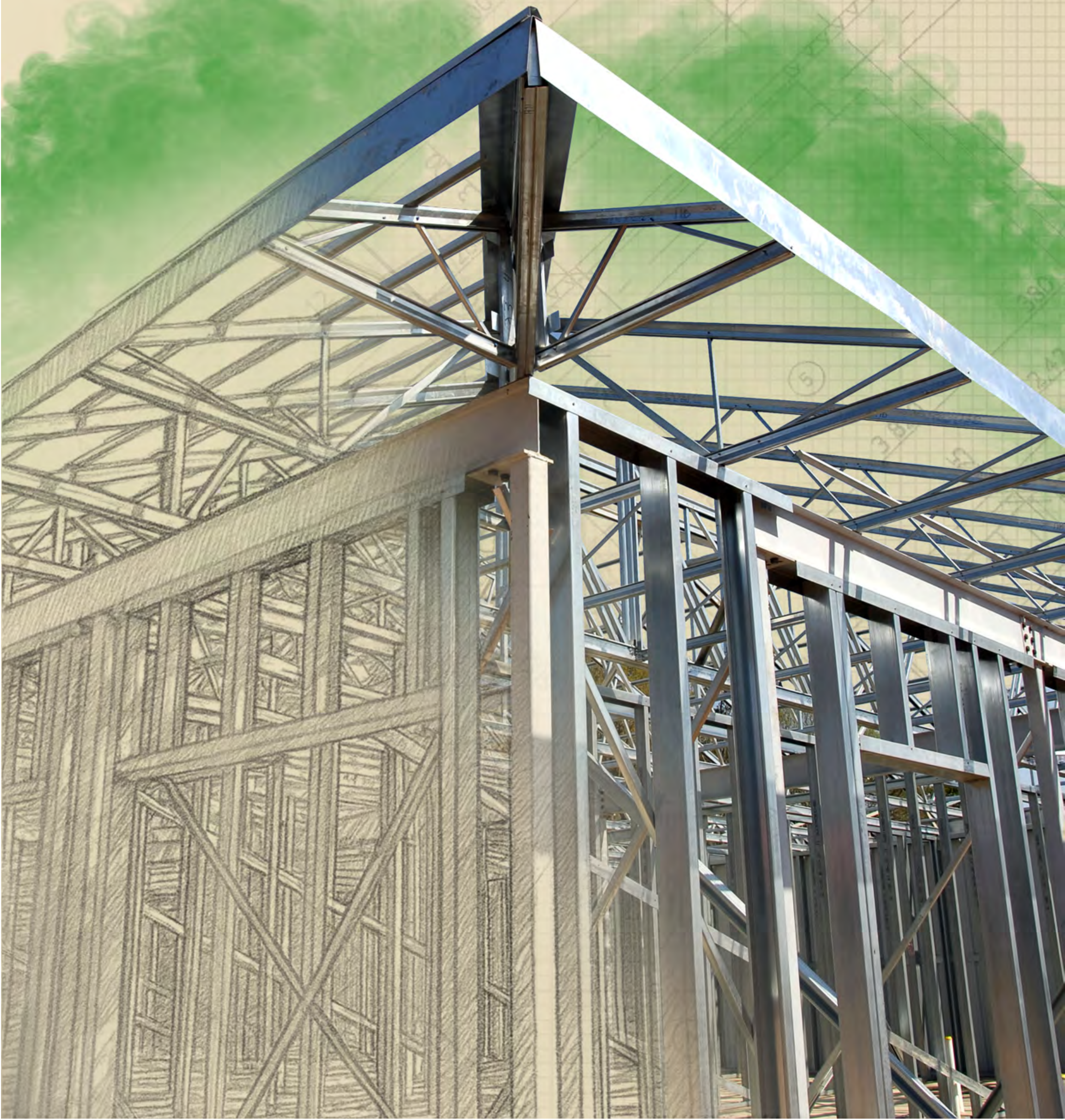
International Steels Limited

A member of ASC Amir S. Chinoy Group

A Legacy of Innovation

Condensed Interim Financial Statements

For the Six Months Ended December 31, 2025



Condensed Interim Financial Statements

For the Six Months Ended December 31, 2025

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Company Information

CHAIRMAN (NON-EXECUTIVE)
Mr. Kamal A. Chinoy

INDEPENDENT DIRECTORS
Ms. Nazafreen Saigol Lakhani
Ms. Nausheen Ahmad
Mr. Nihal Cassim

NON-EXECUTIVE DIRECTORS
Mr. Haroun Rashid
Mr. Mustapha A. Chinoy
Mr. Kenichi Hotta
Mr. Yousuf H. Mirza

CHIEF EXECUTIVE OFFICER
Mr. Samir M. Chinoy

CHIEF FINANCIAL OFFICER
Mr. Usman Ahmed

COMPANY SECRETARY & HEAD OF LEGAL AFFAIRS
Mr. Zohaib Raza Merchant

CHIEF INTERNAL AUDITOR
Syed Zaib Zaman Shah

EXTERNAL AUDITORS
A. F. Ferguson & Co., Chartered Accountants

LEGAL ADVISOR(S)
Mrs. Sana Shaikh Fikree

INVESTOR RELATIONS CONTACT
Shares Registrar
THK Associates (Pvt.) Ltd
Plot No. 32-C, Jami Commercial Street 2
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WEBSITE
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BANKERS
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitian Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Directors' Report

For the Six Months Ended December 31, 2025

On behalf of the Board of Directors of International Steels Limited, we are pleased to present the unaudited condensed interim financial information of the Company for the period ended December 31, 2025.

Macroeconomic Environment

During H1 FY2026, Pakistan's economy exhibited early signs of gradual recovery, supported by a resurgence in industrial activity. GDP grew by 3.71% in Q1 FY2026, driven by a 9.38% expansion in the industrial sector, reflecting improved production levels and easing cost pressures. These developments positively influenced downstream manufacturing industries, including the steel sector.

Inflation also moderated, with the CPI decreasing to 5.6% in December 2025, enabling the State Bank of Pakistan to reduce the policy rate by 50 basis points to 10.5%. While the easing of monetary conditions is encouraging and expected to support working-capital availability and investment, the sustainability of this trend remains dependent on fiscal discipline, energy-cost reforms, and consistent implementation of structural measures.

The IMF's GDP growth forecast of 3.2% for FY2026 reflects cautious optimism; however, transitioning from near-term stabilization to sustained growth will require continued industrial momentum, exchange-rate stability, and policy continuity.

Operational and Financial Performance

Sales volumes increased by 55% compared to the corresponding period last year, driven by improved demand conditions and a recovery in industrial activity. This volume uplift was managed selectively, focusing on capacity utilization while maintaining pricing discipline and cash-flow visibility.

The operating landscape continued to be affected by regulatory and enforcement-related challenges, including:

- Non-collection of anti-dumping duties on certain product categories due to Court stay orders
- Circumvention through mis-declaration of coated products
- Misuse of FATA/PATA-related exemptions

These factors contributed to elevated import inflows and heightened pricing pressures across the industry, undermining competitive parity for domestic manufacturers.

The Company recorded a Profit After Tax (PAT) of Rs. 1,615 million, compared to Rs. 534 million in the same period last year. Earnings Per Share improved accordingly to Rs. 3.71, up from Rs. 1.23. The improvement in profitability was supported by higher top-line volumes, better gross margins, and continued gains in operational efficiency, underpinned by strategic raw-material sourcing and disciplined cost management.over short-term volume maximization. Ongoing structural improvements in energy efficiency and operational throughput further reduced the Company's unit cost base, reinforcing competitiveness across industry cycles.

Capital Discipline and Operating Efficiency

Throughout the period, management remained steadfast in its focus on capital discipline and balance-sheet stewardship. Operational decisions prioritized margin protection, inventory optimization, and cash-flow resilience over short-term volume maximization. Ongoing structural improvements in energy efficiency and operational throughput further reduced the Company's unit cost base, reinforcing competitiveness across industry cycles.

Sector Outlook and Future Prospects

The Company anticipates stable near-term operating conditions, supported by a relatively stable exchange rate, declining inflation, and improving investor sentiment. However, management remains vigilant to persistent risks related to import practices, energy pricing, and demand variability. Effective regulatory enforcement will continue to be central to ensuring fair competition and long-term industry sustainability.

Our forward strategy remains anchored in disciplined growth, selective market participation, and prudent capital allocation. The Company's priorities include sustaining profitability, strengthening liquidity, and enhancing long-term resilience. Continued fiscal discipline and structural reforms will be essential to converting near-term stability into inclusive, durable economic growth.

Governance and Appreciation

The Board remains committed to strong governance, ensuring effective oversight of strategy, risk management, and capital allocation. We remain dedicated to aligning short-term decisions with long-term value creation for shareholders and stakeholders.

We extend our sincere appreciation to our shareholders, partners, and customers for their continued confidence and support. We also acknowledge the dedication and hard work of the Company's employees and management team, whose resilience and disciplined execution have been central to navigating a complex operating environment.

Above all, we express our gratitude to the Almighty for His continued guidance and blessings as we strive to build a stronger, more resilient, and sustainable future for your Company.

Samir M. Chinoy **Chief Executive Officer**	**Kamal A. Chinoy** **Chairman**

Karachi : January 27, 2026

ڈائریکٹرز رپورٹ

31 دسمبر 2025 کو ختم ہونے والی مدت کے لیئے

انٹرنیشنل اسٹیلز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم کمپنی کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات برائے مدت مختتمہ 31 دسمبر 2025 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مجموعی اقتصادی کی صورتحال

مالی سال 2026 کی پہلی ششماہی میں پاکستان کی معیشت میں بحالی کے ابتدائی آثار نمایاں ہوئے، جس کو صنعتی سرگرمیوں کے دوبارہ آغاز سے مدد ملی ۔ مالی سال 2026 کی پہلی سہ ماہی میں جی ڈی پی کی شرح نمو 3.71% تک پہنچی، جس کی وجہ صنعتی شعبہ میں 9.38% توسیع تھی جو پیداواری عمل میں بہتری اور لاگت کے دباؤ میں کمی کی علامت ہے۔ اس پیش رفت کے نتیجے میں مینوفیکچرنگ کی صنعتوں، بشمول اسٹیل کے شعبہ پر مثبت اثرات مرتب ہوئے۔ افراطِ زر میں بھی اعتدال آیا اور دسمبر 2025 میں CPI کم ہو کر 5.6% تک آ گئی؛ جس سے اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 50 بیس پوائنٹس کم کر کے 10.5% کر دیا۔ اگرچہ مالیاتی حالات میں بہتری حوصلہ افزا ہے اور اس سے جاری سرمائے کی دستیابی اور سرمایہ کاری کو فائدہ پہنچنے کی توقع ہے، لیکن اس رجحان کو مستحکم بنانے کا انحصار مالی تنظیم، توانائی کی قیمتوں میں اصلاحات اور ڈھانچہ جاتی اقدامات کے مضبوط نفاذ پر ہے۔ IMF کی جانب سے مالی سال 2026 کیلئے جی ڈی پی کی نمو 3.2% ہونے کی پیش گوئی ایک محتاط امید ہے، تاہم اس وقتی استحکام کو مستحکم نمو میں تبدیل کرنے کیلئے مسلسل صنعتی ترقی، زرمبادلہ کی شرح کے استحکام اور پالیسی کے تسلسل کی ضرورت ہے۔

فعالیت اور مالیاتی کارکردگی

فروخت کے حجم میں گزشتہ سال کی اسی مدت کے مقابلے میں 55% اضافہ ہوا جو طلب کے حالات میں بہتری اور صنعتی سرگرمیوں کی بحالی کے سبب حاصل ہوا۔ حجم میں یہ اضافہ استحکام کیلئے منتخب طور پر منظّم کیا گیا جس میں پیداوار میں اضافہ کی گنجائش پر توجہ مرکوز رکھی گئی جبکہ لاگت کے انتظام کو برقرار رکھا گیا، قیمتوں میں توازن اور نقد بہاؤ کو ملحوظ رکھا گیا۔

کاروباری ماحول پر ضوابط اور ان کے نفاذ سے متعلق چیلنجز کے اثرات جاری رہے، بشمول:

- عدالت کے اسٹے آرڈرز کی بناء پر بعض اقسام کی مصنوعات پر اینٹی ڈمپنگ ڈیوٹیز کی عدم وصولی
- ملمع شدہ مصنوعات کو غلط طور پر ظاہر کر کے دھوکہ دہی
- FATA/PATA سے متعلق استثنیٰ کا غلط استعمال

ان عوامل نے پوری صنعت میں اضافی درآمدات کے بہاؤ اور قیمتوں کے دباؤ میں اہم کردار ادا کیا، جس کے تحت مقامی مینوفیکچررز کیلئے مسابقت کمزور ہوئی۔ کمپنی کو بعد از ٹیکس (PAT) 1,615 ملین روپے کا منافع حاصل ہوا جو کہ گزشتہ سال کی اسی مدت میں 534 ملین روپے تھا۔ فی شیئر آمدنی میں بہتری آئی جو 1.23 روپے سے بڑھ کر 3.71 روپے حاصل ہوئی۔ منافع میں یہ بہتری حجم کی بلند تر سطح، بہتر مجموعی مارجنز اور آپریشنز کی استعداد کی بہتری سے ممکن ہوئی اور جسمیں حکمت عملی کے تحت خام مال کے وسائل کے حصول اور لاگت کے منظّم بندوبست سے بھی مدد ملی۔

سرمائے کی تنظیم اور آپریشنز کی استعداد

مذکورہ پوری مدت کے دوران میں، انتظامیہ نے اپنی توجہ سرمائے کی تنظیم اور بیلنس شیٹ کی نگرانی پر مرکوز رکھی۔ آپریشنز کے فیصلے ترجیحی مارجن کا تحفظ، انونٹری کا بہتر انتخاب اور کم مدت میں زیادہ سے زیادہ حجم کے ساتھ نقد بہاؤ میں لچک رکھی گئی۔ پورے عرصے میں توانائی کی استعداد اور آپریشنز میں مسلسل ڈھانچہ جاتی بہتری سے فی یونٹ بنیادی لاگت میں کمی آئی اور صنعت کے عمل میں مسابقت کو تقویت حاصل ہوئی۔

نظم ونسق کا انتظام اور اعتراف

بورڈ مضبوط نظم ونسق کیلئے پرعزم ہے جس کے ذریعے حکمت عملی اور سرمائے کی تفویض کی موثر نگرانی کو یقینی بنایا جا سکے۔ ہم اپنے شیئر ہولڈرز اور اسٹیک ہولڈرز کیلئے قلیل المدت فیصلوں کو طویل المدت حکمت عملی سے ہم آہنگ رکھنا چاہتے ہیں۔

ہم اپنے حصص داران، کاروباری شریک اور صارفین کی جانب سے مسلسل اعتماد اور تعاون کا دلی شکریہ ادا کرتے ہیں۔ ہم کمپنی کے ملازمین اور انتظامی ٹیم کے خلوص اور انتھک محنت کا اعتراف کرتے ہیں جن کی لگن اور منظّم کارگزاری نے کثیر العمل طریقہء کار انجام دینے میں مرکزی کردار ادا کیا۔ ان سب سے بڑھ کر، ہم اللہ تعالیٰ کی مسلسل رہنمائی اور عنایات کے نزول پر دل کی گہرائیوں سے شکر گزار ہیں اور آپ کی کمپنی کیلئے ایک زیادہ مضبوط، زیادہ موافق اور مستحکم مستقبل کی تعمیر کیلئے کوشاں ہیں۔

سمیر ایم چنائے
چیف ایگزیکٹیو آفیسر

کمال اے چنائے
چیئرمین

کراچی: جنوری ۲۷، ۲۰۲۶

pwc A·F·FERGUSON&Co.

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

REPORT ON REVIEW OF CONDENSED INTERIMS FINANCIAL STATEMENTS

Introduction

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

Scope of Review

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

Conclusion

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

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 condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months 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 19, 2026

UDIN: RR202510059ePhS2H3ZR

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INTERNATIONAL STEELS LIMITED

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	**20,339,167**	21,170,633
Right-of-use assets		**75,984**	17,803
Intangible assets		**310,506**	329,540
Investment in an associate	6	**409,284**	87,945
		21,134,941	21,605,921
CURRENT ASSETS			
Stores and spares		**907,391**	887,739
Stock-in-trade	7	**24,845,246**	21,803,321
Trade debts		**638,399**	1,350,948
Receivable from K-Electric Limited (KE)		**1,381**	4,541
Advances, trade deposits and prepayments		**145,197**	68,877
Staff retirement benefits		**86,973**	101,605
Sales tax receivable		**355,339**	308,110
Taxation - net		**449,761**	499,620
Cash and bank balances	8	**2,636,611**	3,436,737
		30,066,298	28,461,498
TOTAL ASSETS		**51,201,239**	50,067,519
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		**4,350,000**	4,350,000
Revenue reserve			
Unappropriated profit		**17,731,113**	17,115,900
Capital reserve			
Revaluation surplus on property, plant and equipment		**3,556,941**	3,644,722
TOTAL SHAREHOLDERS' EQUITY		**25,638,054**	25,110,622
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finance - secured	9	**594,395**	673,942
Deferred income - Government grant		**61,758**	73,248
Deferred taxation - net		**1,469,546**	1,878,464
Lease liabilities		**28,763**	17,059
		2,154,462	2,642,713
CURRENT LIABILITIES			
Trade and other payables	10	**14,995,315**	15,580,507
Contract liabilities		**1,860,386**	1,884,713
Short term borrowings - secured	11	**6,106,664**	4,549,118
Unpaid dividend		**-**	477
Unclaimed dividend		**690**	2,460
Current portion of long term finance - secured	9	**188,123**	199,282
Current portion of lease liabilities		**52,286**	4,028
Accrued mark-up		**205,259**	93,599
		23,408,723	22,314,184
TOTAL LIABILITIES		**25,563,185**	24,956,897
CONTINGENCY AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		**51,201,239**	50,067,519

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Nihal Cassim	**Usman Ahmed**	**Samir M. Chinoy**
Director & Chairman Board Audit Committee	Chief Financial Officer	Chief Executive Officer

INTERNATIONAL STEELS LIMITED

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

FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

	Note	Six months ended		Three months ended	
		December 31 2025	December 31 2024	December 31 2025	December 31 2024
		(Rupees in '000)		(Rupees in '000)	
Revenue from contracts with customers	13	43,945,233	31,802,736	23,025,892	18,312,844
Cost of sales	14	(39,287,338)	(29,422,906)	(20,721,332)	(16,837,987)
Gross profit		4,657,895	2,379,830	2,304,560	1,474,857
Selling and distribution expenses		(1,294,402)	(827,980)	(492,345)	(443,231)
Administrative expenses		(317,865)	(229,832)	(188,012)	(116,088)
Operating Profit		3,045,628	1,322,018	1,624,203	915,538
Finance cost		(621,705)	(559,149)	(347,262)	(226,114)
Other expenses		(405,217)	(85,708)	(224,458)	(51,485)
Other income	15	52,389	149,453	34,768	(22,166)
Share of net income of associate accounted for using the equity method	6	411,117	-	411,117	-
Profit before taxation		2,482,212	826,614	1,498,368	615,773
Income tax expense	16	(867,280)	(292,521)	(503,778)	(261,107)
Profit after taxation		1,614,932	534,093	994,590	354,666
		(Rupees)			
Earnings per share - basic and diluted		3.71	1.23	2.29	0.82

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Nihal Cassim	**Usman Ahmed**	**Samir M. Chinoy**
Director & Chairman Board Audit Committee	Chief Financial Officer	Chief Executive Officer

INTERNATIONAL STEELS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE SIX MONTHS 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)		(Rupees in '000)	
Profit after taxation	**1,614,932**	534,093	**994,590**	354,666
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**1,614,932**	534,093	**994,590**	354,666

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Nihal Cassim	**Usman Ahmed**	**Samir M. Chinoy**
Director & Chairman Board Audit Committee	Chief Financial Officer	Chief Executive Officer

INTERNATIONAL STEELS LIMITED

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

FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

	Issued, subscribed & paid-up capital	Revenue reserve-unappropriated profit	Capital reserve-Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)			
Balance as at July 01, 2024	**4,350,000**	**16,735,347**	**2,112,076**	**23,197,423**
Profit for the period	-	534,093	-	534,093
Other comprehensive income	-	-	-	-
Total comprehensive income	-	534,093	-	534,093
Transactions with owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 30% (Rs. 3.00 per share) for the year ended June 30, 2024	-	(1,305,000)	-	(1,305,000)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	37,697	(37,697)	-
Balance as at December 31, 2024	**4,350,000**	**16,002,137**	**2,074,379**	**22,426,516**
Total comprehensive income for the nine months ended June 2025	-	1,113,763	1,570,343	2,684,106
Balance as at July 01, 2025	**4,350,000**	**17,115,900**	**3,644,722**	**25,110,622**
Profit for the period	-	1,614,932	-	1,614,932
Other comprehensive income	-	-	-	-
Total comprehensive income	-	1,614,932	-	1,614,932
Transactions with owners recorded directly in equity - distributions				
Dividend:				
- Final dividend @ 25% (Rs. 2.50 per share) for the year ended June 30, 2025	-	(1,087,500)	-	(1,087,500)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	87,781	(87,781)	-
Balances as at December 31, 2025	**4,350,000**	**17,731,113**	**3,556,941**	**25,638,054**

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Nihal Cassim
Director & Chairman
Board Audit Committee

Usman Ahmed
Chief Financial
Officer

Samir M. Chinoy
Chief Executive
Officer

INTERNATIONAL STEELS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

	Note	Six months ended December 31 2025	Six months ended December 31 2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	**739,551**	6,594,736
Finance cost paid		**(493,355)**	(621,730)
Income on bank deposits received		**42,472**	171,373
Staff retirement benefits paid		**(3,081)**	-
Payment on account of compensated absences		**(8,135)**	(16,466)
Income tax paid		**(1,226,348)**	(894,768)
		(1,688,447)	(1,361,591)
Net cash (used in) / generated from operating activities		**(948,896)**	5,233,145
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment	5	**(332,965)**	(570,905)
Payment for acquisition of intangible asset		**-**	(54,777)
Proceeds from disposal of property, plant and equipment		**43,072**	64,712
Divident from Associates		**89,778**	(48,450)
Investments in Pakistan Investment Bond		**-**	(4,951,136)
Proceeds of Term Deposit Receipt		**250,000**	250,000
Net cash generated from / (used in) investing activities		**49,885**	(5,310,556)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(102,196)**	(198,401)
Proceeds from Short term borrowings - net		**1,535,387**	4,875,076
Lease rentals paid		**(16,718)**	(13,455)
Dividend paid		**(1,089,747)**	(1,305,832)
Net cash generated from financing activities		**326,726**	3,357,388
Net increase in cash and cash equivalents		**(572,285)**	3,279,977
Cash and cash equivalents at beginning of the period		**2,402,737**	1,974,102
Cash and cash equivalents at end of the period	18	**1,830,452**	5,254,079

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Nihal Cassim Director & Chairman Board Audit Committee	**Usman Ahmed** Chief Financial Officer	**Samir M. Chinoy** Chief Executive Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

1. STATUS AND NATURE OF BUSINESS

International Steels Limited ('the Company') was incorporated on September 03, 2007 as a public unlisted Company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is domiciled in the province of Sindh. The Company was listed on the Pakistan Stock Exchange Limited on June 01, 2011. The Company is subsidiary of International Industries Limited (Holding Company).

The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. The Company commenced commercial operations on January 01, 2011.

Location	Address
Head Office	101, Beaumont Plaza, 10 Beaumont Road, Civil Lines, Karachi - 75530.
Manufacturing facilities	399-405, Rehri Road, Landhi Industrial Area; and
	Plot No. LE-73-79,102-103, 112-118, 125-129, Survey No. NC.98, near Arabian Country Club, National Industrial Parks (NIP), Bin Qasim Industrial Park, Karachi.
Sales Offices	Chinoy House, 6-Bank Square, Lahore - 54000;
	Office No. 303-A, 3rd Floor, Evacuee Trust Complex Sector F-5/1 Agha Khan Road, Islamabad; and
	Office No. 708-A, United Mall, Plot No.74, Abdali Road, Multan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim financial statements 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 and directives 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.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.2 Changes in accounting standards, interpretations and prouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 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 standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company’s annual accounting period which began on July 01, 2026.

The following amendments and standards have not been early adopted by the Company.

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Operating assets	Capital work in progress	Total
		(Rupees in '000)		
Cost / revalued amount				
Opening balance as at July 01, 2025		33,565,883	37,880	33,603,703
Additions	5.1	145,786	273,823	419,609
Adjustments / transfers - net		59,142	(145,786)	(86,644)
Disposals	5.1	(57,035)	-	(57,035)
		33,713,776	165,917	33,879,693
Accumulated depreciation				
Opening balance as at July 01, 2025		(12,433,130)	-	(12,433,130)
Charge for the period		(1,137,147)	-	(1,137,147)
Disposals	5.1	29,751	-	29,751
		(13,540,526)	-	(13,540,526)
Written down value as at December 31, 2025 (Un-audited)		**20,173,250**	**165,917**	**20,339,167**
Written down value as at June 30, 2025 (Audited)		21,132,753	37,880	21,170,633

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

	(Un-audited)			
	December 31, 2025		December 31, 2025	
	Additions	Disposal (Written down value)	Additions	Disposal (Written down value)
	(Rupees in '000)			
Building on Freehold land	**-**	**-**	7,507	-
Plant and machinery	**32,265**	**-**	217,906	(3,813)
Furniture and fixtures	**-**	**(93)**	462	-
Office equipment	**12,870**	**(11)**	9,270	(58)
Vehicles	**100,651**	**(27,180)**	204,381	(31,035)
	145,786	**(27,284)**	439,526	(34,906)

6. INVESTMENT IN ASSOCIATE

	(Un-audited) December 31 2025	(Audited) June 30 2025
	(Rupees in '000)	
Chinoy Engineering & Construction (Private) Limited (CECL) - 4,845,000 (June 30, 2025: 4,845,000) fully paid ordinary shares of Rs. 10 each - note 6.1	**409,284**	87,945

6.1 The Company has a significant influence over the board composition of CECL and also holds 17% (June 30, 2025: 17%) of the total equity. Accordingly, the Company has accounted this as investment in associate. The above amount represents proportionate carrying value of the associate's net assets of unaudited financial statements of CECL as at September 30, 2025 and March 31, 2025 respectively.

The registered office of the associate is at 101, Beaumont Plaza, 10 Beaumont Road, Civil Lines, Karachi, Pakistan. The country of incorporation or registration is also its principal place of business.

The principal activity of the associate is to engage in the business of construction industry, encompassing a range of activities including design, construction, demolition and infrastructure development.

	(Un-audited) December 31 2025	(Audited) June 30 2025
	(Rupees in '000)	
Balance at beginning of the period / year	**87,945**	-
Investment acquired during the period / year	**-**	48,450
Share of net income of associate accounted for using the equity method	**411,117**	44,921
Divident received during the period / year	**(89,778)**	(5,426)
Balance at end of the period / year	**409,284**	87,945

6.2 The Company has 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 financing 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). This obligation carries joint and several liability alongside associated entities International Industries 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.

7. STOCK-IN-TRADE

	(Un-audited) December 31 2025	(Audited) June 30 2025
	(Rupees in '000)	
Raw material		
- in hand	**5,892,827**	3,769,382
- in transit	**8,040,988**	9,456,220
	13,933,815	13,225,602
Work-in-process	**2,385,581**	2,535,840
Finished goods	**8,422,055**	5,967,071
By-products	**4,702**	11,167
Scrap material	**99,093**	63,641
	24,845,246	21,803,321

8. CASH AND BANK BALANCES

8.1 These include:

8.1.1 Investment in Term Deposit Receipt (TDR) amounting to Rs. 384 million (June 30, 2025: Rs. 384 million) having mark-up of 7.50% (June 30, 2025: 7.50%). The TDR was placed against a bank guarantee submitted to the Nazir of Sindh High Court in relation to petition filed by the Company in the Court against chargeability of Super Tax.

8.1.2 Investment in Term Deposit Receipt (TDR) amounting to Rs. 400 million (June 30, 2025: Rs. 150 million) having mark-up of from 7.5% to 9.5% (June 30, 2025: 7.50%). The TDR was placed against a bank guarantee submitted to the ETO.

8.1.3 Investment in Term Deposit Receipt (TDR) amounting to Rs. Nil (June 30, 2025: Rs. 500 million having mark-up of 10.55%).

9. LONG TERM FINANCE - secured

	Note	(Un-audited) December 31 2025	(Audited) June 30 2025
		(Rupees in '000)	
Conventional			
Long Term Finance Facility (LTFF)	9.1	**162,658**	186,398
Temporary Economic Refinance Facility (TERF)	9.2	**338,939**	369,752
Renewable Energy Financing Facility (REFF)	9.3	**131,250**	150,000
Islamic			
Islamic Long Term Finance Facility (ILTFF)	9.4	**235,107**	265,434
		867,954	971,584
Less: Deferred Income			
- Government grant	9.5	**(85,436)**	(98,360)
Less: Current portion of long term loans:			
Conventional			
Long Term Finance Facility (LTFF)		**(28,341)**	(39,500)
Temporary Economic Refinance Facility (TERF)		**(61,625)**	(61,625)
Renewable Energy Financing Facility (REFF)		**(37,500)**	(37,500)
Islamic			
Islamic Long Term Finance Facility (ILTFF)		**(60,657)**	(60,657)
		(188,123)	(199,282)
		594,395	673,942

9.1 This represents finance facility loan obtained from different banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects at SBP Refinance rate + 0.50% to 1.00% (June 30, 2025: SBP Refinance rate at 0.50% to 1.00%).

9.2 This represents finance facility loan obtained from a commercial bank under the SBP's Temporary Economic Refinance Facility available to the Company at SBP Refinance rate + 1.25% (June 30, 2025: SBP Refinance rate + 1.25%) for setting up of new industrial units.

9.3 This represents finance facility loan obtained from different banks under the SBP's Renewable Energy Financing Facility available to the Company at SBP Refinance rate + 3.00% (June 30, 2025: SBP Refinance rate + 3.00%) for setting up of Solar power project.

9.4 This represents finance facility loan obtained from different banks under the SBP's Islamic Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects at SBP Refinance rate + 3.00% (June 30, 2025: SBP refinance rate at 3.00%).

9.5 Government grant amounting to Rs.85.43 million (June 30, 2025: Rs. 98.36 million) has been recorded up to the period ended December 31, 2025 and Rs. 12.92 million (December 31, 2024: Rs. 14.22 million) has been amortised during the period.

9.6 The above loans are secured against joint pari passu charge over fixed assets of the Company (such as land, building, plant and machinery etc.).

10. TRADE AND OTHER PAYABLES

	Note	(Un-audited) December 31 2025	(Audited) June 30 2025
		(Rupees in '000)	
Trade creditors	10.1	**6,763,757**	8,197,329
Accrued expenses	10.2	**2,425,508**	2,406,913
Provision for infrastructure cess	10.3	**5,387,460**	4,682,645
Workers' Welfare Fund	10.4	**196,058**	199,238
Workers' Profit Partcipation Fund		**134,232**	18,060
Deferred income - Government grant		**23,678**	25,112
Others		**64,622**	51,210
		14,995,315	15,580,507

10.1 These include payable to Sumitomo Corporation, related party of the Company, amounting to Rs. 3,981.77 million (June 30, 2025: Rs. 4,374.76 million).

10.2 This includes current portion of payable for Gas Infrastructure Development Cess amounting to Rs.1,255.02 million (June 30, 2025: Rs. 1,255.02 million) and payable against revision of gas tariff by Oil and Gas Regulation Authority amounting to Rs. 544.96 million (June 30, 2025: Rs. 544.96 million).

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

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

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

Bank guarantees issued as per the above mentioned orders amounting to Rs. 5,632.50 million (June 30, 2025: Rs. 4,732.5 million) have been provided to the Excise and Taxation Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on prudent basis.

10.4 The Company filed a constitutional petition in the SHC against a notice for payment of Sindh Workers Welfare Fund (SWWF). A stay was obtained on the grounds that the Company is a trans-provincial establishment operating across Pakistan and is liable to pay Workers Welfare Fund under the Federal Ordinance, 1971. The SHC disposed of the petition in favor of the Company, affirming that trans-provincial entities fall under federal jurisdiction. However, the Province of Sindh has since filed a Leave to Appeal before the Supreme Court challenging this ruling, which is pending.

11. SHORT TERM BORROWINGS - secured

	Note	(Un-audited) December 31 2025	(Audited) June 30 2025
		(Rupees in '000)	
Conventional			
Short term running finance	11.1	**22,159**	-
Running finance under Export Refinance Scheme (Rupee Based Discounting)	11.2	**122,455**	298,968
Running finance under Export Refinance Scheme	11.3	**4,510,000**	3,950,000
Islamic			
Short term finance under Running Musharakah	11.4	**1,152,050**	150
Running finance under Export Refinance Scheme	11.5	**300,000**	300,000
		6,106,664	4,549,118

11.1 This represents short term running finance facility under Running Finance facility for the purpose of meeting working capital requirements from various commercial banks. The rate of mark-up on these finances ranges from 11.12% to 11.84% (June 30, 2025: Nil) per annum.

11.2 The Company has availed short term running finance facility under Export Finance Scheme (Rupee Based Discounting) of the State Bank of Pakistan from a Islamic Bank. The rate of mark-up on this facility is 2.00% (June 30, 2025: 2.00% to 2.50%) per annum.

11.3 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The rate of mark-up on this facility is 7.00% to 7.50% (June 30, 2025: 7.75% to 8.00%) per annum. This facility matures within six months and is renewable.

11.4 This represents short term running finance facility under Islamic Running Musharakah facility for the purpose of meeting working capital requirements from an Islamic bank. The rate of mark-up on this finance ranges from 10.66% to 11.57% (June 30, 2025: 11.48% to 12.59%) per annum.

11.5 The Company has short term running finance facility under Islamic Export Refinance Scheme of the State Bank of Pakistan from a Islamic bank. The rate of mark-up on this facility is 7.50% (June 30, 2025: 8.00%) per annum. This facility matures within six months and is renewable.

11.6 As at December 31, 2025, the unavailed facilities from the above borrowings amounted to Rs. 22,753 million (June 30, 2025: Rs. 22,051 million).

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

12. CONTINGENCY AND COMMITMENTS

12.1 Contingency

12.1.1 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.

12.1.2 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 during the period, the CCP issued an order and concluded the inquiry with an adverse judgement against the Company and levied penalty of Rs. 914 million.

The Company has filed an appeal under section 42 of the Competition Act, 2010 in the Competition Appellate Tribunal (CAT) which has suspended penalty implementation by issuing the stay order. The management believes based on legal advice that it has strong grounds to secure relief at the relevant appellate forums and accordingly, no provision has been made in this respect.

12.2 Commitments

12.2.1 Commitments under Letters of Credit for raw materials and spares as at December 31, 2025 amounted to Rs. 23,658 million (June 30, 2025: Rs. 19,616 million).

12.2.2 The facilities for opening letters of credit and guarantees from banks as at December 31, 2025 amounted to Rs. 38,500 million (June 30, 2025: Rs. 40,749 million) and Rs. 11,264 million (June 30, 2025: Rs. 10,184 million) respectively of which unutilised balance at period end amounted to Rs. 14,841 million (June 30, 2025: Rs. 21,133 million) and Rs. 602 million (June 30, 2025: Rs. 776.50 million) respectively.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

	(Un-audited)			
	Six months ended		Three months ended	
	December 31 2025	December 31 2024	December 31 2025	December 31 2024
	(Rupees in '000)		(Rupees in '000)	
Local	**41,768,569**	31,881,664	**24,808,558**	18,316,955
Export	**10,005,443**	5,265,994	**(3,048,581)**	3,094,098
	51,774,012	37,147,658	**27,857,139**	21,411,053
Sales Tax	**(5,864,738)**	(4,699,225)	**(3,491,748)**	(2,682,813)
Trade discounts	**(1,615,764)**	(305,145)	**(1,136,380)**	(238,454)
Sales commission	**(348,277)**	(340,552)	**(203,119)**	(176,942)
	(7,828,779)	(5,344,922)	**(4,831,247)**	(3,098,209)
	43,945,233	31,802,736	**23,025,892**	18,312,844

14. COST OF SALES

This amount includes grid levy of Rs. 145.49 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

	Note	(Un-audited) December 31 2025	December 31 2024
		(Rupees in '000)	
Income from non-financial assets			
Loss from power generation	15.1	**(28,166)**	(271,154)
Gain on sale of property, plant and equipment	10	**,15,788**	29,806
Rental income		**1,735**	1,590
Liabilities no longer payable written back		**-**	188,743
Others		**7,637**	14,874
		(3,006)	(36,141)
Income from financial assets			
- Income on bank deposits - Conventional		**33,477**	117,576
- Income on bank deposits - Islamic		**8,995**	9,584
- Income on Pakistan Investment Bond		**-**	44,213
- Govenment grant		**12,923**	14,221
		55,395	185,594
		52,389	149,453

15.1 This amount includes revenue from sale of surplus electricty to K-Electric Limited amounting to Rs. Nil (December 31, 2024: Rs. 66.23 million).

16. INCOME TAX EXPENSES

	Six months ended December 31 2025	Six months ended December 31 2024	Three months ended December 31 2025	Three months ended December 31 2024
	(Rupees in '000)		(Rupees in '000)	
Tax expense for the period				
- Current	**(1,276,207)**	(547,263)	**(668,722)**	(504,659)
- Deferred tax	**408,927**	254,742	**164,944**	243,552
	(867,280)	(292,521)	**(503,778)**	(261,107)

17. CASH GENERATED FROM OPERATIONS

	Notes	Un-audited December 31 2025	Un-audited December 31 2024
		(Rupees in '000)	
Profit before taxation		**2,482,212**	826,614
Adjustments for			
Depreciation and amortisation		**1,170,913**	1,001,374
Gain on disposal of property, plant and equipment		**(15,788)**	(29,806)
Provision for net realisable value written off stores and spares		**18,015**	2,311
Provision for staff gratuity		**17,713**	17,153
Unwinding of gas infrastructure		**-**	6,803
Provision for compensated absences		**4,606**	4,500
Income on bank deposits / government securities		**(42,472)**	(171,373)
Share of associate		**(411,117)**	-
Finance cost		**621,705**	552,346
Deferred income - Government grant		**(12,923)**	(7,153)
		1,350,652	1,376,155
Changes in working capital	15.1	**(3,093,313)**	4,391,967
		739,551	6,594,736

17.1 CHANGES IN WORKING CAPITAL

	Notes	December 31 2025	December 31 2024
Decrease / (increase) in current assets:			
Stores and spares		**(37,667)**	(59,320)
Stock-in-trade		**(3,041,925)**	(4,019,998)
Receivable from K-Electric Limited		**3,160**	(20,549)
Trade debts		**712,549**	466,389
Advances, trade deposits and short-term prepayments		**(76,220)**	(30,722)
Sales tax receivable		**(47,229)**	1,045,932
		(2,487,332)	5,462,826
Increase / (decrease) in current liabilities:			
Trade and other payables	11	**(581,654)**	(1,071,507)
Contract liabilities		**(24,327)**	648
		(3,093,313)	4,391,967

18. CASH AND CASH EQUIVALENTS

	December 31 2025	December 31 2024
Cash and bank balances	**2,636,611**	5,738,079
Less: Term Deposit Receipts (TDRs)	**(784,000)**	(484,000)
Less: Short term Running Finance	**(22,159)**	-
	1,830,452	5,254,079

19. SHARIAH COMPLIANCE STATUS DISCLOSURE

	(Un-audited) December 31 2025	(Audited) June 30 2025
	(Rupees in '000)	
Statement of financial position - Liability Side		
i) Short-term financing as per islamic mode	**1,452,050**	300,150
ii) Long-term financing as per islamic mode	**235,107**	265,434
iii) Mark-up accrued on conventional loan	**85,861**	66,861
iv) Mark-up accrued on islamic loan	**119,398**	26,738
Statement of financial position - Asset Side		
i) Investment in associate	**409,284**	87,945
ii) Shariah-compliant bank balances and TDR	**552,145**	951,171

	Un-audited	
	December 31 2025	December 31 2024
	(Rupees in '000)	
Statement of Profit or Loss		
i) Revenue earned from Shariah-compliant business segment	**43,945,233**	31,802,736
ii) Exchange loss	**169,856**	5,183
iii) Share of net income from associate accounted for using the equity method	**411,117**	-
iv) Profit on bank deposit - Islamic	**8,995**	9,584
v) Income on bank deposit - Conventional	**33,477**	117,575
vi) Profit paid on Islamic mode of financing	**122,005**	111,564
Break-up of Other income excluding profits in bank deposits and TDRs		
Shariah compliant income		
Loss from power generation	**(28,166)**	(271,154)
Gain on disposal of property, plant and equipment	**15,788**	29,806
Rental income	**1,735**	1,590
Liabilities no longer payable written back	**-**	188,743
Others - Scrap sales	**7,637**	14,874
Shariah compliant income		
Government grant	**12,923**	14,221

19.1 Relationship with Shariah-compliant financial institutions

Islamic banks

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.

20. TRANSACTIONS WITH RELATED PARTIES

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

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

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

	Un-audited			
	Six months ended		Three months ended	
	December 31 2025	December 31 2024	December 31 2025	December 31 2024
	(Rupees in '000)		(Rupees in '000)	
Holding company				
Sales	**1,904,006**	551,077	**1,480,936**	255,591
Purchases	**1,531**	1,118	**1,369**	613
Rent / Lease payments	**9,742**	6,860	**4,953**	3,430
Shared resources cost	**515**	23,985	**-**	4,270
Reimbursement of expenses	**4,354**	7,622	**3,641**	6,627
Dividend paid	**612,639**	735,167	**-**	-
Associated undertakings				
Sales	**1,984,398**	915,924	**631,923**	501,243
Purchases	**21,298,707**	18,272,092	**8,080,581**	4,394,709
Dividend paid	**98,694**	118,433	**-**	-
Dividend Income	**89,778**	-	**89,778**	-
Rental Income	**1,780**	1,590	**890**	795
Reimbursement of Expenses	**3,410**	12,233	**1,624**	12,233
Services / Donations	**8,950**	8,499	**4,089**	3,172
Key management personnel				
Remuneration	**224,492**	232,340	**113,119**	109,652
Staff retirement funds				
Contribution paid	**38,054**	37,973	**19,067**	18,372
Non-executive directors				
Directors' fee	**2,400**	3,700	**800**	900

21. OPERATING SEGMENTS

21.1. These condensed interim financial statements have been prepared on the basis of a single reportable segment.

21.2. Revenue from sales of steel products represents 100% (June 30, 2025: 99.90%) of total revenue whereas remaining represent revenue from sale of surplus electricity to K-Electric Limited (KE). The Company does not consider sale of electricity to KE as separate reportable segment as the power plant of the Company is installed primarily to supply power to its Cold Rolling, Galvanizing and Colour Coating Plants and currently any excess electricity is sold to KE.

21.3 80.67% (December 31, 2024: 85.82%) of gross sales are domestic sales whereas 19.33% (December 31, 2024: 14.18%) of sales are export sales.

22. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on January 27, 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. 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.

23. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors on January 27, 2026.

Nihal Cassim Director & Chairman Board Audit Committee	**Usman Ahmed** Chief Financial Officer	**Samir M. Chinoy** Chief Executive Officer