

KALEEM & COMPANY

CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Review of Ittefaq Iron Industries Limited

Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Ittefaq Iron Industries Limited** ("the Company") 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 cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 information 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 information as at and for the six months period ended **December 31, 2025** is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

MUHAMMAD KALEEM RATHOR
(Engagement Partner)

Lahore
Date: February 25, 2026

UDIN: RR202510377Uxbvc7uOf



KALEEM & COMPANY
CHARTERED ACCOUNTANTS



ITTEFAQ IRON INDUSTRIES LIMITED

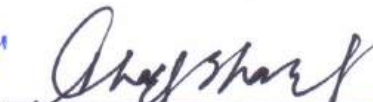
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31 DECEMBER 2025

	Note	Un-audited 31-Dec-2025 Rupees	Audited 30-Jun-2025 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	1,443,433,640	1,443,433,640
Share premium	8	774,507,925	774,507,925
Loan from directors/sponsors	9	316,329,215	316,329,215
Surplus on revaluation of property, plant and equipment		914,302,404	931,268,740
Un-appropriated profit/(Loss)		(158,997,456)	29,995,345
		3,289,575,728	3,495,534,865
NON-CURRENT LIABILITIES			
Long-term finances	10	201,978,811	221,229,156
Liabilities against asset subject to finance lease		-	-
Deferred taxation		20,330,081	-
Deferred liabilities		287,227,313	246,358,107
		509,536,205	467,587,263
CURRENT LIABILITIES			
Trade and other payables		272,490,837	207,929,860
Unclaimed dividends		373,720	-
Mark-up accrued on borrowings		62,651,020	76,700,187
Short-term borrowings	11	1,060,853,483	1,060,698,499
Current portion of long term liabilities		52,248,222	58,329,032
Provision for Taxation		12,825,352	-
		1,461,442,634	1,403,657,578
CONTINGENCIES AND COMMITMENTS			
	12	-	-
		5,260,554,567	5,366,779,706
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	2,203,505,061	2,280,346,493
Right to use assets	15	-	-
Long-term deposits		20,026,226	20,026,226
		2,223,531,287	2,300,372,719
CURRENT ASSETS			
Stores, spare parts and loose tools		257,335,151	276,321,288
Stock in trade		1,091,639,362	869,291,666
Trade debts		1,049,827,601	1,297,450,625
Loans and advances		14,143,164	21,270,502
Trade deposits and prepayments		138,802,254	135,462,142
Tax refunds due from government		464,431,619	407,476,336
Cash and bank balances		20,844,129	59,134,428
		3,037,023,280	3,066,406,987
		5,260,554,567	5,366,779,706

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ITTEFAQ IRON INDUSTRIES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

	Half year ended		Quarter ended	
	31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
	Rupees	Rupees	Rupees	Rupees
Sales - net	1,026,028,132	1,240,075,372	547,282,160	567,732,731
Cost of sales	(1,102,558,955)	(1,359,682,134)	(582,018,410)	(607,802,191)
Gross profit/(loss)	(76,530,823)	(119,606,762)	(34,736,250)	(40,069,460)
Other income	1,145,054	17,030,273	1,131,841	15,968,971
Distribution and marketing cost	(9,953,906)	(31,639,486)	(5,098,281)	(15,072,449)
Administrative and general expenses	(69,716,051)	(70,609,439)	(43,724,870)	(37,118,018)
Other operating cost	-	(12,265,564)	-	(5,930,800)
Finance cost	(17,747,978)	(29,405,841)	(9,590,083)	(15,442,479)
	(97,417,935)	(143,920,330)	(58,413,234)	(73,563,746)
Profit/(Loss) before levies and taxation	(172,803,704)	(246,496,819)	(92,017,643)	(97,664,235)
Levies	(12,825,352)	(15,500,942)	(6,841,027)	(7,096,659)
Profit/(Loss) before levies	(185,629,056)	(261,997,761)	(98,858,670)	(104,760,894)
Taxation	13 (20,330,081)	19,142,927	(25,514,111)	(25,514,111)
Profit/(Loss) after taxation	(205,959,137)	(242,854,834)	(124,372,781)	(130,275,005)
Total comprehensive loss	(205,959,137)	(242,854,834)	(124,372,781)	(130,275,005)
Earning/(Loss) per share - basic and diluted	(1.43)	(1.68)	(0.86)	(0.90)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

ITTEFAQ IRON INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2025 (UNAUDITED)

	Share capital	Reserves			Equity portion of loan from directors	Total Equity
		Capital		Revenue		
		Share premium	Surplus on revaluation of operating asset	Un-appropriated profit		
	----- Rupees -----					
Balance as at 30 June 2024 (Audited)	1,443,433,640	774,507,925	968,864,778	646,590,818	316,329,215	4,149,726,376
Loss for the period	-	-	-	(242,854,834)	-	(242,854,834)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(242,854,834)	-	(242,854,834)
Incremental depreciation - net of tax	-	-	(18,798,019)	18,798,019	-	-
Balance as at 31 December 2024 (Un-audited)	1,443,433,640	774,507,925	950,066,759	422,534,003	316,329,215	3,906,871,542
Balance as at 30 June 2025 (Audited)	1,443,433,640	774,507,925	931,268,740	29,995,345	316,329,215	3,495,534,865
Loss for the period	-	-	-	(205,959,137)	-	(205,959,137)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(205,959,137)	-	(205,959,137)
Incremental depreciation - net of tax	-	-	(16,966,336)	16,966,336	-	-
Balance as at 31 December 2025 (Un-audited)	1,443,433,640	774,507,925	914,302,404	(158,997,456)	316,329,215	3,289,575,728

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer

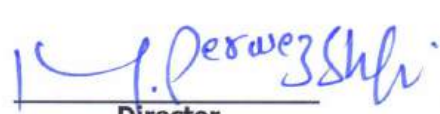

Director

ITTEFAQ IRON INDUSTRIES LIMITED**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025**

	----- Six months ended -----	
	31-Dec-2025	31-Dec-2025
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before levies and taxation	(172,803,704)	(246,496,819)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	77,261,582	88,820,792
Provision for gratuity	7,289,911	10,819,313
Finance cost	17,747,978	29,405,841
	102,299,471	129,045,946
Profit/(Loss) before working capital changes	(70,504,233)	(117,450,873)
Working capital changes		
Stores, spare parts and loose tools	18,986,137	32,395,948
Stock in trade	(222,347,696)	20,729,446
Trade debts	247,623,024	321,612,887
Loans and advances	7,127,338	(2,150,240)
Trade deposits and prepayments	(3,340,112)	(4,977,817)
Sales tax refunds due from government	(15,666,390)	(28,894,246)
Trade and other payables	64,560,977	71,532,210
Unclaimed dividends	373,720	-
	97,316,998	410,248,188
Cash generated / (used in) from operations	26,812,765	292,797,315
Income tax paid	(41,288,893)	(50,824,620)
Finance cost paid	(31,797,145)	(43,805,004)
Deferred liabilities paid	33,579,295	(149,033,025)
Net cash generated in operating activities	(12,693,978)	49,134,666
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(420,150)	(252,000)
Capital work in progress	-	-
Net cash generated/ (used in) investing activities	(420,150)	(252,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	154,984	(658,704)
Repayment of current portion	(6,080,810)	(25,664,687)
Long-term finances	(19,250,345)	(34,956,216)
Net cash generated from financing activities	(25,176,171)	(61,279,607)
Net increase / (decrease) in cash and cash equivalents	(38,290,299)	(12,396,941)
Cash and cash equivalents at beginning of the period	59,134,428	28,242,963
Cash and cash equivalents at end of the period	20,844,129	15,846,022

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ITTEFAQ IRON INDUSTRIES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

1 STATUS AND ACTIVITIES

Ittefaq Iron Industries Limited ("the Company") was incorporated on 13 April 2007 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 20 February 2004. On 5 January 2017 the Company is converted into an unquoted public company. The Company was listed on Pakistan Stock Exchange on 3 July 2017.

The principal business of the Company is the manufacturing of iron bars, girders and related products.

The registered office of the Company is situated at 40 B / II, Gulberg III, M. M. Alam Road, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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.

3 BASIS OF PREPARATION

The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2025, whereas comparative unconsolidated condensed interim statement of profit or loss and comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the unconsolidated condensed interim financial statements for the six months ended December 31, 2025.

4 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the cash flow statements, all the transactions have been accounted for on accrual basis.

5 FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency and all financial information presented has been rounded-off to the nearest thousand Rupee except where stated otherwise.

6 SIGNIFICANT ACCOUNTING POLICIES

The 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 financial statements for the year ended June 30, 2025.

6.1 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2025. However, these do not have any significant impact on the Company's financial reporting, therefore, have not been detailed in these condensed interim financial statements.

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

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2025. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these condensed interim financial statements.

7 SHARE CAPITAL

Authorized capital

300,000,000 (2024: 300,000,000) Ordinary shares of Rs. 10 each

Issued, subscribed and paid-up share capital

121,750,000 (2024: 121,750,000) Ordinary shares of Rs. 10 each
fully paid in cash

9,471,240 (2024: 9,471,240) Ordinary shares of Rs. 10 each

for consideration other than cash

13,122,124 (2024: 13,122,124) Ordinary shares of Rs. 10 each
issued as bonus shares

Un-Audited 31-Dec-2025 Rupees	Audited 30-Jun-2025 Rupees
3,000,000,000	3,000,000,000
1,217,500,000	1,217,500,000
94,712,400	94,712,400
131,221,240	131,221,240
1,443,433,640	1,443,433,640

ITTEFAQ IRON INDUSTRIES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

8 CAPITAL RESERVES

Share premium

774,507,925

774,507,925

- 8.1 This represents premium of Rs. 20.20 per share received by the Company adjusted by the transaction cost of Rs. 68.842 million on initial public offering ('IPO') of 41,750,000 shares of Rs. 10 each in the year 2017. This reserve can be utilized by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

9 LOAN FROM DIRECTORS/SPONSORS

At the beginning of the year

316,329,215

316,329,215

Add: Addition during the year

-

-

Less: Repayment during the year

-

-

At the end of the year

316,329,215

316,329,215

- 9.1 It is interest free loan from directors amounting to Rs. 316.329 million (2025: Rs. 316.329 million). This loan has been classified into equity as per regulations of TR 32 issued by the Institute of Chartered Accountant of Pakistan.

- 9.2 A loan to an entity by the director with undetermined repayment period, which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently remeasured. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the director's loan would be a direct debit to equity.

10 LONG-TERM FINANCES

Bank of Punjab Limited-FATR/FIM

140,825,300

145,954,000

Bank of Punjab Limited-CF

97,154,536

108,877,000

237,979,836

254,831,000

Soneri Bank Limited-DF

16,247,197

24,727,188

Less: Current Portion of Long term Loans

(52,248,222)

(58,329,032)

201,978,811

221,229,156

11 SHORT TERM BORROWINGS

Cash finances:

National Bank of Pakistan

166,945,609

166,945,609

166,945,609

166,945,609

FATR / FIM:

National Bank of Pakistan

694,989,535

694,989,535

Soneri Bank Limited

198,918,339

198,763,355

893,907,874

893,752,890

1,060,853,483

1,060,698,499

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

- (a) The Company is in litigation with National Bank of Pakistan ('NBP') wherein NBP had filed suits bearing # COS 22222/2019 and COS 67073/2019 before High Court against the Company for recovery of Rs. 887.812 million. The Company had filed counter suits against NBP, as below:

- i) The Company had filed a suit bearing # COS 217367/2018 before the High Court against NBP's claims of certain facilities of letters of credit.
- ii) The Company with other claimants filed a suit bearing # COS 18377/2019 before High Court for recovery of Rs. 942.50 million on account of damages. The said petition is pending adjudication.
- iii) The Company had filed a suit before Banking Court IV, Lahore against NBP's attempt to include the name of the Company on 'electronic credit information bureau' ('E-CIB') of State Bank of Pakistan. The said court had allowed an interim relief to the Company by issuing a stay order. The matter is pending adjudication.

The management and legal counsel of the Company is of the view that these cases are likely to be decided in favor of the Company. The company is contesting all these cases vigorously and legal consultants is of the view that the said matters would be decided in favor of the company, therefore no provision has been recognized as per IAS 37 in the financial statements.

- (b) Writ petition No.19706/24 titled as 'M/s Ittefaq Iron Industries Vs SNGPL' is pending adjudication in the Honourable Lahore High Court, Lahore LPA (Late payment surcharge). The principal amount had been paid by the Company in accordance to the allocated scheduled, however SNGPL now claiming surcharge. At present court had allowed interim relief to the Company issuing a stay order. The said matter would be decided in favor of the Company; therefore no provision has been recognized in accordance with IAS-37, for late payment surcharge.

- (c) Bank guarantees amounting to Rs. 114,913,110 (2024: Rs. 114,913,610) had been issued in favors of the Company by various financial institutions.

- (d) Accrued markup on Bank of Punjab is contingent upon timely repayment of loan installments as per the agreed schedule.

- (e) In the Tax year 2020, Sales tax of Rs.10,287,080/- has been disallowed in terms of section 8(1)(m) for failure to provide NIC/NTN of unregistered buyers. The matter is currently under consideration in Federal Board of Revenue and the management and legal counsel considers it probable that case will be decided in the favour of company.

12.2 Commitments

Irrevocable letters of credit/contracts

4,215,000

31,510,620

ITTEFAQ IRON INDUSTRIES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

13 LEVIES AND TAXATION

Taxation

Current taxation

For the year

Deferred taxation

For the year

20,330,081 (19,142,927)

Levies

Minimum tax

Current year

Prior year

12,825,352	15,500,942
-	-
12,825,352	15,500,942
33,155,433	(3,641,985)

14 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

14.1 2,203,505,061 2,280,346,493

Capital work-in-progress

14.2 - -

2,203,505,061 2,280,346,493

14.1 Operating fixed assets

Balance at the beginning of the period-WDV

2,280,346,493 2,400,707,985

Add: Addition during the period

420,150 50,837,917

Add: Transfer from CWIP

14.2 - -

Less: Disposal during the year

- (36,592)

Less: Depreciation during the period

(77,261,582) (171,162,817)

Balance at the end of the period

2,203,505,061 2,280,346,493

14.2 Capital work-in-progress

Balance at the beginning of the period

- -

Add: Addition during the period

- -

Transfer to operating assets

Building on freehold land

Plant and machinery

Electric installation and equipment

-	-
-	-
-	-

Balance at the end of the period

- -

ITTEFAQ IRON INDUSTRIES LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

14.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Freehold land - revalued	Building on freehold land - revalued	Plant & Machinery - revalued	Grid station	Electric installation and equipment	Laboratory equipment	Loose tools	Office equipment	Furniture and fixture	Arms and ammunition	Motor vehicles	Total
As at July 01, 2023												
Cost / revaluation	372,006,250	659,526,100	1,992,558,813	57,279,039	302,489,587	12,822,088	302,509	11,727,147	7,335,270	146,013	31,181,150	3,447,373,966
Accumulated depreciation	-	(234,613,980)	(1,149,983,241)	(47,195,814)	(167,993,089)	(9,402,861)	(249,256)	(7,487,428)	(4,863,470)	(119,877)	(22,395,090)	(1,644,304,106)
Book value	372,006,250	424,912,120	842,575,572	10,083,225	134,496,498	3,419,227	53,253	4,239,719	2,471,800	26,136	8,786,060	1,803,069,860
Year ended June 30, 2024:												
Additions	-	6,379,539	61,333,933	-	14,504,252	-	-	660,400	56,900	-	100,428,968	101,146,268
Adjustments/transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-	82,217,724
Revaluation Surplus												
- Cost	234,972,500	(209,526,100)	(888,558,813)	-	-	-	-	-	-	-	-	(863,112,413)
- Accumulated Deepreciation	-	243,170,430	1,183,917,107	-	-	-	-	-	-	-	-	1,427,087,537
	234,972,500	33,644,330	295,358,294	-	-	-	-	-	-	-	-	563,975,124
Depreciation for the year		(21,995,680)	(99,888,203)	(1,008,323)	(13,453,624)	(341,923)	(5,325)	(931,871)	(251,742)	(2,614)	(11,821,686)	(149,700,991)
Book value	606,978,750	442,940,309	1,099,379,596	9,074,902	135,547,126	3,077,304	47,928	3,968,248	2,276,958	23,522	97,393,342	2,400,707,985
Year ended June 30, 2025:												
Additions/Transfer from RIOU	-	-	50,009,417	-	-	-	-	566,000	27,600	-	234,900	50,837,917
Adjustments/transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-	
Disposal												
- Cost	-	-	-	-	-	-	-	-	-	-	(972,049)	(972,049)
- Accumulated Deepreciation	-	-	-	-	-	-	-	-	-	-	935,457	935,457
	-	-	-	-	-	-	-	-	-	-	(36,592)	(36,592)
Depreciation for the year		(22,147,015)	(113,678,390)	(907,490)	(13,554,713)	(307,730)	(4,793)	(828,020)	(229,235)	(2,352)	(19,503,079)	(171,162,817)
Book value	606,978,750	420,793,294	1,035,710,623	8,167,412	121,992,413	2,769,574	43,135	3,706,228	2,075,323	21,170	78,088,571	2,280,346,493
As at June 30, 2024												
Cost / revaluation	606,978,750	456,379,539	1,165,333,933	57,279,039	316,993,839	12,822,088	302,509	12,387,547	7,392,170	146,013	131,610,118	2,767,625,545
Accumulated depreciation	-	(13,439,230)	(65,954,337)	(48,204,137)	(181,446,713)	(9,744,784)	(254,581)	(8,419,299)	(5,115,212)	(122,491)	(34,216,776)	(366,917,561)
Book value	606,978,750	442,940,309	1,099,379,596	9,074,902	135,547,126	3,077,304	47,928	3,968,248	2,276,958	23,522	97,393,342	2,400,707,985
As at June 30, 2025												
Cost / revaluation	606,978,750	456,379,539	1,215,343,350	57,279,039	316,993,839	12,822,088	302,509	12,953,547	7,419,770	146,013	130,872,969	2,817,491,413
Accumulated depreciation	-	(35,586,245)	(179,632,727)	(49,111,627)	(195,001,426)	(10,052,514)	(259,374)	(9,247,319)	(5,344,447)	(124,843)	(52,784,398)	(537,144,920)
Book value	606,978,750	420,793,294	1,035,710,623	8,167,412	121,992,413	2,769,574	43,135	3,706,228	2,075,323	21,170	78,088,571	2,280,346,493
Year ended December 31, 2025:												
Additions	-	-	81,000	-	-	-	-	316,350	22,800	-	-	420,150
Depreciation for the year		(10,519,832)	(51,787,573)	(408,371)	(6,099,621)	(138,479)	(2,157)	(391,523)	(104,110)	(1,059)	(7,808,857)	(77,261,582)
Book value	606,978,750	410,273,462	984,004,050	7,759,041	115,892,792	2,631,095	40,978	3,631,055	1,994,013	20,111	70,279,714	2,203,505,061
Depreciation rate (%) 2024	-	5%	10%	10%	10%	10%	10%	20%	10%	10%	20%	
Depreciation rate (%) 2025	-	5%	10%	10%	10%	10%	10%	20%	10%	10%	20%	

14.2 Depreciation for the period has been allocated as under :-

	Dec-25	Jun-25
	-----Rupees-----	
Cost of goods manufactured	73,398,503	162,604,676
Cost of goods manufactured (Lease)	-	1,293,105
Administrative and general expenses	3,863,079	8,558,141
	77,261,582	172,455,922

K. Co

ITTEFAQ IRON INDUSTRIES LIMITED**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025****15 RIGHT-OF-USE ASSETS**

Plant and machinery acquired on lease	-	51,302,522
Add: Further expense incurred by the Company	-	-
Less:	-	51,302,522
Depreciation on right-of-use assets (On no. of days basis)	-	(1,293,105)
Transfers from ROUA to owned assets	-	(50,009,417)
	-	-

15.1 Depreciation is charged on reducing balance basis.

16 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings, key management personnel and entities under common directorship. Balances are disclosed elsewhere in the financial statements. Significant transactions with related parties other than disclosed elsewhere in the financial statements are as follows.

Related Party	Basis of relationship	Nature of transaction	Un-Audited 31-Dec-2025	Audited 30-Jun-2025
				Rupees
Chief executive	Shareholder	Remuneration	6,270,483	12,540,966
Directors	Shareholders	Remuneration	3,787,736	7,575,472
Executives	Related parties	Remuneration	8,346,636	16,693,272
			18,404,855	36,809,710

17 SHARIAH DISCLOSURE

The following information is disclosed in accordance with the requirements of Clause 10 of the Fourth Schedule to the Companies Act, 2017:

- The Company has not obtained any loans or advances under Shariah-compliant modes of financing. All existing borrowing facilities are maintained with conventional banking institutions.
- The Company maintains a Shariah-compliant current account with Meezan Bank Limited, having a balance of Rs. 2,152 as at December 31, 2025.
- No profit was earned on Shariah-compliant bank balances during the year ended December 31, 2025.
- The entire revenue of the Company, amounting to Rs. 1,026,028,132, was generated from the manufacturing of iron bars, which constitutes a Shariah-compliant business activity.
- The Company did not hold any Shariah-compliant investments during the year; accordingly, no gain, loss, or dividend was recognized in this respect.
- No exchange gain was earned from actual foreign currency transactions during the year.
- The Company did not avail any Islamic financing facilities during the year; accordingly, no profit or markup was paid under Shariah-compliant modes of financing.
- The Company maintains a banking relationship with the above-mentioned Islamic bank solely in respect of its Shariah-compliant current account.
- Total interest and markup expense amounting to Rs. 15,362,796 was incurred in respect of financing obtained from conventional banking institutions.

18 CORRESPONDING FIGURES

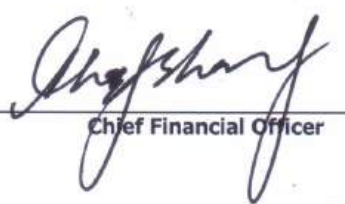
Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.

19 AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on February 25, 2025.


Chief Executive Officer


Director


Chief Financial Officer