital stores and spares)	Total
----- (Rupees in '000) -----				
Cost / revalued amount				
Balance at beginning of the period		17,340,838	52,534	17,393,372
Additions		-	127,440	127,440
Transfers	5.1	123,311	(123,311)	-
Disposals	5.1	(82,729)	-	(82,729)
		17,381,420	56,663	17,438,083
Accumulated depreciation				
Balance at beginning of the period		(4,432,944)	-	(4,432,944)
Charge for the period		(381,698)	-	(381,698)
Disposals	5.1	46,656	-	46,656
		(4,767,986)	-	(4,767,986)
Written down value as at December 31, 2025 (Un-audited)				
		12,613,434	56,663	12,670,097
Written down value as at June 30, 2025 (Audited)		12,907,894	52,534	12,960,428

5.1 Additions and disposals of operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
----- (Rupees in '000) -----				
Building on freehold land	9,829	29,061	-	-
Building on leasehold land	7,198	1,040	-	-
Plant and machinery	64,326	84,057	30,013	247
Furniture, fixtures and office equipment	20,474	17,181	160	564
Vehicles	21,484	22,043	5,900	4,497
	123,311	153,382	36,073	5,308

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

6. INVESTMENTS

(Un-audited) December 31, 2025 (Number of shares)	(Audited) June 30, 2025		(Un-audited) December 31, 2025	(Audited) June 30, 2025	Note	----- (Rupees in '000) -----
Quoted Companies						
245,055,543						
245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company, at cost	2,450,555	2,450,555		
9,325,438	9,325,438	Pakistan Cables Limited (PCL) - associated company, at cost	817,553	817,553		
Un-quoted Companies						
150,000						
150,000	150,000	IIL Americas Inc. (IIL Americas) - subsidiary company, at cost	17,966	17,966		
100,000	100,000	IIL Australia Pty. Limited (IIL Australia) - subsidiary company, at cost	9,168	9,168		
7,727,270	7,727,270	IIL Trading (Private) Limited - subsidiary company, at cost	77,273	77,273		
90,000	90,000	INIL Europe Limited - subsidiary company, at cost	27,415	27,415		
4,845,000	4,845,000	Chinoy Engineering & Construction (Private) Limited - associated company, at cost	48,450	48,450		
3,448,380						

7. STOCK-IN-TRADE

Raw material - in hand - in transit	7.1 & 7.2	4,050,496	2,465,317
		1,442,517	1,654,785
		5,493,013	4,120,102
Work-in-process	7.3	1,474,864	1,429,708
Finished goods	7.4	2,940,616	2,207,770
By-products		106,639	104,742
Scrap material		88,185	71,115
		10,103,317	7,933,437

7.1 Raw material amounting to Rs. 1.9 million as at December 31, 2025 (June 30, 2025: Rs. 3.1 million) was held at a vendor's premises for the production of pipe caps.

7.2 Raw material include items amounting to Rs. 8.71 million as at December 31, 2025 (June 30, 2025: Rs. 10.06) stated at their net realizable values against their cost Rs. 8.89 million (June 30, 2025: Rs. 10.48 million).

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

7.3 Work-in-progress include items amounting to Rs. 13.34 million as at December 31, 2025 (June 30, 2025: Rs. 21.34) stated at their net realizable values against their cost Rs. 14.55 million (June 30, 2025: Rs. 22.03 million).

7.4 Finished goods include items amounting to Rs. 64.61 million as at December 31, 2025 (June 30, 2025: Rs. 100.99 million) stated at their net realizable values against their cost Rs. 72.82 million (June 30, 2025: Rs. 109.49 million).

8. CASH AND BANK BALANCES

This includes Rs. 468.25 million (2025: Rs. 279.25 million) held as margin in a restricted account against bank guarantee issued in favor Excise and Taxation Officer in respect of infrastructure cess.

9.	LONG-TERM FINANCING - secured	Note	(Un-audited)	(Audited)		
			December 31, 2025	June 30, 2025		
----- (Rupees in '000) -----						
CONVENTIONAL						
	Long-Term Finance Facility (LTFF)	9.2	232,479	281,875		
ISLAMIC						
	Islamic Long-Term Finance Facility (ILTFF)	9.3	62,044	69,474		
	Islamic Temporary Economic Refinance Facility (ITERF)	9.4	185,710	200,728		
	Islamic Finance Facility for Renewable Energy (IFRE)	9.5	62,222	66,667		
			309,976	336,869		
			542,455	618,744		
	Less: Deferred income - government grant					
	Less: Current portion of long-term financing:		(25,673)	(30,035)		
CONVENTIONAL						
	Long-Term Finance Facility (LTFF)		(45,254)	(72,025)		
ISLAMIC						
	Islamic Long-Term Finance Facility (ILTFF)		(14,859)	(14,859)		
	Islamic Temporary Economic Refinance Facility (ITERF)		(30,037)	(30,244)		
	Islamic Finance Facility for Renewable Energy (IFRE)		(8,889)	(8,889)		
			(53,785)	(53,992)		
			(99,039)	(126,017)		
			417,743	462,692		

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

9.1 These facilities are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX 15 - 16, HX-7/4 and LX-2, LX 14/13, LX 14/14 Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi.

9.1.1 In relation to the above borrowings, the Company needs to observe certain financial and non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

9.2 This represents finance facility loan obtained from various banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for plant and machinery in respect of export-oriented projects.

9.3 This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Long Term Finance Facility for plant and machinery in respect of export-oriented projects.

9.4 This represents long-term loans obtained by the Company under SBP's Islamic Temporary Economic Refinance Facility available from various Islamic banks at below-market interest rates.

9.5 This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for solar power project.

		(Un-audited)	(Audited)
	Note	December 31, 2025	June 30, 2025
		----- (Rupees in '000) -----	
10. TRADE AND OTHER PAYABLES			
Trade creditors		360,026	322,009
Bills payable		987,054	317,780
Accrued expenses	10.1	842,869	951,876
Infrastructure Cess	10.2	1,677,554	1,481,334
Short-term compensated absences		4,800	6,000
Workers' Profit Participation Fund		14,177	2,624
Workers' Welfare Fund	10.3	62,661	74,242
Current portion of deferred income - government grant		7,770	8,366
Others		4,992	3,279
		3,961,903	3,167,510

10.1 This includes an accrual of Gas Infrastructure Development Cess amounting to Rs. 359.04 million (June 30, 2025: Rs. 359.04 million)

This also includes a payable against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 86.65 million (June 30, 2025: Rs. 86.65 million). On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 01, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. The Company preferred an appeal against the said order before the divisional bench.

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

10.2 This represents a liability against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 1,764 million (June 30, 2025: Rs. 1,570 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has increased the rate of Infrastructure Cess to 1.25%. The Company had obtained a stay against this and the ultimate dispute had been linked with the previous Infrastructure Cess case.

The case was decided on June 4, 2021 by the SHC whereby the SHC declared the first four versions of the law unconstitutional and a release of bank guarantees was ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 3, 2021. The Company was not in agreement with the above orders and filed an appeal before the Supreme Court of Pakistan (SCP).

On September 1, 2021, the SCP granted a stay order against the operation of the order of SHC dated June 4, 2021, that the bank guarantees already submitted by the Company in pursuant to the order of the SHC is valid and enforceable. The SHC further ordered that imports should be released on submission of fresh bank guarantees equivalent to the duty under the Act.

From July 01, 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

10.3 The Company filed a constitutional petition with the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 despite the fact that the Company is making the payments of Workers Welfare Fund to the Federal Government. A stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971. The Company remains optimistic about a favourable outcome, particularly in view of a recent decision in an identical constitutional petition (No. D-2689 of 2017), wherein the Honourable Court held that a trans-provincial entity is liable to pay WWF to the Federal Government under the Federal Workers Welfare Fund Ordinance, 1971.

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

11.	SHORT-TERM BORROWINGS - secured	Note	(Un-audited)	(Audited)		
			December 31, 2025	June 30, 2025		
----- (Rupees in '000) -----						
11.1. SHORT-TERM BORROWINGS - secured						
CONVENTIONAL						
Running finance under mark-up arrangement from banks	11.1	315,249	770,453			
Short-term borrowing under Money Market Scheme maturing within three months	11.2	1,800,000	1,415,000			
Short-term borrowing under Export Refinance Scheme	11.3	700,000	700,000			
Short-term borrowing under Export Finance Scheme	11.4	635,885	715,332			
Short-term borrowing under FE-25 Finance Scheme	11.5	1,034,152	-			
ISLAMIC						
Short-term borrowing under Money Market Scheme maturing within three months	11.6	1,300,000	1,250,000			
Short-term borrowing under Running Musharakah maturing within three months	11.7	1,243,111	305,372			
		7,028,397	5,156,157			

11.1 These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances range from 11.12% to 12.66% (June 30, 2025: 11.48% to 22.52%) per annum.

11.2 The Company has obtained facilities for short-term finance under money market scheme. The rates of mark-up on these facilities range from 10.73% to 11.46% (2025: 11.48% to 22.52%) per annum.

11.3 The Company has obtained short-term finance under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 7.5% to 8.00% (June 30, 2025: 8.00% to 17.50%) per annum. These facilities mature within six months and are renewable.

11.4 The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 2.00% to 3.00% (June 30, 2025: 2.00% to 3.00%) per annum.

11.5 The Company has obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities range from 5.00% to 5.40% (June 30, 2025: Nil) per annum.

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

11.6 The Company has obtained facilities for short-term finance under money market scheme. The rates of profit on these facilities range from 10.74% to 12.14% (June 30, 2025: 11.19% to 20.30%) per annum.

11.7 The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit on these facilities range from 10.26% to 10.40% (June 30, 2025: 11.53% to 22.29%) per annum.

11.8 As at December 31, 2025, the unavailed facilities from the above borrowings amounted to Rs. 9,086 million (June 30, 2025: Rs. 10,958 million).

11.9 The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future moveable assets of the Company.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There have been no significant changes during the period in the contingencies reported in the annual audited unconsolidated financial statements for the year ended June 30, 2025.

12.2 Commitments

12.2.1 Capital expenditure commitments outstanding as at December 31, 2025 amounted to Rs. 54.67 million (June 30, 2025: Rs. Nil).

12.2.2 Commitments under letters of credit for raw materials and stores and spares as at December 31, 2025 amounted to Rs. 1,619.38 million (June 30, 2025: Rs. 3,780.21 million).

12.2.3 Commitments under purchase contracts as at December 31, 2025 amounted to Rs. 635.11 million (June 30, 2025: Rs. 681.90 million).

12.2.4 The facilities for opening letters of credit and guarantees from banks as at December 31, 2025 amounted to Rs. 14,700 million (June 30, 2025: Rs. 14,700 million) and Rs. 4,800 million (June 30, 2025: Rs. 3,800 million) respectively, of which the unutilised balance at period-end amounted to Rs. 13,026 million (June 30, 2025: Rs. 10,919 million) and Rs. 1,285 million (June 30, 2025: Rs. 416 million) respectively.

12.2.5 The Company provided the following corporate guarantees in favor of Habib Bank Limited on behalf of Chinoy Engineering & Construction (Private) Limited ("CECL"), an associated undertaking:

- A corporate guarantee securing financial facilities of up to Rs. 1,500 million, granted to CECL;
- A performance guarantee to assure CECL's fulfillment of contractual obligations under its agreement with Reko Diq Mining Company Limited ("RDMC").

The obligation against the above corporate and performance guarantee carries joint and several liability alongside associated entities namely International Steels Limited and Pakistan Cables Limited.

These guarantees have been issued in alignment with the Company's strategic support framework for its associated undertakings and represent potential contingent liabilities to the extent of the guaranteed amounts, subject to CECL's compliance and performance under the stated obligations.

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Un-audited)			
	Half year ended		Quarter ended	
	December 31, December 31,		December 31, December 31,	
	2025	2024	2025	2024
----- (Rupees in '000) -----				
13. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of goods less returns				
Local	16,653,350	13,569,155	8,101,078	7,520,832
Sales tax	(2,254,179)	(1,887,840)	(1,089,534)	(1,034,855)
Trade discounts	(1,910,120)	(1,344,884)	(974,716)	(766,566)
	12,489,051	10,336,431	6,036,828	5,719,411
Export	1,524,471	1,518,094	670,109	845,650
Export commission	(8,102)	(2,680)	(3,749)	(2,680)
	1,516,369	1,515,414	666,360	842,970
	14,005,420	11,851,845	6,703,188	6,562,381
14. COST OF SALES				
This amount includes grid levy of Rs. 19.34 million (December 31, 2024: Nil) on account of the 'Off the Grid Levy' imposed via the Off the Grid (Captive Power Plants) Levy Act, 2025.				
15. OTHER INCOME / (EXPENSE)				
This includes dividend income from subsidiary and associated company amounting to Rs. 612.64 million (December 31, 2024: Rs. 735.20 million) and 89.78 million (December 31, 2024: Rs. Nil) respectively.				
16. LEVIES				
----- (Rupees in '000) -----				
Minimum Tax u/s 154	-	15,154	-	8,430
17. INCOME TAX EXPENSE				
Current	424,968	362,715	87,828	103,272
Prior	-	5,126	-	-
Deferred	(151,604)	(60,387)	(40,575)	(30,623)
	273,364	307,454	47,253	72,649

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

		(Un-audited)		
		Half year ended		
		Note	December 31, 2025	December 31, 2024
			----- (Rupees in '000) -----	
18.	CASH GENERATED FROM OPERATIONS			
	Profit before levies and income tax		972,977	710,091
	Add/(less): Adjustment for non-cash charges and other items			
	Depreciation of property, plant and equipment		381,698	312,341
	Amortisation of intangible assets		271	616
	Charge / (reversal) of loss allowance on trade debts		4,036	(15,104)
	Provision for staff retirement benefits		20,220	30,039
	Provision for compensated absences		8,921	14,237
	(Reversal) / Provision for stores and spares		(45,000)	2,985
	Income on bank deposits		(2,830)	(13,925)
	Gain on disposal of property, plant and equipment		(17,217)	(36,335)
	Unwinding of Gas Infrastructure Development Cess		-	1,811
	Dividend income		(702,417)	(735,167)
	Government grant income		(4,362)	(4,911)
	Finance cost		303,157	345,270
			919,454	611,948
	Changes in working capital	18.1	(1,660,714)	4,379,480
			(741,260)	4,991,428
18.1	Working capital changes			
	Decrease / (increase) in current assets:			
	Stores and spares		(58,650)	10,116
	Stock-in-trade		(2,169,880)	2,169,336
	Trade debts		251,376	1,375,726
	Advances, trade deposits and prepayments		(31,572)	(37,392)
	Other receivables		18,995	(25,347)
	Sales tax receivable		(514,227)	389,609
			(2,503,958)	3,882,048
	(Decrease) / increase in current liabilities:			
	Trade and other payables		796,189	574,850
	Contract liabilities		47,055	(77,418)
			843,244	497,432
			(1,660,714)	4,379,480
19.	CASH AND CASH EQUIVALENTS			
	Cash and bank balances		1,060,593	679,773
	Restricted cash on account of lien		(468,251)	(170,000)
	Running finance under mark-up arrangement from banks	11	(315,249)	(124,869)
			277,093	384,904
19.1	Short term borrowings other than running finance have been reclassified as financing activities in the statement of cash flows which was previously included as cash and cash equivalents. In addition, cash balances subject to lien have been excluded from cash and cash equivalents for comparative purposes to align with the current period presentation.			

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

20. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the subsidiary companies, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to follow a policy whereby all transactions with related parties are entered into at commercial terms at rate agreed under a contract / arrangement / agreement. The contributions to the defined contribution plan (Provident Fund) are made as per the terms of employment and contributions to the defined benefit plan (Gratuity Fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of engagements.

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

	(Un-audited)			
	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
----- (Rupees in '000) -----				

20.1 Transactions with related parties

Subsidiary companies

Sales	940,898	898,612	476,107	493,134
Purchases	1,906,696	551,077	1,482,276	255,591
Cost of shared resources	515	23,985	-	4,270
Reimbursement of expenses	52,570	86,131	34,581	81,169
Rental income	9,742	6,860	4,953	3,430
Dividend received	612,639	735,167	-	-

Associated companies

Sales	75,998	3,196	17,999	3,196
Purchases	22,067	8,752	10,692	6,105
Reimbursement of expenses	2,315	22,158	1,696	22,158
Rental Income	270	-	270	-
Dividend received	89,778	-	89,778	-
Dividend paid	2,534	2,218	-	2,217.60
Registration and training	2,573	-	-	-

Key management personnel

Remuneration and allowances	234,643	226,848	95,437	84,222
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Staff retirement funds

Contribution paid	33,031	115,078	4,987	85,078
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Non-executive directors

Meeting fee	3,800	5,200	1,200	1,500
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Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

21. SEGMENT REPORTING

The Company has identified Steel, Polymer and Investments as reportable segments. Performance is measured based on respective segment's results. Information regarding the Company's reportable segments is presented below.

21.1 Segment revenue and results

	Steel segment	Polymer segment	Investments segment	Total
For the half year ended December 31, 2025				
Revenue from contracts with customers				(Rupees in '000)
Local	11,235,285	1,253,766	-	12,489,051
Exports	1,516,369	-	-	1,516,369
	<u>12,751,654</u>	<u>1,253,766</u>	<u>-</u>	<u>14,005,420</u>
Cost of sales	(11,205,492)	(1,123,375)	-	(12,328,867)
Gross profit	1,546,162	130,391	-	1,676,553
Selling and distribution expenses	(766,158)	(70,475)	-	(836,633)
Administrative expenses	(226,885)	(22,308)	-	(249,193)
(Charge) / reversal of loss allowance on trade debts	18,437	(22,473)	-	(4,036)
	<u>(974,606)</u>	<u>(115,256)</u>	<u>-</u>	<u>(1,089,862)</u>
Finance cost	(276,018)	(27,139)	-	(303,157)
Other operating income / (expense)	(33,012)	841	-	(32,171)
	<u>(309,030)</u>	<u>(26,298)</u>	<u>-</u>	<u>(335,328)</u>
Other income	19,197	-	702,417	721,614
Profit / (loss) before levies and income tax	281,723	(11,163)	702,417	972,977
Levies				-
Income tax expense				(273,364)
Profit after tax for the period				699,613
For the half year ended December 31, 2024				
Revenue from contracts with customers				
Local	7,770,871	2,565,560	-	10,336,431
Exports	1,515,414	-	-	1,515,414
	<u>9,286,285</u>	<u>2,565,560</u>	<u>-</u>	<u>11,851,845</u>
Cost of sales	(8,810,230)	(1,840,030)	-	(10,650,260)
Gross profit	476,055	725,530	-	1,201,585
Selling and distribution expenses	(554,120)	(85,337)	-	(639,457)
Administrative expenses	(158,116)	(43,682)	-	(201,798)
(Charge) / reversal of loss allowance on trade debts	(18,251)	33,355	-	15,104
	<u>(730,487)</u>	<u>(95,664)</u>	<u>-</u>	<u>(826,151)</u>
Finance cost	(271,948)	(75,133)	-	(347,081)
Other operating expense	29,133	(38,831)	-	(9,698)
	<u>(242,815)</u>	<u>(113,964)</u>	<u>-</u>	<u>(356,779)</u>
Other income	(43,731)	-	735,167	691,436
(Loss) / profit before levies and income tax	(540,978)	515,902	735,167	710,091
Levies				(15,154)
Income tax expense				(307,454)
Profit after tax for the period				387,483

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

21.2 Segment assets and liabilities

	Steel segment	Polymer segment	Investments segment	Total
----- (Rupees in '000) -----				
As at December 31, 2025 - Un-audited				
Segment assets	<u>24,066,427</u>	<u>3,356,228</u>	<u>3,448,380</u>	<u>30,871,035</u>
Segment liabilities	<u>8,688,166</u>	<u>784,776</u>	<u>-</u>	<u>9,472,942</u>
As at June 30, 2025 - Audited				
Segment assets	<u>21,419,589</u>	<u>3,095,020</u>	<u>3,448,380</u>	<u>27,962,989</u>
Segment liabilities	<u>6,407,632</u>	<u>475,681</u>	<u>-</u>	<u>6,883,313</u>

Reconciliation of segment assets and liabilities with total assets and liabilities in the Unconsolidated Statement of Financial Position is as follows:

	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025
		----- (Rupees in '000) -----	
Total for reportable segments assets		<u>30,871,035</u>	27,962,989
Unallocated assets		<u>1,546,953</u>	1,956,053
Total assets as per Unconsolidated Statement of Financial Position		<u>32,417,988</u>	<u>29,919,042</u>
Total for reportable segments liabilities		<u>9,472,942</u>	6,883,313
Unallocated liabilities		<u>3,114,240</u>	3,377,008
Total liabilities as per Unconsolidated Statement of Financial Position		<u>12,587,182</u>	<u>10,260,321</u>

22. SHARIAH COMPLIANCE STATUS DISCLOSURE

Unconsolidated statement of financial position - Liability Side

i)	Short-term financing as per Islamic mode	11	2,543,111	1,555,372
ii)	Long-term financing as per Islamic mode	9	284,303	306,834
iii)	Mark-up accrued on conventional loan		52,439	28,365
iv)	Mark-up accrued on Islamic loan		25,999	10,741

Unconsolidated statement of financial position - Asset Side

i)	Shariah-compliant bank balances		281	14
ii)	Shariah-compliant investments	6	3,448,380	3,448,380

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Note	(Un-audited)		
	Half year ended		
	December 31 2025	December 31, 2024	----- (Rupees in '000) -----
Unconsolidated statement of profit and loss			
i) Revenue earned from Shariah-compliant business segment	13	14,005,420	11,851,845
ii) Loss from exchange		(15,224)	(105,762)
iii) Profit paid on Islamic mode of financing		(89,150)	(200,573)
iv) Dividend income from Shariah - compliant investments		702,417	735,167
Break-up of Other income excluding profits on bank deposits			
Shariah compliant income			
Unwinding of Government grant		4,362	4,911
Gain on disposal of property, plant and equipment		17,217	36,335
Rental income		10,012	6,860
Shariah non-compliant income			
Income on bank deposits - conventional		2,830	13,925
Loss on remeasurement of Gas Infrastructure Development Cess		-	(134)

22.1 Relationship with Shariah-compliant financial institutions

Islamic Banks

The Company has facilities with Faysal Bank Limited for Running Musharakah and letter of credit amounting to Rs. 1,350 million and Rs. 1,000 million respectively.

The Company has facilities with Meezan Bank Limited for Running Musharakah, letter of guarantees and letter of credit amounting to Rs. 2,000 million, Rs. 1,000 million and Rs. 2,000 million respectively.

The Company has facilities with Bank Islami Pakistan Limited for Running Musharakah, letter of guarantees and letter of credit amounting to Rs. 1,000 million, Rs. 1,000 million and Rs. 1,000 million respectively.

The Company has facilities with Bank Al Falah Limited for Running Musharakah and letter of credit amounting to Rs. 500 million and Rs. 500 million respectively.

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

The Company has facilities with United Bank Limited for Running Musharakah and letter of credit amounting to Rs. 1,500 million and Rs. 1,500 million respectively.

The Company has facilities with Habib Bank Limited for Running Musharakah amounting to Rs. 2,000 million respectively.

Takaful operators

The company has no relationship with takaful operators.

23. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on January 29, 2026 have declared an interim cash dividend of Rs. 2.00 (December 31, 2024: Rs. Nil) per share for the year ending June 30, 2026 amounting to Rs. 263.76 million (December 31, 2024: Rs. Nil). The unconsolidated condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

24. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue on January 29, 2026 by the Board of Directors of the Company.



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

internationalTM
industries
built on trust



Consolidated
Condensed Interim Financial Position

Consolidated Condensed Interim Statement of Financial Position

AS AT DECEMBER 31, 2025

	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025		
		----- (Rupees in '000) -----			
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	33,038,761	34,162,756		
Right-of-use assets		88,536	72,623		
Intangible assets		310,847	330,152		
Investment in equity accounted investee	6	2,689,917	1,995,587		
Long-term deposits		7,654	9,689		
		36,135,715	36,570,807		
CURRENT ASSETS					
Stores and spares	7	1,197,136	1,073,834		
Stock-in-trade		35,776,928	30,695,862		
Trade debts		2,930,408	3,436,163		
Advances, trade deposits and prepayments		299,873	150,584		
Other receivables		25,790	47,945		
Staff retirement benefits		155,827	183,846		
Sales tax receivable		1,179,415	640,953		
Taxation - net		154,696	-		
Cash and bank balances		4,068,953	4,991,638		
		45,789,026	41,220,825		
TOTAL ASSETS		81,924,741	77,791,632		
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Share capital					
Issued, subscribed and paid-up capital		1,318,819	1,318,819		
Revenue reserves		3,278,085	3,278,085		
General reserve		17,340,924	16,663,914		
Unappropriated profit		77,773	72,856		
Exchange translation reserves					
Capital reserve		10,264,339	10,326,733		
Revaluation surplus on property, plant and equipment		32,279,940	31,660,407		
TOTAL SHAREHOLDERS' EQUITY		11,195,252	10,964,355		
Non-controlling interest		43,475,192	42,624,762		
LIABILITIES					
NON-CURRENT LIABILITIES					
Long-term financing - secured	8	1,012,138	1,136,634		
Deferred income - government grant		79,661	94,917		
Deferred taxation - net		2,075,998	2,451,815		
Lease liabilities		45,797	63,770		
		3,213,594	3,747,136		
CURRENT LIABILITIES					
Trade and other payables	9	19,063,572	18,845,208		
Contract liabilities		2,364,265	2,347,506		
Short-term borrowings - secured	10	13,135,840	9,705,275		
Unclaimed dividend		45,074	42,994		
Unpaid dividend attributable to non-controlling interest (NCI)		-	477		
Current portion of long-term financing - secured	8	287,162	325,299		
Current portion of lease liabilities		56,450	18,171		
Taxation - net		-	2,103		
Accrued mark-up		283,592	132,701		
		35,235,955	31,419,734		
TOTAL LIABILITIES		38,449,549	35,166,870		
CONTINGENCIES AND COMMITMENTS					
TOTAL EQUITY AND LIABILITIES					
The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.	11	81,924,741	77,791,632		

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Note	Six months ended		Three months ended	
	December 31, 2025		December 31, 2024	
	(Rupees in '000)			
Revenue from contracts with customers	12	56,745,689	43,704,110	28,865,031
Cost of sales		(50,240,394)	(39,878,587)	(25,750,612)
Gross profit		6,505,295	3,825,523	3,114,419
Selling and distribution expenses		(2,320,382)	(1,640,300)	(1,023,383)
Administrative expenses		(602,138)	(455,532)	(329,591)
Reversal / (charge) of loss allowance on trade debts		(2,553)	14,901	(1,852)
		(2,925,073)	(2,080,931)	(1,354,826)
Operating profit		3,580,222	1,744,592	1,759,593
Finance cost		(928,166)	(907,525)	(510,043)
Other operating charges		(437,388)	(95,619)	(236,311)
		(1,365,554)	(1,003,144)	(746,354)
Other income / (loss)		90,106	117,893	78,452
Share of profit / (loss) in equity accounted investee		794,736	(32,628)	798,095
Profit before income tax		3,099,510	826,713	1,889,786
Income tax expense	13	(1,311,501)	(594,990)	(710,653)
Profit after tax for the period		1,788,009	231,723	1,179,133
Profit attributable to:				
- Owners of the Holding Company		1,082,251	(985)	744,561
- Non-controlling interest (NCI)		705,758	232,708	434,572
		1,788,009	231,723	1,179,133
<hr style="border-top: 1px dashed black;"/>				
Earnings / (loss) per share - basic and diluted		8.21	(0.01)	5.65

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial Officer



Yousuf H. Mirza
Chief Executive Officer

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Six months ended		Three months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in '000)			
Profit after tax for the period	1,788,009	231,723	1,179,133	281,665
Other comprehensive income				
Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss				
Proportionate share of surplus on revaluation of land and buildings of equity accounted investee	77,026	9,448	67,578	-
Related deferred tax for the period	(19,257)	(2,362)	(16,895)	-
	57,769	7,086	50,683	-
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss				
Foreign operations - foreign currency translation difference	4,917	(1,914)	(1,724)	(8,555)
Proportionate share of other comprehensive income of equity accounted investee	2,836	(44,326)	(10,687)	(57,849)
Other comprehensive (loss) / income for the period	65,522	(39,154)	38,272	(66,404)
Total comprehensive income for the period	1,853,531	192,569	1,217,405	215,261
Total comprehensive income attributable to:				
- Owners of the Holding Company	1,147,773	(40,139)	589,768	60,673
- Non-controlling interest (NCI)	705,758	232,708	627,637	154,588
	1,853,531	192,569	1,217,405	215,261

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Attributable to owners of the Holding Company							Total	Non-controlling interest	Total equity			
	Issued, subscribed and paid-up capital	Revenue reserves		Total revenue reserves	Capital reserve		Total capital reserves						
		General reserve	Unappropriated profit		Revaluation surplus on property, plant and equipment	Exchange translation reserves							
----- (Rupees in '000) -----													
Balance as at July 1, 2024	1,318,819	3,222,432	16,049,218	19,271,650	9,061,218	80,657	9,141,875	29,732,344	10,130,169	39,862,513			
Profit after tax for the period	-	-	(985)	(985)	-	-	-	(985)	232,708	231,723			
Other comprehensive income / (loss) for the period	-	-	(46,688)	(46,688)	9,448	(1,914)	7,534	(39,154)	-	(39,154)			
Total comprehensive income / (loss) for the period	-	-	(47,673)	(47,673)	9,448	(1,914)	7,534	(40,139)	232,708	192,569			
Proportionate share of transfer to general reserves of equity accounted investee	-	55,653	(55,653)	-	-	-	-	-	-	-			
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	56,072	56,072	(56,072)	-	(56,072)	-	-	-			
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	(4,010)	(4,010)	(912)	-	(912)	(4,922)	-	(4,922)			
Transactions with owners recorded directly in equity													
Distributions to owners of Holding Company - Final dividend @ 35% (Rs. 3.50 per share) for the year ended June 30, 2024	-	-	(461,587)	(461,587)	-	-	-	(461,587)	-	(461,587)			
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(569,833)	(569,833)			
Balance as at December 31, 2024	1,318,819	3,278,085	15,536,367	18,814,452	9,013,682	78,743	9,092,425	29,225,696	9,793,044	39,018,740			
Balance as at July 1, 2025	1,318,819	3,278,085	16,663,914	19,941,999	10,326,733	72,856	10,399,589	31,660,407	10,964,355	42,624,762			
Profit after tax for the period	-	-	1,082,251	1,082,251	-	-	-	1,082,251	705,758	1,788,009			
Other comprehensive income / (loss) for the period	-	-	2,836	2,836	-	-	62,686	65,522	-	65,522			
Total comprehensive income / (loss) for the period	-	-	1,085,087	1,085,087	57,769	4,917	62,686	1147,773	705,758	1,853,531			
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	119,360	119,360	(119,360)	-	(119,360)	-	-	-			
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	91	91	(803)	-	(803)	(712)	-	(712)			
Transactions with owners recorded directly in equity													
Distributions to owners of Holding Company - Final dividend @ 40% (Rs. 4.00 per share) for the year ended June 30, 2025	-	-	(527,528)	(527,528)	-	-	-	(527,528)	-	(527,528)			
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(474,861)	(474,861)			
Balance as at December 31, 2025	1,318,819	3,278,085	17,340,924	20,619,009	10,264,339	77,773	10,342,112	32,279,940	11,195,252	43,475,192			

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial Officer



Yousuf H. Mirza
Chief Executive Officer

Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Note	Six months ended	
	December 31, 2025	December 31, 2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	14	(394,583)
Finance cost paid		(740,899)
Restricted cash on account of lien		(189,000)
Income on bank deposits received		55,128
Staff retirement benefits paid		(9,915)
Payment on account of compensated absences		(18,256)
Income tax paid - net		(1,863,374)
Increase in long-term deposit		(2,035)
Net cash (used in) / generated from operating activities		(3,162,935)
		9,100,964
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment		(463,248)
Payment for investment in associate company		-
Payment for acquisition of intangible assets		-
Proceeds from disposal of property, plant and equipment		96,362
Investment in PIBs		-
Investments in Term Deposit Receipt		250,000
Net cash used in investing activities		(116,886)
		(5,545,505)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing		(179,919)
Proceeds / (repayments) from short-term borrowings - net		4,051,831
Lease rentals paid		(18,527)
Dividends paid to non-controlling interest		(475,338)
Dividends paid to shareholders of the Holding Company		(525,448)
Net cash generated from financing activities		2,852,599
Net (decrease) / increase in cash and cash equivalents		(427,222)
Cash and cash equivalents at beginning of the period		2,907,945
Effects of exchange rate changes in cash and cash equivalents		(2,209)
Cash and cash equivalents at end of the period	15	2,478,515
		6,628,961

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of International Industries Limited (the Holding Company), its 56.33% owned subsidiary International Steels Limited (ISL), its wholly owned subsidiary IIL Trading (Private) Limited (formerly (Private) Limited) and its wholly owned foreign subsidiaries IIL Australia Pty. Limited (IIL Australia), IIL Americas Inc. (IIL Americas) and INIL Europe Limited (IIL Europe) [together referred to as "the Group" and individually as "Group entities"] and the Holding Company's 17.124% and 34.00% interest in an equity accounted investees namely Pakistan Cables Limited (PCL) and Chinoy Engineering & Construction (Private) Limited (CECL) respectively.

1.2 The Holding Company was incorporated in Pakistan in 1948 under the Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. It is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, structural hollow sections, stainless steel tubes, polymer pipes & fittings. The Group also engages in trading business of construction materials and offers customised construction solution services. The registered office of the Holding Company is situated at 101-107 1st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

The manufacturing facilities of the Holding Company are situated as follows:

- i) LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi;
- ii) Survey No. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi; and
- iii) 22 KM Sheikhupura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhupura.

The sales offices and warehouse of the Holding Company are situated as follows:

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Office No. 708-A, United Mall, Abdali Road, Multan;
- iii) Office No. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
- iv) Plot No. 9, Street No. 01, Ibrahim Tower, Business Park, Gulberg Green, Islamabad; and
- v) Plot No. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

1.3 International Steels Limited (ISL) was incorporated on September 03, 2007 as a public unlisted company limited by shares under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is domiciled in the province of Sindh. Subsequent to the sale of shares by the Holding Company to general public under an Initial Public Offer, ISL was listed on the Pakistan Stock Exchange on June 1, 2011. The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. ISL commenced commercial operations on January 1, 2011. The registered office of ISL is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530. The Holding Company has 56.33% ownership interest in ISL.

The manufacturing facilities of International Steels Limited are situated as follows:

- i) 399-405, Rehri Road, Landhi Industrial Area, Karachi; and
- ii) Plot No. LE 73-79, 102-103, 112-118, 125-129, Survey No. NC 98, National Industrial Parks (NIP), Bin Qasim Industrial Zone, Karachi.

The sales offices of International Steels Limited are situated as follows:

- i) Chinoy House, 6 Bank Square, Lahore;
- ii) Office No. 303-A, 3rd Floor, Evacuee Trust Complex, Sir Agha Khan Road, Sector F-5/1, Islamabad; and
- iii) Office No. 708-A, United Mall, Abdali Road, Multan.

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FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1.4 IIL Trading (Private) Limited [Formerly IIL Construction Solutions (Private) Limited] (the Company) was incorporated in Pakistan on August 19, 2020 under the Companies Act, 2017. The Company is engaged in trading business, carrying out distribution and marketing of construction materials, power / hand tools, construction chemicals and other accessories and materials. Its registered office is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi 75530.

- i) Plot No. 91-C, 24th Commercial Street, Phase II Ext. Rd, DHA, Karachi;
- ii) BWB 192, Broadway Commercial, DHA Phase 8, Lahore; and
- iii) Plot No. 9, Street No. 01, Ibrahim Tower, Business Park, Gulberg Green Islamabad.

1.5 IIL Australia was incorporated in Australia on May 2, 2014. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes, pre-galvanized pipes, stainless steel tubes and galvanized steel sheets and coils. Its registered office and sales office is situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia.

1.6 IIL Americas was incorporated in Canada on October 8, 2019. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes. Its registered office and sales office is situated at Suite 210, 5800 Ambler Drive Mississauga, ON L4W 4J4, Canada.

1.7 INIL Europe Limited (the Company) was incorporated on January 10, 2025. The address of its registered office and principal place of business is Ground Floor, 71 Baggott Street Lower, Dublin 2, D02P593, Ireland. The Company is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes.

1.8 Details of the equity accounted investee is given in note 6 to these consolidated condensed interim financial statements.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.1 These consolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Holding Company as at and for the year ended June 30, 2025.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

2.1.2 The comparative Consolidated Condensed Interim Statement of Financial Position presented in these consolidated condensed interim financial statements have been extracted from the audited annual consolidated financial statements for the year ended June 30, 2025, whereas the comparative Consolidated Condensed Interim Statement of Profit or Loss, Consolidated Condensed Interim Statement of Comprehensive Income, Consolidated Condensed Interim Statement of Cash Flows and Consolidated Condensed Interim Statement of Changes in Equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended December 31, 2024.

2.2 Basis of measurement

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for the Group entities' liabilities under defined benefit plan (Gratuity Fund) which is determined based on the present value of defined benefit obligations less fair value of plan assets determined by an independent actuary and land and buildings at revalued amounts assessed by an independent valuer which are stated at fair value.

2.3 Functional and presentation currency

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

2.4 Basis of consolidation

2.4.1 Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision-making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated condensed interim financial statements include the Holding Company and all companies which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The interim financial statements of the Subsidiaries have been consolidated on a line-by-line basis. Inter-company transactions, balances, income and expenses on transactions between Group entities are eliminated. Unrealised profits and losses are also eliminated. Accounting policies of the Subsidiaries are consistent with the policies adopted by the Group.

2.4.2 Transactions and non-controlling interests

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income for the period, even if that results in a deficit balance.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of a subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Group's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the annual accounting periods beginning on or after July 1, 2026. However, these are considered either not to be relevant or to have any significant impact on the consolidated financial statements and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of consolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended June 30, 2025.

4.3 The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended June 30, 2025.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

5. PROPERTY, PLANT AND EQUIPMENT

6. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Pakistan Cables Limited (PCL)			
- associated company	6.1	<u>1,871,349</u>	<u>1,819,697</u>
Chinoy Engineering & Construction (Pvt.) Limited	6.2	<u>818,568</u>	<u>175,890</u>
(CECL) - associated company			

6.1 The Holding Company holds a 17.124% (June 30, 2025: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the companies have common directorships. The price per share of PCL as at reporting date was Rs. 193.59 (June 30, 2025: Rs. 146.88) resulting in a market value of total investment amounting to Rs. 1805.31 million (June 30, 2025: Rs. 1,369.72 million). The share of profit and other comprehensive income for the period is recognised based on the financial statements of PCL as at September 30, 2025 as the latest financial statements as at December 31, 2025 were presently not available.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

6.2 The Holding Company and ISL holds 17% each (June 30, 2025: 17%) ownership interest in CECL resulting in total ownership interest of 34%. The Chief Executive Officer of CECL is Mr. Hamid Rashid. The Holding Company considers it has significant influence over CECL as, in addition to its holding, the companies have common directorships. The Holding Company and ISL have made investment in CECL amounting to Rs. 96.90 million. The remaining shareholding of CECL is owned by Pakistan Cables Limited (17%) and ASCG Engineering (49%). [The book value of CECL based on the audited financial statements as at June 30, 2025 is Rs. 2,433.61 million (June 30, 2025: 517.32 million)].

6.3 Market value of the investment disclosed in note 6.1 is categorised as level 1 fair value measurement in accordance with IFRS 13 "Fair Value Measurement".

7. STOCK-IN-TRADE

		(Un-audited) December 31,	(Audited) June 30,
	Note	2025	2025
----- (Rupees in '000) -----			
Raw material - in hand	7.1	9,943,323	6,234,699
- in transit		9,483,505	11,111,005
		19,426,828	17,345,704
Work-in-process		3,860,445	3,965,548
Finished goods - in hand		11,881,638	8,695,983
- in transit		309,398	437,962
By-products		111,341	168,383
Scrap material		187,278	82,282
		35,776,928	30,695,862

7.1 Raw material of the Holding Company amounting to Rs. 1.9 million as at December 31, 2025 (June 30, 2025: Rs. 3.10 million) was held at a vendor's premises for the production of pipe caps.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025
		----- (Rupees in '000) -----	
8. LONG-TERM FINANCING - secured			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)	8.2	395,137	468,273
Renewable Energy Financing Facility (REFF)		131,250	150,000
Temporary Economic Refinance Facility (TERF)	8.3	338,939	369,752
		865,326	988,025
ISLAMIC			
Islamic Long-Term Finance Facility (ILTFF)	8.4	297,151	334,908
Islamic Temporary Economic Refinance Facility (ITERF)	8.5	185,710	200,728
Islamic Finance Facility for Renewabale Energy (IFRE)	8.6	62,222	66,667
		545,083	602,303
		1,410,409	1,590,328
Less: Deferred income - government grant		(111,109)	(128,395)
Less: Current portion of long-term financing:			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)		(73,595)	(111,525)
Renewable Energy Financing Facility (REFF)		(37,500)	(37,500)
Temporary Economic Refinance Facility (TERF)		(61,625)	(61,625)
		(172,720)	(210,650)
ISLAMIC			
Islamic Long-Term Finance Facility (ILTFF)		(75,516)	(75,516)
Islamic Temporary Economic Refinance Facility (ITERF)		(30,037)	(30,244)
Islamic Finance Facility for Renewabale Energy (IFRE)		(8,889)	(8,889)
		(287,162)	(325,299)
		1,012,138	1,136,634

8.1 The above loans are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi and Survey number 402, 405 - 406, 95 Rehri Road, Landhi Town, Karachi of the Holding Company and by way of joint pari passu charge and ranking charge over the fixed assets of ISL (such as land, building, plant and machinery etc.).

8.1.1 In relation to the above borrowings, the Holding Company and ISL need to observe certain financial and non-financial covenants as specified in the agreements with various lenders which are complied with as of the reporting date.

8.2 This represents finance facility loans obtained by the Holding Company and ISL from various banks under the State Bank of Pakistan's (SBP) Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

8.3 This represents finance facility loans obtained from various banks by ISL under SBP's Temporary Economic Refinance Facility available at below-market interest rates for setting up new industrial units.

8.4 This represents finance facility loans obtained by the Holding Company and ISL from Islamic banks under SBP's Islamic Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.

8.5 This represents long-term loans obtained by the Holding Company under the SBP's Islamic Temporary Economic Refinance Facility available to the Holding Company from various Islamic banks at below-market interest rates.

8.6 This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for solar power project.

Note	(Un-audited) December 31, 2025		(Audited) June 30, 2025
	----- (Rupees in '000) -----		
9. TRADE AND OTHER PAYABLES			
Trade creditors	7,155,687	8,531,548	
Bills payable	987,054	331,097	
Accrued expenses	9.1 3,325,303	3,419,948	
Provision for Infrastructure Cess	9.2 7,065,750	6,163,979	
Provision for government levies		-	6,423
Short-term compensated absences	4,800	13,204	
Workers' Profit Participation Fund	148,409	20,684	
Workers' Welfare Fund	9.3 258,719	273,480	
Current portion of deferred income - government grant	31,448	33,478	
Others	86,402	51,367	
	19,063,572	18,845,208	

9.1 These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 1,614.1 million (June 30, 2025: Rs.1,614.06 million)

This also includes a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 631.61 million (June 30, 2025: Rs. 631.61 million). On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 1, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. The Holding Company and ISL preferred an appeal against the said order before the divisional bench.

On March 28, 2024 the divisional bench of the SHC upheld the order of the single judge and ordered for encashment of securities deposited. The Holding Company is considering an appeal before the Supreme Court against the said order, however, in the meantime the differential has been deposited with the SSGC under protest.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

9.2 This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC) passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 7,397 million (June 30, 2025: Rs. 1,570 million) have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Holding Company and ISL on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has increased the rate of Infrastructure Cess to 1.25%. The Holding Company and ISL had obtained a stay against this and the ultimate dispute has been linked with the previous infrastructure cess case.

The case was decided on June 4, 2021 by the SHC whereby the court declared the first four versions of the law unconstitutional and a release of bank guarantees was ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 3, 2021. The Holding Company and ISL were not in agreement with the above orders and filed an appeal before the Supreme Court of Pakistan (SCP).

On September 1, 2021, the SCP granted a stay order against the operation of the order of SHC dated June 4, 2021, that the bank guarantees already submitted by the Holding Company and ISL in pursuant to the order of the SHC is valid and enforceable. The Court further ordered that imports should be released on submission of fresh bank guarantees equivalent to the duty under the Act.

From July 01, 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

9.3 The Holding Company and ISL have filed a constitutional petition with the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 despite the fact that the Company is making the payments of Workers Welfare Fund to the Federal Government. A stay was obtained on the ground that the Holding Company and ISL are trans-provincial establishments operating industrial and commercial activities across Pakistan and are liable to pay Workers Welfare Fund under federal Workers Welfare Fund Ordinance, 1971. The Holding Company remains optimistic about a favourable outcome, particularly in view of a recent decision in an identical constitutional petition (No. D-2689 of 2017), wherein the Honourable Court held that a trans-provincial entity is liable to pay WWF to the Federal Government under the Federal Workers Welfare Fund Ordinance, 1971.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

10.	SHORT-TERM BORROWINGS - secured	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025		
			----- (Rupees in '000) -----	----- (Rupees in '000) -----		
CONVENTIONAL						
	Running finance under mark-up arrangement from banks	10.1	338,187	770,453		
	Short-term borrowing under Money Market Scheme maturing within three months	10.2	1,800,000	1,415,000		
	Short-term borrowing under Export Refinance Scheme	10.3	5,210,000	4,650,000		
	Short-term borrowing under Export Finance Scheme	10.4	758,340	1,014,300		
	Short-term borrowing under FE-25 import	10.5	1,034,152	-		
ISLAMIC						
	Short-term borrowing under Money Market Scheme maturing within three months	10.5	1,300,000	1,250,000		
	Short-term borrowing under Running Musharakah maturing within three months	10.6	2,395,161	305,522		
	Short-term borrowing under Export Refinance Scheme		300,000	300,000		
			13,135,840	9,705,275		

10.1 These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding Company range from 11.12% to 12.66% (June 30, 2025: 11.48% to 22.52%) per annum. The rates of mark-up on these finances obtained by ISL range from 11.12% to 11.84% (June 30, 2025: 11.48% to 12.53%) per annum.

10.2 The Holding Company has obtained facilities for short-term finance under money market scheme. The rates of mark-up on these facilities range from 10.73% to 11.46% (2025: 11.48% to 22.52%) per annum.

10.3 The Holding Company and ISL have obtained short-term running finance facilities under the Export Refinance Scheme of the SBP from commercial banks. The rate of mark-up on these facilities obtained by Holding Company range from 7.50% to 8.00% (June 30, 2025: 8.00% to 17.50%) per annum. The rates of mark-up on these facilities obtained by ISL range from 7.00% to 7.50% (June 30, 2025: 7.75% to 8.00%) per annum. These facilities mature within six months and are renewable."

10.4 The Holding Company and ISL have obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities obtained by Holding Company range from 2.00% to 3.00% (June 30, 2025: 2.00% to 3.00%) per annum. The rate of mark-up on these facilities obtained by ISL is 2.00% (June 30, 2025: 2.00% to 2.50%) per annum. These facilities mature within six months.

10.5 The Holding Company has obtained facilities for short-term finance under money market scheme. The rates of mark-up on these facilities range from 10.74% to 12.14% (2025: 11.19% to 20.30%) per annum.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

- 10.6** The Holding Company and ISL have obtained facilities for short-term finance under Running Musharakah. The rates of profit on these finances obtained by the Holding Company range from 10.26% to 10.40% (June 30, 2025: 11.53% to 22.29%) per annum. The rates of profit on these finances obtained by ISL is 10.66% to 11.57% (June 30, 2025: 11.48% to 12.59%) per annum.
- 10.7** As at December 31, 2025, the unavailed facilities from above borrowings for the Holding Company amounted to Rs. 9,086 million (June 30, 2025: Rs. 10,958 million) and for ISL amounted to Rs. 22,753 million (June 30, 2025: Rs. 22,051 million).
- 10.8** The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future movable assets of the Holding Company and ISL.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There have been no significant changes during the period in the contingencies reported in the audited annual consolidated financial statements for the year ended June 30, 2025.

ISL

The Competition Commission of Pakistan (CCP) initiated an inquiry against the alleged price fixation by local steel producers. Pursuant to the findings of the report, a show cause notice was served to the Company, citing potential non-compliance with the provisions of the Competition Act, 2010. Subsequently, the CCP concluded the inquiry with an adverse judgement against the Company and levied penalty of Rs. 914 Mn.

The Company has filed an appeal in the Competition Appellate Tribunal (CAT). Management believes that it has strong grounds to secure relief at the relevant appellate forums and accordingly, no provision has been made in this respect.

There have been no significant changes during the period in the contingency reported in the annual audited financial statements for the year ended June 30, 2025 except as discussed above.

11.2 Commitments

Holding Company and ISL

- 11.2.1** Capital expenditure commitments outstanding as at December 31, 2025 amounted to Rs. 54.70 (June 30, 2025: Rs. NIL).
- 11.2.2** Commitments under letters of credit for raw materials and stores and spares as at December 31, 2025 amounted to Rs. 25,277.38 million (June 30, 2025: Rs. 23,396.20 million).
- 11.2.3** Facilities for opening letters of credit and guarantees from banks as at December 31, 2025 amounted to Rs. 53,200 million (June 30, 2025: Rs. 55,449 million) and Rs. 16,064 million (June 30, 2025: Rs. 13,984 million) respectively, of which the unutilised balance at period-end amounted to Rs. 27,867 million (June 30, 2025: Rs. 30,052 million) and Rs. 1,887 million (June 30, 2025: Rs. 1,193 million) respectively.

Holding Company

- 11.2.4** Commitments under purchase contracts as at December 31, 2025 amounted to Rs. 635.11 million (June 30, 2025: Rs. 681.90 million).

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	----- (Un-audited) -----			
	Six months ended		Three months ended	
	December 31, December 31,	December 31, December 31,	2025	2024
----- (Rupees in '000) -----				
12. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of goods less returns				
Local	56,631,480	44,812,840	31,518,640	25,200,313
Sales tax	(7,845,571)	(6,491,049)	(4,369,091)	(3,621,729)
Trade discounts	(3,874,161)	(1,650,029)	(2,314,215)	(841,410)
	44,911,748	36,671,762	24,835,334	20,737,174
Export	11,842,043	7,375,580	4,033,446	4,431,391
Export commission & discounts	(8,102)	(343,232)	(3,749)	(343,232)
	11,833,941	7,032,348	4,029,697	4,088,159
	56,745,689	43,704,110	28,865,031	24,825,333
13. INCOME TAX EXPENSE				
Current	1,706,438	925,462	760,274	616,433
Prior	-	5,126	-	-
Deferred	(394,937)	(335,598)	(49,621)	(294,832)
	1,311,501	594,990	710,653	321,601
----- (Un-audited) -----				
Six months ended				
December 31, December 31,		2025	2024	
----- (Rupees in '000) -----				
14. CASH GENERATED FROM OPERATIONS				
Profit before income tax		3,099,510	826,713	
Add / (less): adjustments for non-cash charges and other items				
Depreciation of property, plant and equipment	1,558,169	1,314,498		
Depreciation of right-of-use assets	15,334	5,399		
Amortisation of intangible assets	271	616		
Charge / (reversal) of loss allowance on trade debts	2,553	(14,901)		
(Reversal) / provision for obsolescence against stores and spares	(26,985)	4,746		
Provision for staff retirement benefits	37,933	47,192		
Provision for compensated absences	13,527	18,737		
Income on bank deposits	(55,128)	(198,150)		
Gain on disposal of property, plant and equipment	(33,005)	(66,141)		
Share of (profit) / loss from associated company	(794,736)	32,628		
Government grant income	(17,285)	(12,064)		
Unwinding of Gas Infrastructure Development Cess	-	8,614		
Finance cost	927,650	898,910		
	4,727,808	2,866,797		
Changes in working capital	14.1	(5,122,391)	8,715,806	
		(394,583)	11,582,603	

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

14.1 Changes in working capital

(Increase) / decrease in current assets:

	Six months ended	Six months ended
	December 31, 2025	December 31, 2024
<hr/>		
Stores and spares	(96,317)	(48,654)
Stock-in-trade	(5,081,066)	6,558,752
Trade debts	475,031	1,648,751
Advances, trade deposits and prepayments	(149,289)	(78,030)
Other receivables	22,155	(34,628)
Sale tax receivable	(538,462)	976,338
	<hr/>	<hr/>
	(5,367,948)	9,022,529

(Decrease) / increase in current liabilities:

Trade and other payables	228,798	(639,033)
Sales tax payable	-	443,771
Contract liabilities	16,759	(111,461)
	<hr/>	<hr/>
	(5,122,391)	8,715,806

15. CASH AND CASH EQUIVALENTS

Cash and bank balances	3,284,953	6,924,372
Restricted cash on account of lien	(468,251)	(170,000)
Running finance under mark-up arrangement from banks	(338,187)	(125,411)
	<hr/>	<hr/>
	2,478,515	6,628,961

16. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the associated undertakings, directors of the group entities, key management employees and staff retirement funds. The group entities continue to follow a policy whereby all transactions with related parties are entered into at commercial terms and conditions. The contributions to the defined contribution plan (Provident Fund) of the group entities, wherever applicable, are made as per the terms of employment and contributions to the group entities defined benefit plan (Gratuity Fund), wherever applicable, are in accordance with the latest actuarial advice. Remuneration to key management personnel is in accordance with their terms of employment and the policies of respective group entities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group entities. The Group entities consider their Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be their key management personnel. There are no transaction with key management personnel other than their terms of employment / entitlement.

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

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

		Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025		
			----- (Rupees in '000) -----			
17. SHARIAH COMPLIANCE STATUS DISCLOSURE						
Consolidated statement of financial position - Liability Side						
i)	Short-term financing as per Islamic mode	10	3,995,161	1,855,522		
ii)	Long-term financing as per Islamic mode	8	519,410	572,268		
iii)	Mark-up accrued on conventional loan		138,195	95,226		
iv)	Mark-up accrued on Islamic loan		145,397	37,475		
Consolidated statement of financial position - Asset Side						
i)	Investment in associate		2,689,917	1,995,587		
ii)	Shariah-compliant bank balances		552,426	951,185		
			(Un-audited) December 31, 2025	(Un-audited) December 31, 2024		
			----- (Rupees in '000) -----			
Consolidated statement of profit and loss						
i)	Revenue earned from Shariah-compliant business segment	12	56,745,689	43,704,110		
ii)	Income / (loss) from exchange		154,632	(100,444)		
iii)	Profit paid on Islamic mode of financing		(211,155)	(312,137)		
iv)	Share of net income from associates accounted for using equity method		794,736	(32,628)		
v)	Profit on bank deposit - Islamic		8,995	9,584		
Break-up of Other income excluding profits on bank deposits						
Shariah compliant income						
	Unwinding of Government grant		4,362	4,911		
	Gain on disposal of property, plant and equipment		33,005	66,141		
	Rental income		4,372	1,128		
	Loss from power generation		(28,166)	(271,154)		
	Liabilities no longer payable written back		-	188,743		
	Others		7,637	14,874		
Shariah non-compliant income						
	Income on bank deposits - conventional		46,133	188,565		
	Income / (loss) from exchange		(945)	6,641		
	Loss on remeasurement of Gas Infrastructure Development Cess		-	(134)		
	Unwinding of Government grant		12,923	14,221		
	Others		17,014	-		

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

17.1 Relationship with Shariah-compliant financial institutions

Islamic banks

ISL

The Company has facilities with Faysal Bank Limited for Running Musharakah, Letter of guarantees and letter of credit amounting to Rs. 1,660 million, Rs. 990 million and Rs. 2,000 million respectively.

The Company has facilities with Meezan Bank Limited for Running Musharakah Diminishing Musharakah (ILTFF), Letter of Guarantees and Letter of Credit amounting to Rs. 1,500 million, Rs. 235 million, Rs. 1,000 million and Rs. 4,000 million respectively.

The Company has facilities with Bank Islami Pakistan Limited for Running Musharakah and letter of credit amounting to Rs. 2,500 million and Rs. Nil respectively.

The Company has facility with Standard Chartered Bank (Pakistan) Limited - Islamic window for Running Musharakah amounting to Rs. 500 million.

The Company has facilities with MCB Islamic limited for Running Musharakah, export finance scheme, letter of guarantees and letter of credit amounting to Rs. 150 million, Rs. 100 million, Rs. 2,800 million and Rs. 1,000 million respectively.

Takaful operators

The company has no relationship with takaful operators.

18. SEGMENT REPORTING

Performance is measured based on respective segment's results. Information regarding the reportable segments is presented below:

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Un-audited)			
	Six months ended		Three months ended	
	December 31 2025	December 31, 2024	December 31 2025	December 31, 2024
(Rupees in '000)				
Associated companies				
Sales	2,047,814	216,225	638,483	25,705
Purchases	21,320,774	18,280,844	8,091,273	4,400,814
Reimbursement of expenses	5,725	34,391	3,320	34,391
Rent income	2,050	1,590	1,160	795
Dividend received	179,556	-	179,556	-
Dividend paid	101,228	120,651	-	2,218
Registration and training	2,573	-	-	-
Services / Donations	8,950	8,499	5,634	3,172
Key management personnel				
Remuneration and allowances	459,135	459,188	208,555	193,874
Staff retirement funds				
Contribution paid	71,085	153,051	24,576	103,450
Non-executive directors				
Directors' fee	6,200	8,900	6,200	8,900

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

18.1 Segment revenue and results	Steel coils & sheets	Steel pipes	Polymer pipes	Investment	Total
	(Rupees in '000)				
For the six months ended December 31, 2025					
Revenue from contracts with customers					
Local	32,323,946	11,334,036	1,253,766		44,911,748
Exports	9,995,141	1,838,800	-		11,833,941
	42,319,087	13,172,836	1,253,766		56,745,689
Cost of sales	(37,661,192)	(11,455,827)	(1,123,375)		(50,240,394)
Gross profit	4,657,895	1,717,009	130,391		6,505,295
Selling and distribution expenses	(1,287,669)	(962,238)	(70,475)		(2,320,382)
Administrative expenses	(317,865)	(261,965)	(22,308)		(602,138)
Charge / (reversal) of loss allowance on trade debts	-	19,920	(22,473)		(2,553)
	(1,605,534)	(1,204,283)	(115,256)		(2,925,073)
Finance cost	(619,708)	(281,319)	(27,139)		(928,166)
Other operating charges	(405,217)	(33,012)	841		(437,388)
	(1,024,925)	(314,331)	(26,298)		(1,365,554)
Other income	45,015	45,091	-		90,106
Share of profit in equity accounted investee	411,117	-	-	383,619	794,736
Profit / (loss) before levies and income tax	2,483,568	243,486	(11,163)	383,619	3,099,510
Levies					-
Income tax expense					(1,311,501)
Profit after tax for the period					1,788,009
For the six months ended December 31, 2024					
Revenue from contracts with customers					
Local	26,410,279	7,695,923	2,565,560		36,671,762
Exports	4,689,561	2,342,787	-		7,032,348
	31,099,840	10,038,710	2,565,560		43,704,110
Cost of sales	(28,720,011)	(9,318,545)	(1,840,030)		(39,878,587)
Gross profit	2,379,829	720,165	725,530		3,825,523
Selling and distribution expenses	(822,581)	(732,382)	(85,337)		(1,640,300)
Administrative expenses	(229,832)	(182,018)	(43,682)		(455,532)
(Charge) / reversal of loss allowance on trade debts	-	(18,454)	33,355		14,901
	(1,052,413)	(932,854)	(95,664)		(2,080,931)
Finance cost	(558,383)	(274,009)	(75,133)		(907,525)
Other operating charges	(85,708)	28,920	(38,831)		(95,619)
	(644,091)	(245,089)	(113,964)		(1,003,144)
Other income	142,131	(24,238)	-		117,893
Share of loss in equity accounted investee	-	-	-	(32,628)	(32,628)
Profit / (loss) before levies and income tax	825,456	(482,016)	515,902	(32,628)	826,713
Levies					-
Income tax expense					(594,990)
Profit after tax for the period					231,723

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Steel coils & sheets	Steel pipes	Polymer pipes	Investments	Total					
	(Rupees in '000)									
Segment assets and liabilities										
18.2 As at December 31, 2025 - Un-audited										
Segment assets	<u>51,169,346</u>	<u>23,800,178</u>	<u>3,356,228</u>	<u>2,280,633</u>	<u>80,606,385</u>					
Segment liabilities	<u>25,529,937</u>	<u>8,795,349</u>	<u>784,776</u>	<u>-</u>	<u>35,110,062</u>					
As at June 30, 2025 - Audited										
Segment assets	<u>50,067,519</u>	<u>21,200,382</u>	<u>3,095,020</u>	<u>1,995,587</u>	<u>76,358,507</u>					
Segment liabilities	<u>24,956,897</u>	<u>6,516,353</u>	<u>475,681</u>	<u>-</u>	<u>31,948,932</u>					
Reconciliation of segment assets and liabilities with total assets and liabilities in the Consolidated Condensed Interim Statement of Financial Position is as follows :										
				(Un-audited December 31 2025)	(Un-audited June 30, 2024)					
				(Rupees in '000)						
Total for reportable segments assets				<u>80,606,385</u>	<u>76,358,507</u>					
Unallocated assets				<u>1,318,356</u>	<u>1,433,124</u>					
Total assets as per Consolidated Condensed Interim Statement of Financial Position				<u>81,924,741</u>	<u>77,791,632</u>					
Total for reportable segments liabilities				<u>35,110,062</u>	<u>31,948,932</u>					
Unallocated liabilities				<u>3,339,487</u>	<u>3,217,938</u>					
Total liabilities as per Consolidated Condensed Interim Statement of Financial Position				<u>38,449,549</u>	<u>35,166,870</u>					

19. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Holding Company, in their meeting held on January 29, 2026, has declared an interim cash dividend of Rs. 2.00 (December 31, 2024: Rs. NIL) per share for the year ending June 30, 2026 amounting to Rs. 263.76 (December 31, 2024: Rs. NIL). The condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

The Board of Directors of ISL in their meeting held on January 27, 2026 has declared an interim cash dividend of Rs. 2.00 (December 31, 2024: Rs. NIL) per share for the year ending June 30, 2026 amounting to Rs. 870 million (December 31, 2024: Rs. NIL). The condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

20. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorised for issue on January 29, 2026 by the Board of Directors of the Holding Company.



Haider Rashid
Director & Chairman
Board Audit Committee



Salman Najeeb
Chief Financial
Officer



Yousuf H. Mirza
Chief Executive
Officer

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