



ENERGY ON THE HORIZON

CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)
OR THE HALF YEAR ENDED DECEMBER 31, 2025

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01

COMPANY INFORMATION & MANAGEMENT REVIEW

- Company Information
- Directors' Review

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mirza Javed Iqbal
Non-Executive Director - Chairman
 Mr. Jamshed Iqbal
Non-Executive Director
 Mr. Khurram Javaid
Executive Director
 Mr. Abdul Rehman Qureshi
Non-Executive Director
 Mr. Muhammad Mateen Jamshed
Non-Executive Director
 Mrs. Jahanara Sajjad Ahmad
Non-Executive / Independent Director
 Mr. Muhammad Aslam Bhatti
Non-Executive / Independent Director

AUDIT COMMITTEE

Mr. Muhammad Aslam Bhatti
Chairman
 Mr. Mirza Javed Iqbal
Member
 Mr. Muhammad Mateen Jamshed
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Muhammad Aslam Bhatti
Chairman
 Mr. Mirza Javed Iqbal
Member
 Mr. Jamshed Iqbal
Member

SHARE REGISTRAR & TRANSFER AGENT

Digital Custodian Company Limited
 Pardesi House, 4th Floor Old Queens Road,
 Karachi, Pakistan.
 Tel: +92-21-32419770
 E-mail: info@digitalcustodian.com

SHAREHOLDER COMPLAINT HANDLING CELL

In case of shareholder complaints/queries,
 please contact:
 Mr. Zeeshan Ejaz
 Tel : +92-42-35960841 Ext:136
 E-mail: fahadhafeez@mughalsteel.com

STATUTORY AUDITORS

Muniff Ziauddin & Company
 Chartered Accountants
 (A member of BKR International)

LEGAL ADVISOR

Mr. Muhammad Atif Butt

CHIEF OPERATING OFFICER

Mr. Shakeel Ahmad Mughal
 Tel: +92-42-35960841 Ext:154
 E-mail: shakeel.ahmad@mughalsteel.com

CHIEF FINANCIAL OFFICER

Mr. Muhammad Zafar Iqbal
 Tel: +92-42-35960841 Ext:138
 E-mail: zafariqbal@mughalsteel.com

COMPANY SECRETARY

Mr. Muhammad Fahad Hafeez
 Tel: +92-42-35960841 Ext:155
 E-mail: fahadhafeez@mughalsteel.com

BANKERS / INSTITUTIONS

The Bank of Punjab (Taqwa Islamic Banking)
 MCB Islamic Bank Limited
 PAIR Investment Company Limited
 Parwaaz Financial Services Limited

ENTITY CREDIT RATING

Long-term:A
 Short-term: A2
 Outlook: Developing
 Agency: PACRA

GEOGRAPHICAL PRESENCE

Registered Office
 31-A Shadman 1
 Lahore, Pakistan
 Tel: +92-42-35960841-3

Plant site

17-Km Sheikhpura Road,
 Lahore, Pakistan
 Tel: +92-42-35960841-3

Company Website:

The Company is operating website
www.mughalenergy.com.pk containing
 updated information regarding the Company.

Note: MEL's Annual & Interim Financial Statements are also available at the above website.



DIRECTORS' REVIEW

Dear Valued Shareholders,

On behalf of the Board of Directors of **MUGHAL ENERGY LIMITED**, we are pleased to present the Directors' Review Report for the half year ended December 31, 2025, the financial results of which are summarized below:

	(Rs. in Millions)	
	Half year ended December 31,	
	2025	2024
Loss for the period	(1.062)	(7.178)
Loss per share – Basic and Diluted (Rs.)	(0.01)	(0.04)

The Company is a subsidiary of Mughal Iron & Steel Industries Limited (the holding company), which owns 90% of the ordinary shares and 100% of the Class-B shares of the Company.

Business, financial & operational review

With respect to project progress, we are pleased to inform that steam blowing of the boiler and main steam lines has been successfully completed. The plant has also successfully achieved controlled cooling down procedures following steam blowing. The plant is now undergoing final testing and safety measures to commence power generation and commercial billing within March 2026.

On the operational front, the Company is yet to commence its commercial operations and therefore posted loss for the period ended December 31, 2025, which was mainly on account of salaries and various routine expenses. However, the Company expects profitable results post achieving commercial operations. Furthermore, the lease agreement for solar plant with the holding company has been extended till March 2026.

Future outlook

Going forward, the Company remains committed to successful achievement of commencement of operations of its captive 36.50 MW hybrid power plant.

Acknowledgement

The Board remains committed to provide sustained returns to our shareholders, in addition to maintaining our reputation for good governance. Lastly, we would like to thank all stakeholders for their patronage and look forward to their continued support.

For and on behalf of the Board of Directors



Mirza Javed Iqbal
Chairman / Director



Khurram Javaid
Chief Executive Officer / Director

Date: February 26, 2026

Place: Lahore

02

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

- Independent Auditors' Review Report
- Condensed Interim Statement of Financial Position
- Condensed Interim Statement of Profit or Loss
- Condensed Interim Statement of Comprehensive Income
- Condensed Interim Statement of Changes in Equity
- Condensed Interim Statement of Cash Flows
- Notes to and Forming Part of the Condensed Interim Financial Statements

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mughal Energy Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Mughal Energy 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 condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2025 and December 31, 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2025.

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 condensed 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 condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Arqum Naveed.

Muniff Ziauddin & Co

Muniff Ziauddin & Company
Chartered Accountants
A member of BKR International
Place: Lahore
Date: February 26, 2026
UDIN: RR202510123sVhTR7jbc

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025**

Rupees	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5.	8,134,017,996	6,466,457,989
Long-term security deposits		87,500	87,500
		<u>8,134,105,496</u>	<u>6,466,545,489</u>
CURRENT ASSETS			
Inventories	6.	67,774,153	-
Due from the government		1,014,216,172	758,585,265
Cash and bank balances		39,532,673	14,760,779
		<u>1,121,522,998</u>	<u>773,346,044</u>
Total assets		<u>9,255,628,494</u>	<u>7,239,891,533</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up capital		2,166,732,420	2,166,732,420
Share premium		116,365,179	116,365,179
Revaluation surplus on property, plant and equipment		1,064,174,125	1,064,174,125
Accumulated loss		(127,794,527)	(126,732,797)
Equity contribution / loan from Directors		<u>214,666,792</u>	<u>214,666,792</u>
		<u>3,434,143,989</u>	<u>3,435,205,719</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing		<u>3,478,749,235</u>	<u>3,270,934,316</u>
CURRENT LIABILITIES			
Trade and other payables		238,264,686	163,943,132
Accrued profit / mark-up		68,032,301	24,881,794
Short-term loans from Directors and their relatives - unsecured		1,854,223,238	264,508,448
Temporary bank overdrawn		5,041,390	-
Current portion of long-term financing		177,173,655	80,418,124
		<u>2,342,735,270</u>	<u>533,751,498</u>
Total liabilities		<u>5,821,484,505</u>	<u>3,804,685,814</u>
Total equity and liabilities		<u>9,255,628,494</u>	<u>7,239,891,533</u>

CONTINGENCIES AND COMMITMENTS

7.

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

Rupees	Note	Quarter ended		Half year ended	
		December 31, 2025 (Unaudited)	December 31, 2024 (Unaudited)	December 31, 2025 (Unaudited)	December 31, 2024 (Unaudited)
Revenue*		-	-	-	-
Cost of revenue		-	-	-	-
Gross profit / (loss)		-	-	-	-
Administrative expenses		(12,386,570)	(6,768,361)	(27,262,561)	(8,947,340)
Other charges		(367,500)	(105,000)	(492,500)	(157,500)
Other income	8.	17,390,854	963,555	35,201,894	1,929,019
Finance cost		(3,834,326)	(1,161)	(8,508,563)	(2,178)
Profit / (Loss) before taxation		802,458	(5,910,967)	(1,061,730)	(7,177,999)
Taxation		-	-	-	-
Profit / (Loss) for the period		802,458	(5,910,967)	(1,061,730)	(7,177,999)
Earnings / (Loss) per share - basic & diluted	9.	0.00	(0.03)	(0.01)	(0.04)

* The Company is yet to commence commercial operations.

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

Rupees	Quarter ended		Half year ended	
	December 31, 2025 (Unaudited)	December 31, 2024 (Unaudited)	December 31, 2025 (Unaudited)	December 31, 2024 (Unaudited)
Profit / (Loss) for the period	802,458	(5,910,967)	(1,061,730)	(7,177,999)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income / (loss) for the period	802,458	(5,910,967)	(1,061,730)	(7,177,999)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

Rupees	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserve		Total equity
		Share premium	Revaluation surplus on property, plant and equipment	Accumulated loss	Equity contribution / loan from Directors	
Balance as at June 30, 2024-(audited)	2,166,732,420	116,365,179	1,064,174,125	(105,452,774)	214,666,792	3,456,485,742
Loss for the period	-	-	-	(7,177,999)	-	(7,177,999)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(7,177,999)	-	(7,177,999)
Balance as at December 31, 2024-(unaudited)	<u>2,166,732,420</u>	<u>116,365,179</u>	<u>1,064,174,125</u>	<u>(112,630,773)</u>	<u>214,666,792</u>	<u>3,449,307,743</u>
Balance as at June 30, 2025-(audited)	<u>2,166,732,420</u>	<u>116,365,179</u>	<u>1,064,174,125</u>	<u>(126,732,797)</u>	<u>214,666,792</u>	<u>3,435,205,719</u>
Loss for the period	-	-	-	(1,061,730)	-	(1,061,730)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,061,730)	-	(1,061,730)
Balance as at December 31, 2025-(unaudited)	<u>2,166,732,420</u>	<u>116,365,179</u>	<u>1,064,174,125</u>	<u>(127,794,527)</u>	<u>214,666,792</u>	<u>3,434,143,989</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

Rupees	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(1,061,730)	(7,177,999)
Adjustments:			
Gain on sale of store items		(445,984)	-
Finance cost		8,508,563	2,178
Net unrealized foreign exchange gain		(2,051)	-
		<u>8,060,528</u>	<u>2,178</u>
Profit / Loss before working capital changes		6,998,798	(7,175,821)
Working capital changes:			
Decrease / (Increase) in current assets			
Inventories		(67,774,153)	-
Advances		-	(3,885,019)
Due from the government		(223,066,588)	(41,477,000)
		<u>(290,840,741)</u>	<u>(45,362,019)</u>
Increase / (Decrease) in current liabilities			
Trade and other payables		74,323,605	(30,512,138)
Cash used in operations		(209,518,337)	(83,049,978)
Payment of income tax		(32,564,320)	(1,247,143)
Net cash used in operating activities		(242,082,657)	(84,297,121)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(1,679,447,426)	(334,528,214)
Proceeds from sale of store items		238,180,196	-
Net cash used in investing activities		(1,441,267,230)	(334,528,214)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		304,570,450	51,564,821
Proceeds from short-term borrowings		-	20,000,000
Proceeds from short-term loans from Directors and their relatives		1,589,714,790	289,600,034
Payment of finance cost		(191,204,849)	(129,041,115)
Net cash generated from financing activities		1,703,080,391	232,123,740
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		19,730,504	(186,701,595)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		14,760,779	205,656,677
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10.	34,491,283	18,955,082

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Khurram Javaid
Chief Executive Officer/Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated as Public Limited Company in Pakistan on August 19, 2012 and is domiciled in Lahore. The ordinary shares of the Company are listed on the Growth Enterprise Market (GEM) Board of Pakistan Stock Exchange Limited (PSX). The principal purpose of the Company is to carry on business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith. The Company is a subsidiary of Mughal Iron & Steel Industries Limited, which holds 90% of the ordinary shares and 100% of the Class-B shares of the Company and based upon voting rights associated, controls 99.21% of the Company.

The geographical locations and addresses of the Company's registered office and business units including plant are as follows:

Business unit:	Geographical Location / Address:
- Registered office	31-A Shadman-1, Lahore.
- Plant site	17-KM, Sheikhupura Road, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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;
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017,

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

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency.

3. MATERIAL ACCOUNTING POLICIES

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

These condensed interim financial statements are unaudited and do not include all the information and disclosures as are required for annual audited financial statements, and therefore, should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

3.1 INVENTORIES

These are stated at lower of cost and net realizable value. Cost is determined as follows:

Raw material

- Externally purchased at moving average cost of invoice value plus other charges, if any, incurred thereon

4. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2025, except as disclosed otherwise in respective notes.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

Rupees	Note	December 31, 2025	June 30, 2025
		(Unaudited)	(Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	5.1	1,811,517,643	1,816,361,275
Capital work-in-progress	5.2	6,322,500,353	4,650,096,714
		<u>8,134,017,996</u>	<u>6,466,457,989</u>
5.1 Tangible fixed assets:			
Freehold land - operating		1,451,584,602	1,451,584,602
Assets subject to operating lease - Freehold land		121,690,398	121,690,398
Assets subject to operating lease - Solar plant		238,242,643	243,086,275
		<u>1,811,517,643</u>	<u>1,816,361,275</u>

5.2 Following is the movement in capital work-in-progress:

	Opening balance	Additions	Transfers	Closing balance
Hybrid power plant	4,647,429,421	1,896,420,345	(237,734,212)	6,306,115,554
Building	2,667,293	13,717,506	-	16,384,799
December 31, 2025 - unaudited	<u>4,650,096,714</u>	<u>1,910,137,851</u>	<u>(237,734,212)</u>	<u>6,322,500,353</u>
June 30, 2025 - audited	2,891,274,751	2,002,715,510	(243,893,547)	4,650,096,714

6. INVENTORIES

Raw material		<u>67,774,153</u>	<u>-</u>
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7. CONTINGENCIES AND COMMITMENTS

Contingencies:

There has been no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended June 30, 2025, except as disclosed elsewhere in the interim financial report.

Commitments:

Major non-capital & capital commitments		<u>860,734,490</u>	<u>881,910,848</u>
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8. OTHER INCOME

	Quarter ended		Half year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit on saving accounts	50	5,235	6,353	12,379
Rental income	10,500,000	958,320	21,000,000	1,916,640
Notional income against development of property	6,858,753	-	13,717,506	-
Gain on sale of store items	8.1	-	445,984	-
Net unrealized foreign exchange gain	2,051	-	2,051	-
Balances written back	-	-	30,000	-
	<u>17,360,854</u>	<u>963,555</u>	<u>35,201,894</u>	<u>1,929,019</u>

8.1 This represents gain on sale of store items to Mughal Iron & Steel Industries Limited (holding company) costing Rs.237.734 million for a net consideration of Rs.238.180 million.

9. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Profit / (Loss) for the period	Rupees	<u>802,458</u>	<u>(5,910,967)</u>	<u>(1,061,730)</u>	<u>(7,177,999)</u>
Weighted average number of ordinary shares	Number	<u>194,103,187</u>	<u>194,103,187</u>	<u>194,103,187</u>	<u>194,103,187</u>
Earnings / (Loss) per share - basic and diluted	Rupees / Share	<u>0.00</u>	<u>(0.03)</u>	<u>(0.01)</u>	<u>(0.04)</u>

9.1 For the purpose of calculating earnings / loss per share, Class-B shares have not been taken since they have no right in any dividend declared by the Company.

9.2 There were no dilutive potential ordinary shares outstanding as at December 31, 2025 and December 31, 2024.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

Rupees	Note	December 31, 2025	December 31, 2024
		(Unaudited)	(Unaudited)

10. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following:

Cash and bank balances	39,532,673	18,955,082
Temporary bank overdrawn	(5,041,390)	-
	<u>34,491,283</u>	<u>18,955,082</u>

11. RELATED PARTY / ASSOCIATED UNDERTAKING DISCLOSURE

Related parties comprise of the holding company and entities regarded as related / associated due to common directorship or common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control of or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity. Details of transactions / outstanding balances with related parties, not otherwise disclosed elsewhere, are as follows:

Rupees	Half year ended		As at	
	December 31, 2025	December 31, 2024	December 31, 2025	June 30, 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Transactions		Outstanding balances	
Entities				
Mughal Iron & Steel Industries Limited - Holding Company				
<i>Detail of outstanding balances</i>				
- Long-term loan			2,500,000,000	2,500,000,000
- Markup payable on long-term loan			7,945,891	5,926,647
- Security Deposit			7,000,000	7,000,000
<i>Detail of transactions</i>				
- Sales of store items	281,052,631	-		
- Rental income	21,000,000	-		
- Notional Income against development of property	13,717,506	-		
- Purchases	512,959,183	-		
- Markup expense on long-term loan	168,399,316	-		
- Markup expense on short-term loan	-	78,302,089		
- Short-term loan - proceeds	-	20,000,000		
Major shareholders, key management personnel and their relatives				
Major shareholders, Directors and their relatives				
<i>Detail of transactions</i>				
- Remuneration / meeting fee	4,924,590	3,479,144		
- Short-term loans from Directors and their relatives - net proceeds	1,589,714,790	289,600,034		
- Rent expense	181,500	181,500		
Key management personnel (other than Directors) and their relatives				
<i>Detail of transactions</i>				
- Salaries	2,400,000	274,998		

12. FINANCIAL RISK MANAGEMENT

These condensed interim financial statements do not include all financial risk management information and disclosures, which are required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2025. There has been no material change in any risk management policies since the year end.

13. FAIR VALUE DISCLOSURES

The carrying amount of financial assets and financial liabilities recognized in these condensed interim financial statements approximate their respective fair values and there were no transfers amongst level of fair value analysis of financial assets during the period.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

Information about the fair value hierarchy of items of property, plant and equipment as at the end of the reporting period is as follows:

Rupees	Level 2	Total
Property, plant and equipment:		
Freehold land (operating)	1,451,584,602	1,451,584,602
Assets subject to operating lease - Freehold land	121,690,398	121,690,398
December 31, 2025 (unaudited)	1,573,275,000	1,573,275,000
Freehold land (operating)	1,451,584,602	1,451,584,602
Assets subject to operating lease - Freehold land	121,690,398	121,690,398
June 30, 2025 (audited)	1,573,275,000	1,573,275,000

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

Rupees	Half year ended		As at	
	December 31, 2025	December 31, 2024	December 31, 2025	June 30, 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Transactions		Outstanding balances	

14. SHARIAH DISCLOSURE

Condensed interim statement of financial position:

Financing (long-term and short-term financing) obtained as per Islamic mode

2,848,919,507

922,012,853

Interest or mark-up accrued on any conventional loan or advance

11,883,017

9,491,572

Shariah compliant bank deposits / bank balances / TDRs

39,013,222

14,673,519

Condensed interim statement of profit or loss:

Profit earned from shariah compliant bank deposits

6,353

12,379

/ balances / TDRs

Interest paid on any conventional loan or advance

191,124,523

123,313,791

14.1 Disclosures other than above are not applicable on the Company.

14.2 Source and detailed breakup of other income is provided in note 8.

14.3 Other disclosure requirements:

The Company maintains good relationship with shariah compliant banks and carries out trade and other routine banking transactions with them.

15. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on February 26, 2026 by the Board of Directors of the Company.

16. GENERAL

The figures have been rounded off to the nearest rupee.

The corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison, however, no material significant reclassification has been made.

In order to comply with the requirements of International Accounting Standard, (IAS) - 34 - 'Interim Financial Reporting', the condensed interim statement of financial position as of the end of the current interim period has been compared with the statement of financial position as of the end of the immediately preceding financial year, the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the current interim period has been compared with the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the comparable interim period of the immediately preceding financial year, whereas, the condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the relevant statements for the comparable year-to-date period of the immediately preceding financial year.

Khurram Javaid
Chief Executive Officer/Director

Muhammad Zafar Iqbal
Chief Financial Officer

Jamshed Iqbal
Director

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