

**MUGHAL**  
STEEL



# STRENGTHENING THE CORE

CONDENSED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

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# 01

## COMPANY INFORMATION & DIRECTORS' REVIEW

- Company Information
- Directors' Review

# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mirza Javed Iqbal  
*Non-Executive Director – Chairman*  
Jamshed Iqbal  
*Executive Director*  
Khurram Javaid  
*Executive Director / Chief Executive Officer*  
Samina Jamshed  
*Non-Executive Director*  
Shoaib Ahmad Khan  
*Non-Executive / Independent Director*  
Muhammad Aslam Bhatti  
*Independent Director*  
Muhammad Mateen Jamshed  
*Non-Executive Director*

## AUDIT COMMITTEE

Shoaib Ahmad Khan  
*Chairman*  
Muhammad Aslam Bhatti  
*Member*  
Mirza Javed Iqbal  
*Member*

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Shoaib Ahmad Khan  
*Chairman*  
Mirza Javed Iqbal  
*Member*  
Muhammad Mateen Jamshed  
*Member*

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

Mirza Javed Iqbal  
*Chairman*  
Samina Jamshed  
*Member*  
Muhammad Mateen Jamshed  
*Member*

## CHIEF OPERATING OFFICER

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

## CHIEF FINANCIAL OFFICER

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

## COMPANY SECRETARY

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

## INVESTOR RELATIONS

Financial analysts, stock brokers, interested investors and financial media desiring information regarding the Company should contact Muhammad Fahad Hafeez at the Company's Registered Office, Lahore.  
Tel: +92-42-35960841 Ext: 155  
E-mail: fahadhafeez@mughalsteel.com

## SHARE REGISTRAR AND TRANSFER AGENT

Enquiries concerning lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to:  
THK Associates (Private) Limited  
Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, Pakistan  
Tel: +92+21-111-000-322  
E-mail: sfc@thk.com.pk

## 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

Fazal Mahmood & Company  
Chartered Accountants  
(A member firm of PrimeGlobal)

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

## SHARIAH ADVISOR

Mufti Imran Khan

## LEGAL ADVISOR

Mohsin Tayebali & Co.

## TAX ADVISORS

Akhtar Ali Associates  
Juris Counsel  
Farooq Khan Law Associates  
Butt & Company  
Punjab Law Associates

## STOCK EXCHANGE LISTING

Mughal Iron & Steel Industries Limited is a listed Company and its shares are traded on the Pakistan Stock Exchange Limited ("PSX"). The Company's shares are quoted in leading dailies under the Engineering Sector with symbol "MUGHAL".

## ENTITY RATING

### VIS Credit Rating Company Limited

Long-term entity rating (A+)  
Short-term entity rating (A1)  
Future Outlook: Stable

### The Pakistan Credit Rating Agency Limited

Long-term entity rating (A+)  
Short-term entity rating (A1)  
Future Outlook: Stable

## BANKERS / INSTITUTIONS

Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Bank of Punjab (Islamic Taqwa Division)  
Bank of Khyber  
Bank Makramah Limited  
Dubai Islamic Bank Limited  
First Habib Modaraba  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Pak Brunei Investment Company Limited  
Pak Libya Company Limited  
Pak China Investment Company Limited  
Pair Investment Company Limited  
Standard Chartered Bank Limited  
Soneri Bank Limited  
Samba Bank Limited  
United Bank Limited

## GEOGRAPHICAL PRESENCE

Registered / corporate office  
31-A, Shadman I,  
Lahore, Pakistan  
Tel: +92-42-35960841-3

## Sale centers and warehouse

Badami Bagh,  
Lahore, Pakistan

## FACTORY & WAREHOUSES

17-Km, Sheikhupura Road,  
Lahore, Pakistan  
Jumma Goth Karachi, Pakistan

## COMPANY WEBSITE:

The Company is operating website  
[www.mughalsteel.com](http://www.mughalsteel.com) containing updated information regarding the Company.

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





## DIRECTORS' REVIEW

### Dear Valued Shareholders,

The Board of Directors of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** is pleased to present its report together with the unaudited condensed interim financial statements of the Company for the quarter ended September 30, 2026.

The Group comprises of the following:

#### Holding company

Mughal Iron & Steel Industries Limited (MISIL / the Company)

#### Subsidiary company

Mughal Energy Limited (MEL)

The Group's operations comprise of ferrous, non-ferrous and energy business segments. Ferrous and non-ferrous business segments relate to operations of the Company. Energy business segment relates to operations of the subsidiary company.

The principal activity of the Company is manufacturing and sale of mild steel products relating to ferrous segment, whereas, the principal activity of the Company is to carry on business of generating and supplying electricity.

### CONSOLIDATED BUSINESS, FINANCIAL & OPERATIONAL REVIEW

On consolidated basis, the Group posted gross sales of Rs. 20,258.114 million for the quarter ended September 30, 2026 as compared to Rs. 22,616.498 million in the corresponding period. The entire gross sale was attributed to MISIL. The decrease in gross sales was majority associated with decrease in export volumes as compared to corresponding period.

Within the ferrous segment, overall volumes witnessed increased. The increase in sales of ferrous segment was associated with strategic shift towards increasing local ferrous exposure.

Non-ferrous segment remained temporary suspended as the Group adopted a more selective approach towards the segment in view of prevailing market dynamics and associated risks.

Within the energy segment, the quarter under review marked a significant milestone as the main 31.50 MW turbine of the hybrid power plant successfully achieved Commercial Operations Date (COD) w.e.f August 31, 2026 and commenced commercial generation and supply of electricity to MISIL. The financial performance during the quarter primarily reflected the transition from the project development and commissioning phase to commercial operations. Accordingly, during the first month of operations, the turbine was gradually ramped up and operated at 68% plant factor due to which loss was incurred initially. Going forward, this will improve as plant factor utilization increases.

Resultantly, the consolidated profit for the quarter stood at Rs. 201.402 million. This translated into earnings per share (EPS) of Rs. 0.55 per share as compared to earnings per share (EPS) of Rs. 2.51 per share in the corresponding period. Net worth as at September 30, 2026 stood at Rs. 36,829.531 million.

### STAND ALONE BUSINESS, FINANCIAL & OPERATIONAL REVIEW

On standalone basis, the Company posted gross sales of Rs. 20,258.114 million for the quarter ended September 30, 2026 as compared to Rs. 22,616.498 million in the corresponding period. The profit for the period stood at Rs. 224.150 million.

The decrease in gross sales was due to decrease in export volumes as compared to corresponding period. Within the ferrous segment, overall volumes witnessed increased. The increase in sales of ferrous segment was associated with strategic shift towards increasing local ferrous exposure. Non-ferrous segment remained temporary suspended as the Group adopted a more selective approach towards the segment in view of prevailing market dynamics and associated risks.

This translated into earnings per share (EPS) of Rs. 0.61 per share for the period as compared to earnings per share (EPS) of Rs. 2.70 per share in the corresponding period. The decrease in net profit was mainly due to decline in gross margins as compared to corresponding period. Levies and taxation were in line with topline and profitability. Furthermore, the lease agreement relating to the solar power facility was further extended up to February 28, 2027.

Increase in inventories was in-line with working capital requirements and production levels. Short-term investments and bank balances decreased due to utilization of funds reserved for repayment of upcoming Sukuk liability in September quarter.

Increase in long-term borrowings represented additional borrowing of Rs. 2,000.000 million obtained during the period by issuance of Sukuk certificates for the purpose of meeting permanent working capital requirements. Status of contingencies and commitments has been disclosed in the relevant notes of the condensed interim financial statements. However, during the period under review, the main Intra-Court Appeal (ICA) filed by the Company in the matter of Metro Metals Northwest, Inc. vs. Mughal Iron & Steel Industries Limited was dismissed by the Honorable Lahore High Court. Another ICA concerning the applicable exchange rate for conversion of the decretal amount remains pending before the Honorable Lahore High Court. Meanwhile, the Company is in the process of filing an appeal before the Honorable Supreme Court of Pakistan against the dismissal of the main ICA. Based on the assessment of management and its legal advisors regarding the merits of the case, no provision has been recognized in the financial statements.

Resultantly, the net worth as at September 30, 2026 stood at Rs. 36,440.449 million as compared to Rs. 36,216.299 million as at June 30, 2026 with a breakup value of Rs. 98.84 per share as at September 30, 2026 as compared to Rs. 98.23 as at June 30, 2026.

## CONSOLIDATION

Mughal energy Limited is subsidiary company of the Company. Therefore, the Company has annexed consolidated condensed interim financial statements in addition to its separate condensed interim financial statements, in accordance with the requirements of International Financial Reporting Standards.

## FUTURE OUTLOOK

The Company remains cautiously optimistic about its future prospects despite prevailing economic challenges and market uncertainties. The Company expects gradual recovery in domestic steel demand and remains focused on improving capacity utilization, operational efficiencies and product diversification. The modernization of the bar re-rolling mill and planned introduction of T-iron are expected to further strengthen its market position. The commencement of commercial operations of the hybrid power plant is expected to improve energy reliability and cost efficiency.

## 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)

Lahore: October 30, 2026



**KHURRAM JAVAID**

(Chief Executive Officer / Director)

Lahore: October 30, 2026





# 02

## CONDENSED INTERIM FINANCIAL STATEMENTS

- 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

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT SEPTEMBER 30, 2026

| Rupees                                               | Note | September 30,<br>2026<br>(Unaudited) | June 30,<br>2026<br>(Audited) |
|------------------------------------------------------|------|--------------------------------------|-------------------------------|
| <b>ASSETS</b>                                        |      |                                      |                               |
| <b>NON-CURRENT ASSETS</b>                            |      |                                      |                               |
| Property, plant and equipment                        | 6.   | 31,264,298,199                       | 31,417,267,847                |
| Long-term Investment                                 |      | 3,150,000,000                        | 3,150,000,000                 |
| Long-term loans                                      |      | 692,439,051                          | 690,124,775                   |
| Long-term deposits                                   |      | 2,838,069                            | 2,838,069                     |
|                                                      |      | <u>35,109,575,319</u>                | <u>35,260,230,691</u>         |
| <b>CURRENT ASSETS</b>                                |      |                                      |                               |
| Inventories                                          | 7.   | 17,609,464,131                       | 11,860,923,805                |
| Trade debts                                          |      | 21,579,493,354                       | 22,854,968,545                |
| Loans and advances                                   |      | 262,161,256                          | 227,788,503                   |
| Deposits, prepayments and other receivables          |      | 317,587,290                          | 296,406,301                   |
| Due from the government                              |      | 7,757,633,528                        | 7,900,939,089                 |
| Short-term investment and other financial assets     |      | 256,610,862                          | 1,030,793,926                 |
| Cash and bank balances                               |      | 3,083,810,117                        | 6,661,017,783                 |
|                                                      |      | <u>50,866,760,538</u>                | <u>50,832,837,952</u>         |
| <b>TOTAL ASSETS</b>                                  |      | <u><b>85,976,335,857</b></u>         | <u><b>86,093,068,643</b></u>  |
| <b>EQUITY AND LIABILITIES</b>                        |      |                                      |                               |
| <b>SHARE CAPITAL &amp; RESERVES</b>                  |      |                                      |                               |
| Authorized share capital                             |      | <u>10,000,000,000</u>                | <u>10,000,000,000</u>         |
| Issued, subscribed and paid-up capital               |      | 3,686,963,800                        | 3,686,963,800                 |
| Capital reserves                                     |      | 4,447,578,494                        | 4,447,578,494                 |
| Revaluation surplus on property, plant and equipment |      | 8,656,203,692                        | 8,710,382,435                 |
| Un-appropriated profits                              |      | <u>19,649,703,444</u>                | <u>19,371,374,169</u>         |
|                                                      |      | <u>36,440,449,430</u>                | <u>36,216,298,898</u>         |
| <b>LIABILITIES</b>                                   |      |                                      |                               |
| <b>NON-CURRENT LIABILITIES</b>                       |      |                                      |                               |
| Long-term financing- secured                         |      | 15,004,800,417                       | 13,286,898,464                |
| Deferred taxation                                    |      | 5,439,103,073                        | 5,550,694,151                 |
| Defined benefit obligation                           |      | 1,259,505,636                        | 1,196,759,537                 |
| Deferred liabilities                                 |      | <u>91,304,188</u>                    | <u>86,902,178</u>             |
|                                                      |      | <u>21,794,713,314</u>                | <u>20,121,254,330</u>         |
| <b>CURRENT LIABILITIES</b>                           |      |                                      |                               |
| Trade and other payables                             |      | 5,357,424,983                        | 4,375,120,656                 |
| Unclaimed dividends                                  |      | 2,954,068                            | 2,954,068                     |
| Unpaid dividends                                     |      | 7,847,407                            | 7,847,407                     |
| Accrued profit / mark-up                             |      | 476,518,329                          | 588,332,016                   |
| Short-term borrowings                                |      | 21,112,755,724                       | 21,616,237,799                |
| Current portion of long-term financing - secured     |      | 781,134,008                          | 3,162,373,006                 |
| Current portion of deferred grant                    |      | <u>2,538,594</u>                     | <u>2,650,463</u>              |
|                                                      |      | <u>27,741,173,113</u>                | <u>29,755,515,415</u>         |
| <b>TOTAL LIABILITIES</b>                             |      | <u><b>49,535,886,427</b></u>         | <u><b>49,876,769,745</b></u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  |      | <u><b>85,976,335,857</b></u>         | <u><b>86,093,068,643</b></u>  |
| <b>CONTINGENCIES AND COMMITMENTS</b>                 | 8.   |                                      |                               |

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                   | Note | 2026                    | 2025             |
|----------------------------------------------------------|------|-------------------------|------------------|
| <b>Gross sales</b>                                       |      | <b>20,258,114,515</b>   | 22,616,498,466   |
| Sales tax                                                |      | <b>(3,090,220,988)</b>  | (2,510,648,018)  |
| Net sales before commission                              | 9.   | <b>17,167,893,527</b>   | 20,105,850,448   |
| Commission                                               |      | <b>(18,440,656)</b>     | (14,096,348)     |
| <b>Net sales</b>                                         |      | <b>17,149,452,871</b>   | 20,091,754,100   |
| Cost of sales                                            | 10.  | <b>(15,700,578,360)</b> | (16,645,442,916) |
| <b>GROSS PROFIT</b>                                      |      | <b>1,448,874,511</b>    | 3,446,311,184    |
| Sales and marketing expenses                             |      | <b>(75,222,413)</b>     | (99,735,426)     |
| Administrative expenses                                  |      | <b>(257,523,170)</b>    | (262,192,215)    |
| Other charges                                            |      | <b>(26,569,102)</b>     | (150,384,033)    |
| Allowance for expected credit losses - reversal / charge |      | <b>19,985,311</b>       | (72,512,305)     |
| Other income                                             | 11.  | <b>48,258,950</b>       | 127,714,064      |
| Finance cost                                             |      | <b>(814,560,559)</b>    | (968,807,969)    |
|                                                          |      | <b>(1,105,630,983)</b>  | (1,425,917,884)  |
| <b>PROFIT BEFORE LEVIES AND TAXATION</b>                 |      | <b>343,243,528</b>      | 2,020,393,300    |
| Levies                                                   |      | <b>(155,222,977)</b>    | (7,004,692)      |
| <b>PROFIT BEFORE TAXATION</b>                            |      | <b>188,020,551</b>      | 2,013,388,608    |
| Taxation                                                 |      | <b>36,129,981</b>       | (1,016,126,891)  |
| <b>PROFIT FOR THE PERIOD</b>                             |      | <b>224,150,532</b>      | 997,261,717      |
| <b>EARNINGS PER SHARE - BASIC AND DILUTED</b>            | 12.  | <b>0.61</b>             | 2.70             |

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                                    | 2026               | 2025               |
|---------------------------------------------------------------------------|--------------------|--------------------|
| <b>PROFIT FOR THE PERIOD</b>                                              | <b>224,150,532</b> | 997,261,717        |
| <b>OTHER COMPREHENSIVE INCOME:</b>                                        |                    |                    |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |                    |                    |
| - Effect of change in effective tax rate                                  | -                  | (228,614,929)      |
| Other comprehensive income for the period - net of tax                    | -                  | (228,614,929)      |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                          | <b>224,150,532</b> | <b>768,646,788</b> |

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2026

| Rupees                                                                                                             | Issued, subscribed and paid-up capital |                         |                                       |                                               | Capital Reserves    |                                                      | Revenue Reserve         |                       |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------|---------------------------------------|-----------------------------------------------|---------------------|------------------------------------------------------|-------------------------|-----------------------|
|                                                                                                                    | Ordinary shares                        | Ordinary Class-C shares | Share premium account-ordinary shares | Share premium account-ordinary Class-C shares | Contingency reserve | Revaluation surplus on property, plant and equipment | Un-appropriated profits | Total Equity          |
| <b>BALANCE AS AT JUNE 30, 2025 - (AUDITED)</b>                                                                     | <b>3,356,339,330</b>                   | <b>330,624,470</b>      | <b>2,324,952,020</b>                  | <b>1,142,626,474</b>                          | <b>980,000,000</b>  | <b>3,899,891,432</b>                                 | <b>16,784,821,236</b>   | <b>28,819,254,962</b> |
| Profit for the period                                                                                              | -                                      | -                       | -                                     | -                                             | -                   | -                                                    | 997,261,717             | 997,261,717           |
| Other comprehensive income for the period                                                                          |                                        |                         |                                       |                                               |                     |                                                      |                         |                       |
| - net of tax                                                                                                       | -                                      | -                       | -                                     | -                                             | -                   | (228,614,929)                                        | -                       | (228,614,929)         |
| Total comprehensive income for the period                                                                          | -                                      | -                       | -                                     | -                                             | -                   | (228,614,929)                                        | 997,261,717             | 768,646,788           |
| Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax | -                                      | -                       | -                                     | -                                             | -                   | (21,704,062)                                         | 21,704,062              | -                     |
| <b>BALANCE AS AT SEPTEMBER 30, 2025 - (UNAUDITED)</b>                                                              | <b>3,356,339,330</b>                   | <b>330,624,470</b>      | <b>2,324,952,020</b>                  | <b>1,142,626,474</b>                          | <b>980,000,000</b>  | <b>3,649,572,441</b>                                 | <b>17,803,787,015</b>   | <b>29,587,901,750</b> |
| Profit for the period                                                                                              | -                                      | -                       | -                                     | -                                             | -                   | -                                                    | 224,150,532             | 224,150,532           |
| Other comprehensive income for the period                                                                          |                                        |                         |                                       |                                               |                     |                                                      |                         |                       |
| - net of tax                                                                                                       | -                                      | -                       | -                                     | -                                             | -                   | -                                                    | -                       | -                     |
| Total comprehensive income for the period                                                                          | -                                      | -                       | -                                     | -                                             | -                   | -                                                    | 224,150,532             | 224,150,532           |
| Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment-net of tax   | -                                      | -                       | -                                     | -                                             | -                   | (54,178,743)                                         | 54,178,743              | -                     |
| <b>BALANCE AS AT SEPTEMBER 30, 2026 - (UNAUDITED)</b>                                                              | <b>3,356,339,330</b>                   | <b>330,624,470</b>      | <b>2,324,952,020</b>                  | <b>1,142,626,474</b>                          | <b>980,000,000</b>  | <b>8,656,203,692</b>                                 | <b>19,649,703,444</b>   | <b>36,440,449,430</b> |

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                          | Note | 2026                   | 2025                   |
|-----------------------------------------------------------------|------|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |      |                        |                        |
| Cash used in operations                                         | 13.  | (2,353,248,037)        | (1,860,291,710)        |
| Decrease in long-term loans to employees - net                  |      | 2,685,724              | 15,659,454             |
| Defined benefits paid                                           |      | (12,253,901)           | (11,231,115)           |
| Workers' profit participation fund paid                         |      | (199,960,789)          | (73,126,313)           |
| Levies and taxes - refund / payments - net                      |      | 306,106,421            | (369,796,850)          |
| <b>Net cash used in operating activities</b>                    |      | <b>(2,256,670,582)</b> | <b>(2,298,786,534)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |      |                        |                        |
| Payments for acquisition of property, plant and equipment       |      | (59,648,102)           | (269,950,595)          |
| Payments for investment in short-term loan debt instrument      |      | -                      | (25,000,000)           |
| Profit received on short-term debt instrument                   |      | 932,508                | 2,366,865              |
| Finance income received on long-term loan to subsidiary company |      | 22,772,311             | 83,482,812             |
| <b>Net cash used in investing activities</b>                    |      | <b>(35,943,283)</b>    | <b>(209,100,918)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |      |                        |                        |
| Proceeds from long-term financing - net                         |      | 1,950,000,000          | -                      |
| Repayments of long-term financing                               |      | (2,614,046,904)        | (275,917,498)          |
| Repayment of / proceeds from short-term borrowings - net        |      | (512,417,815)          | 2,594,935,654          |
| Finance cost paid                                               |      | (891,260,612)          | (693,242,008)          |
| <b>Net cash used in / generated from financing activities</b>   |      | <b>(2,067,725,331)</b> | <b>1,625,776,148</b>   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                |      | <b>(4,360,339,196)</b> | <b>(882,111,304)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b> |      | <b>7,691,014,793</b>   | <b>3,3281,402,177</b>  |
| <b>NET EXCHANGE DIFFERENCE ON FOREIGN CURRENCY ACCOUNTS</b>     |      | <b>(31,220)</b>        | <b>(1,098,220)</b>     |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 14.</b>   |      | <b>3,330,644,377</b>   | <b>2,445,192,653</b>   |

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

Mughal Iron & Steel Industries Limited (the Company) was incorporated in Pakistan as a public limited company on February 16, 2010 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The ordinary shares and ordinary Class-C shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX). The Company is involved in ferrous and non-ferrous business segments and also manages investment in its subsidiary company which is engaged in energy segment. The principal activity of the Company is manufacturing and sale of mild steel products under the ferrous segment. The registered office of the Company is situated in Lahore, Pakistan.

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

|                        |                                                     |
|------------------------|-----------------------------------------------------|
| Business unit:         | Geographical location / address:                    |
| - Registered office    | 31-A, Shadman 1, Lahore                             |
| - Manufacturing plants | 17-KM, Sheikhpura Road, Lahore                      |
| - Warehouses           | 17-KM, Sheikhpura Road, Lahore, Badami Bagh, Lahore |
|                        | and Jumma Goth, Karachi                             |
| - Sales centres        | Badami Bagh, Lahore                                 |

These condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. Consolidated condensed interim financial statements of the Company are prepared separately. The Company's only investment is in Mughal Energy Limited, in which the Company holds 90% ordinary shares and 100% Class-B Shares.

### 2. 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 (IFAS) 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 IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3. BASIS OF PREPARATION

These condensed interim financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes and are presented in Pakistani Rupees (Rs.), which is the functional and presentation currency of the Company.

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, 2026. 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.

### 4. 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, 2026, except as detailed below or elsewhere. During the period, certain amendments / interpretations became effective and were adopted by the Company. Management has assessed the changes laid down by the amendments / interpretations that became effective during the period or are yet not effective and determined that they do not have any significant impact on these condensed interim financial statements.

Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss. Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2026. The impact of remeasurement of retirement benefit plan has not been incorporated in the condensed interim financial statements. Since, both the consolidated condensed interim financial statements of the holding company as well as the holding company's separate condensed interim financial statements are presented, therefore, the segment information has only been included in the consolidated condensed interim financial statements.

### 5. CRITICAL ACCOUNTING ESTIMATES & JUDGMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting 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, 2026, except as disclosed otherwise in respective notes.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                                                                                                                                                                                                                                                                        | Note | September 30,<br>2026<br>(Unaudited) | June 30,<br>2026<br>(Audited)        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------------------|--------------------------------------|
| <b>6. PROPERTY, PLANT AND EQUIPMENT</b>                                                                                                                                                                                                                                                                       |      |                                      |                                      |
| Tangible fixed assets                                                                                                                                                                                                                                                                                         | 6.1  | 27,422,556,909                       | 27,633,777,478                       |
| Capital work-in-progress                                                                                                                                                                                                                                                                                      |      | 3,841,741,290                        | 3,783,490,369                        |
|                                                                                                                                                                                                                                                                                                               |      | <u>31,264,298,199</u>                | <u>31,417,267,847</u>                |
| <b>6.1 Following is the movement in tangible fixed assets:</b>                                                                                                                                                                                                                                                |      |                                      |                                      |
| Opening net book value                                                                                                                                                                                                                                                                                        |      | 27,633,777,478                       | 19,924,600,805                       |
| Additions / transfers during the period / year:                                                                                                                                                                                                                                                               |      |                                      |                                      |
| Land                                                                                                                                                                                                                                                                                                          |      | -                                    | 20,000,000                           |
| Plant and machinery                                                                                                                                                                                                                                                                                           |      | -                                    | 28,752,242                           |
| Power plant                                                                                                                                                                                                                                                                                                   |      | -                                    | 85,224,608                           |
| Grid station & electric installations                                                                                                                                                                                                                                                                         |      | 778,500                              | 2,445,000                            |
| Furniture, fixtures and office equipment                                                                                                                                                                                                                                                                      |      | 618,681                              | 17,282,816                           |
| Vehicles                                                                                                                                                                                                                                                                                                      |      | -                                    | 75,011,972                           |
| Trucks and cranes                                                                                                                                                                                                                                                                                             |      | -                                    | 262,661,196                          |
| Computers                                                                                                                                                                                                                                                                                                     |      | -                                    | 5,640,991                            |
|                                                                                                                                                                                                                                                                                                               |      | <u>1,397,181</u>                     | <u>497,018,825</u>                   |
| Disposals during the period / year:                                                                                                                                                                                                                                                                           |      |                                      |                                      |
| Vehicles                                                                                                                                                                                                                                                                                                      |      | -                                    | (13,176,638)                         |
| Revaluation surplus                                                                                                                                                                                                                                                                                           |      | -                                    | 7,874,352,065                        |
| Depreciation charged during the period / year                                                                                                                                                                                                                                                                 |      | <u>(212,617,750)</u>                 | <u>(649,017,579)</u>                 |
| Closing net book value                                                                                                                                                                                                                                                                                        |      | <u>27,422,556,909</u>                | <u>27,633,777,478</u>                |
| <b>7. INVENTORIES</b>                                                                                                                                                                                                                                                                                         |      |                                      |                                      |
| Stores, spares and loose tools                                                                                                                                                                                                                                                                                |      | 2,681,685,380                        | 2,526,120,757                        |
| Raw material                                                                                                                                                                                                                                                                                                  |      | 10,621,382,828                       | 7,174,953,986                        |
| Finished goods / by-products                                                                                                                                                                                                                                                                                  |      | 4,306,395,923                        | 2,159,849,062                        |
|                                                                                                                                                                                                                                                                                                               |      | <u>17,609,464,131</u>                | <u>11,860,923,805</u>                |
| <b>8. CONTINGENCIES AND COMMITMENTS</b>                                                                                                                                                                                                                                                                       |      |                                      |                                      |
| <b>Contingencies:</b>                                                                                                                                                                                                                                                                                         |      |                                      |                                      |
| i) 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, 2026, except as disclosed elsewhere in the interim financial report.                                                                 |      |                                      |                                      |
| ii) Aggregate amount of corporate guarantees issued on behalf of Mughal Energy Limited (subsidiary company), for the purpose of availing financing, amounted to Rs. 2,874.290 million as at September 30, 2026 (June 30, 2026: Rs. 2,389.607 million), against total approved limit of Rs. 6,000.000 million. |      |                                      |                                      |
| <b>Commitments:</b>                                                                                                                                                                                                                                                                                           |      |                                      |                                      |
| i) Major non-capital & capital commitments                                                                                                                                                                                                                                                                    |      | <u>3,590,876,948</u>                 | <u>4,293,044,689</u>                 |
| ii) The amount of future payments under short-term operating leases and the period in which these payments will become due are as follows:                                                                                                                                                                    |      |                                      |                                      |
| Within 1 year                                                                                                                                                                                                                                                                                                 |      | <u>17,500,000</u>                    | <u>10,500,000</u>                    |
| <b>Quarter ended</b>                                                                                                                                                                                                                                                                                          |      |                                      |                                      |
| Rupees                                                                                                                                                                                                                                                                                                        | Note | September 30,<br>2026<br>(Unaudited) | September 30,<br>2025<br>(Unaudited) |
| <b>9. NET SALES</b>                                                                                                                                                                                                                                                                                           |      |                                      |                                      |
| Local sales                                                                                                                                                                                                                                                                                                   |      | 16,664,486,192                       | 13,948,044,221                       |
| Export sales                                                                                                                                                                                                                                                                                                  |      | -                                    | 6,157,806,227                        |
| Trading sales                                                                                                                                                                                                                                                                                                 |      | 503,407,335                          | -                                    |
|                                                                                                                                                                                                                                                                                                               |      | <u>17,167,893,527</u>                | <u>20,105,850,448</u>                |

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                                         | September 30,<br>2026                                                                          | September 30,<br>2025 |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------|
|                                                                                | (Unaudited)                                                                                    | (Unaudited)           |
| <b>10. COST OF SALES</b>                                                       |                                                                                                |                       |
| Opening stock of finished goods and by-products                                | 2,159,849,062                                                                                  | 3,519,648,406         |
| Cost of goods manufactured                                                     |                                                                                                |                       |
| - Raw material consumed                                                        | 13,678,574,259                                                                                 | 12,668,069,191        |
| - Salaries, wages and other benefits                                           | 584,640,489                                                                                    | 517,774,611           |
| - Stores, spares and loose tools consumed                                      | 348,550,960                                                                                    | 603,045,775           |
| - Fuel and power                                                               | 2,482,866,306                                                                                  | 2,521,673,152         |
| - Repair and maintenance                                                       | -                                                                                              | 350,500               |
| - Other manufacturing expenses                                                 | 91,628,260                                                                                     | 82,862,091            |
| - Depreciation                                                                 | 180,524,766                                                                                    | 145,791,116           |
|                                                                                | 17,366,785,040                                                                                 | 16,539,566,436        |
| Closing stock of finished goods / by-products                                  | (4,306,395,923)                                                                                | (3,413,771,926)       |
| Cost of sales - manufacturing                                                  | 15,220,238,179                                                                                 | 16,645,442,916        |
| Cost of sales - trading                                                        | 480,340,181                                                                                    | -                     |
|                                                                                | 15,700,578,360                                                                                 | 16,645,442,916        |
| <b>11. OTHER INCOME</b>                                                        |                                                                                                |                       |
| Shariah compliant:                                                             |                                                                                                |                       |
| - Profit on saving accounts                                                    | 13,097,052                                                                                     | 6,089,080             |
| - Profit on investments in short-term debt instruments                         | 976,455                                                                                        | 1,340,693             |
| - Foreign exchange gain - net                                                  | 6,102,612                                                                                      | 35,439,321            |
| - Balances written back - net                                                  | 3,317,734                                                                                      | -                     |
| - Gain on sale of store items                                                  | 2,004,018                                                                                      | -                     |
|                                                                                | 25,497,871                                                                                     | 42,869,094            |
| Non-Shariah compliant:                                                         |                                                                                                |                       |
| - Profit on saving accounts                                                    | 20                                                                                             | 1,133                 |
| - Finance income on long-term loan to subsidiary company                       | 22,761,059                                                                                     | 84,843,836            |
|                                                                                | 22,761,079                                                                                     | 84,844,969            |
|                                                                                | 48,258,950                                                                                     | 127,714,064           |
| <b>12. EARNINGS PER SHARE-BASIC AND DILUTED</b>                                |                                                                                                |                       |
| <i>Basic earnings per share</i>                                                |                                                                                                |                       |
| Profit for the period                                                          | Rupees 224,150,532                                                                             | 997,261,717           |
| Weighted average number of total ordinary shares outstanding during the period | Number 368,696,380                                                                             | 368,696,380           |
| Earnings per share - Basic                                                     | Rupees / share 0.61                                                                            | 2.70                  |
| <b>12.1</b>                                                                    | There are no dilutive potential ordinary shares outstanding as at September 30, 2026 and 2025. |                       |
| <b>13. CASH USED IN OPERATIONS</b>                                             |                                                                                                |                       |
| Profit before levies and taxation                                              | 343,243,528                                                                                    | 2,020,393,300         |
| <b>Adjustments:</b>                                                            |                                                                                                |                       |
| Depreciation of property, plant and equipment                                  | 212,617,750                                                                                    | 159,524,991           |
| Employee defined benefit change                                                | 75,000,000                                                                                     | 58,170,099            |
| Allowance for expected credit losses - reversal / charge                       | (19,985,311)                                                                                   | 72,512,305            |
| Profit on investment in short-term debt instrument                             | (976,455)                                                                                      | (1,340,693)           |
| Net unrealized foreign exchange gain                                           | (21,370,566)                                                                                   | (51,136,741)          |
| Finance cost                                                                   | 779,446,925                                                                                    | 878,760,492           |
| Finance income on long-term debt instrument                                    | (22,761,059)                                                                                   | (84,843,836)          |
| Workers' profit participation fund                                             | 18,434,132                                                                                     | 108,506,622           |
| Interest on workers' profit participation fund                                 | 6,951,915                                                                                      | 2,284,126             |
| Workers' welfare fund                                                          | 7,004,970                                                                                      | 41,232,516            |
|                                                                                | 1,034,362,301                                                                                  | 1,183,669,881         |
| Profit before working capital changes                                          | 1,377,605,829                                                                                  | 3,204,063,181         |
| <b>Effect on cash flow due to working capital changes</b>                      |                                                                                                |                       |
| (Increase) / decrease in current assets:                                       |                                                                                                |                       |
| Inventories                                                                    | (5,748,540,326)                                                                                | (1,767,136,050)       |
| Trade debts                                                                    | 1,295,460,502                                                                                  | (1,310,353,518)       |
| Loans and advances                                                             | (34,372,753)                                                                                   | 58,359,582            |
| Deposits, prepayments and other receivables                                    | (21,192,241)                                                                                   | 276,028,443           |
| Due from the government                                                        | (393,484,934)                                                                                  | (863,026,753)         |
|                                                                                | (4,902,129,752)                                                                                | (3,606,128,296)       |
| Increase / (decrease) in current liabilities:                                  |                                                                                                |                       |
| Trade and other payables                                                       | 1,171,275,886                                                                                  | (1,458,226,595)       |
|                                                                                | (2,353,248,037)                                                                                | (1,860,291,710)       |

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                                                                         | September 30,<br>2026<br>(Unaudited) | September 30,<br>2025<br>(Unaudited) |
|----------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>14. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                                                  |                                      |                                      |
| Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following: |                                      |                                      |
| Short-term highly liquid investments                                                                           | 30,000,000                           | -                                    |
| Bank balances under lien                                                                                       | 225,770,000                          | 4,260,791                            |
| Cash and bank balances                                                                                         | 3,083,810,117                        | 3,047,033,248                        |
| Temporary bank overdrawn                                                                                       | (8,935,740)                          | (606,101,386)                        |
|                                                                                                                | <u>3,330,644,377</u>                 | <u>2,445,192,653</u>                 |

## 15. SHARIA DISCLOSURE

Following information has been disclosed as required under relevant clauses of the Fourth Schedule to the Companies Act, 2017.

| Rupees                                                                                                                | Quarter ended         |                       | As at                 |                  |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|
|                                                                                                                       | September 30,<br>2026 | September 30,<br>2025 | September 30,<br>2026 | June 30,<br>2026 |
|                                                                                                                       | (Unaudited)           | (Unaudited)           | (Unaudited)           | (Audited)        |
|                                                                                                                       | Transactions          |                       | Outstanding Balances  |                  |
| <b>Condensed interim statement of financial position:</b>                                                             |                       |                       |                       |                  |
| <i>Liabilities side</i>                                                                                               |                       |                       |                       |                  |
| Financing (long-term, short-term, or lease financing) obtained as per Islamic mode                                    |                       |                       | 25,332,931,928        | 26,640,042,981   |
| Interest or mark-up accrued on any conventional loan or advance                                                       |                       |                       | 190,426,366           | 243,441,347      |
| <i>Assets side</i>                                                                                                    |                       |                       |                       |                  |
| Long-term and short-term shariah compliant investments                                                                |                       |                       | 3,180,000,000         | 3,180,000,000    |
| Shariah compliant bank deposits / bank balances / TDRs                                                                |                       |                       | 2,859,617,117         | 7,202,151,473    |
| <b>Condensed interim statement of comprehensive income:</b>                                                           |                       |                       |                       |                  |
| Revenue earned from a shariah compliant business segment                                                              | 20,258,114,515        | 22,616,498,466        |                       |                  |
| Break-up of late payments or liquidated damages                                                                       | Not Applicable        | Not Applicable        |                       |                  |
| Gain or loss or dividend earned on Shariah-compliant investments or share of profit from Shariah-compliant associates | Not Applicable        | Not Applicable        |                       |                  |
| Profit earned from Shariah-compliant bank deposits, bank balances or TDRs                                             | 14,073,507            | 6,039,080             |                       |                  |
| Exchange gain earned from actual currency                                                                             | Not Applicable        | Not Applicable        |                       |                  |
| Exchange gain earned using conventional derivative financial instruments                                              | Not Applicable        | Not Applicable        |                       |                  |
| Profit paid on Islamic mode of financing                                                                              | 461,181,015           | 509,861,352           |                       |                  |
| Total interest earned on any conventional loan or advance                                                             | 22,761,059            | 84,843,836            |                       |                  |

- 15.1** Sources and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income is provided in note 11.

### Relationship with Shariah-compliant financial institutions, including banks, takaful operator and their windows:

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

## 16. 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, 2026. There has been no material change in any risk management policies since the year end.

## 17. FAIR VALUE DISCLOSURES

Except for long-term loans to employees, long-term deposits and long-term loans under SBP refinance schemes, the fair value of financial assets and financial liabilities recognized in these condensed interim financial statements equals the transaction price at initial recognition. The fair value of the long-term loans under SBP refinance schemes has been determined using discounting techniques. However, due to immaterial effect and impracticalities, the fair value of long-term loans to employees and long-term deposits has not been determined and their carrying value has been assumed to be equal to their fair value. Accordingly, 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.

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



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

|                                       | Level 2            | Level 3               |
|---------------------------------------|--------------------|-----------------------|
| Freehold land                         | 900,000,000        | -                     |
| Factory building on freehold land     | -                  | 356,676,592           |
| Plant and machinery                   | -                  | 21,090,060,986        |
| Power plant                           | -                  | 3,072,652,055         |
| <b>September 30, 2026 - unaudited</b> | <b>900,000,000</b> | <b>24,519,389,633</b> |
| Freehold land                         | 900,000,000        | -                     |
| Factory building on freehold land     | -                  | 360,309,299           |
| Plant and machinery                   | -                  | 21,223,800,000        |
| Power plant                           | -                  | 3,100,000,000         |
| June 30, 2026 - audited               | 900,000,000        | 24,684,109,299        |

The above table shows assets recognized at fair value, analyzed between those whose fair value is based on:

- 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.

### 18. RELATED PARTY DISCLOSURES

The Company ("the reporting entity") in the normal course of business carries out arm's length transactions with various related parties ("the entities"). Related parties comprise of group company (subsidiary) 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 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                                                                     | Quarter ended      |                    | As at                |               |
|----------------------------------------------------------------------------|--------------------|--------------------|----------------------|---------------|
|                                                                            | September 30, 2026 | September 30, 2025 | September 30, 2026   | June 30, 2026 |
|                                                                            | (Unaudited)        | (Unaudited)        | (Unaudited)          | (Audited)     |
| <b>Entity</b>                                                              | Transactions       |                    | Outstanding Balances |               |
| <b>Mughal Energy Limited - (Subsidiary company)</b>                        | -                  |                    |                      |               |
| <i>Detail of outstanding balances:</i>                                     |                    |                    |                      |               |
| - Investment in equity instruments                                         |                    |                    | 3,150,000,000        | 3,150,000,000 |
| - Long-term loan                                                           |                    |                    | 641,666,667          | 641,666,667   |
| - Payable for electricity                                                  |                    |                    | 129,033,192          | -             |
| - Finance income receivable on long-term loan                              | -                  |                    | 1,968,949            | 1,980,201     |
| - Security deposit                                                         |                    |                    | 7,000,000            | 7,000,000     |
| <i>Detail of transactions:</i>                                             |                    |                    |                      |               |
| - Purchase of electricity                                                  | 324,033,192        | -                  |                      |               |
| - Purchase of store items                                                  | -                  | 281,052,631        |                      |               |
| - Finance income on long-term loan                                         | 22,761,059         | 84,843,836         |                      |               |
| - Rent expense                                                             | 10,500,000         | 10,500,000         |                      |               |
| <b>Major shareholders, key management personnel and their relatives</b>    |                    |                    |                      |               |
| <b>Major shareholders, Directors and their relatives</b>                   |                    |                    |                      |               |
| <i>Detail of transactions:</i>                                             |                    |                    |                      |               |
| - Remuneration / meeting fee                                               | 16,374,715         | 23,984,543         |                      |               |
| <b>Key management personnel (other than Directors) and their relatives</b> |                    |                    |                      |               |
| <i>Detail of outstanding balances:</i>                                     |                    |                    |                      |               |
| - Loans and advances                                                       |                    |                    | 9,225,000            | 15,932,500    |
| <i>Detail of transactions:</i>                                             |                    |                    |                      |               |
| - Salaries and benefits expense                                            | 14,550,000         | 12,900,000         |                      |               |
| - Loans and advances - issued (net)                                        | 6,707,500          | 2,835,000          |                      |               |

- 18.1** Chief Executive Officer, Executive Directors and certain Executives are given company maintained cars. There are no transactions with key management personnel other than under the terms of employment and otherwise disclosed, if any.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

## 19. DATE OF AUTHORIZATION

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 30, 2026.

## 20. 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



# 03

## CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

- Consolidated Condensed Interim Statement of Financial Position
- Consolidated Condensed Interim Statement of Profit or Loss
- Consolidated Condensed Interim Statement of Comprehensive Income
- Consolidated Condensed Interim Statement of Changes in Equity
- Consolidated Condensed Interim Statement of Cash Flows
- Notes to and Forming Part of The Consolidated Condensed Interim Financial Statements

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2026

| Rupees                                                          | Note | September 30,<br>2026<br>(Unaudited) | June 30,<br>2026<br>(Audited) |
|-----------------------------------------------------------------|------|--------------------------------------|-------------------------------|
| <b>ASSETS</b>                                                   |      |                                      |                               |
| <b>NON-CURRENT ASSETS</b>                                       |      |                                      |                               |
| Property, plant and equipment                                   | 6.   | 40,170,531,872                       | 40,165,309,748                |
| Long-term loans                                                 |      | 50,772,384                           | 48,458,108                    |
| Long-term deposits                                              |      | 2,925,569                            | 2,925,569                     |
|                                                                 |      | <u>40,224,229,825</u>                | <u>40,216,693,425</u>         |
| <b>CURRENT ASSETS</b>                                           |      |                                      |                               |
| Inventories                                                     | 7.   | 18,719,783,002                       | 13,161,305,319                |
| Trade debts                                                     |      | 21,579,493,354                       | 22,854,968,545                |
| Loans and advances                                              |      | 299,374,533                          | 227,788,503                   |
| Deposits, prepayments and other receivables                     |      | 425,437,411                          | 410,300,013                   |
| Due from the government                                         |      | 8,985,276,098                        | 9,156,312,162                 |
| Short-term investment and other financial assets                |      | 256,610,863                          | 1,030,793,926                 |
| Cash and bank balances                                          |      | 3,211,441,049                        | 6,766,428,390                 |
|                                                                 |      | <u>53,477,416,310</u>                | <u>53,607,896,858</u>         |
| <b>TOTAL ASSETS</b>                                             |      | <u><b>93,701,646,135</b></u>         | <u><b>93,824,590,283</b></u>  |
| <b>EQUITY AND LIABILITIES</b>                                   |      |                                      |                               |
| <b>SHARE CAPITAL &amp; RESERVES</b>                             |      |                                      |                               |
| Authorized share capital                                        |      | <u>10,000,000,000</u>                | <u>10,000,000,000</u>         |
| Issued, subscribed and paid-up capital                          |      | 3,686,963,800                        | 3,686,963,800                 |
| Capital reserves                                                |      | 4,447,578,494                        | 4,447,578,494                 |
| Revaluation surplus on property, plant and equipment            |      | 9,200,758,074                        | 9,254,936,817                 |
| Un-appropriated profits                                         |      | 19,117,529,942                       | 18,860,540,849                |
| Equity attributable to owners of the holding company            |      | <u>36,452,830,310</u>                | <u>36,250,019,960</u>         |
| Non-controlling interest                                        |      | 376,700,732                          | 378,108,510                   |
|                                                                 |      | <u>36,829,531,042</u>                | <u>36,628,128,470</u>         |
| <b>LIABILITIES</b>                                              |      |                                      |                               |
| <b>NON-CURRENT LIABILITIES</b>                                  |      |                                      |                               |
| Long-term financing - secured                                   |      | 18,417,054,223                       | 16,623,196,573                |
| Deferred taxation                                               |      | 5,439,103,073                        | 5,550,694,151                 |
| Defined benefit obligation                                      |      | 1,259,505,636                        | 1,196,759,537                 |
| Deferred liabilities                                            |      | 91,304,188                           | 86,902,178                    |
|                                                                 |      | <u>25,206,967,120</u>                | <u>23,457,552,439</u>         |
| <b>CURRENT LIABILITIES</b>                                      |      |                                      |                               |
| Trade and other payables                                        |      | 5,384,729,596                        | 4,525,724,942                 |
| Unclaimed dividends                                             |      | 2,954,068                            | 2,954,068                     |
| Unpaid dividends                                                |      | 7,847,407                            | 7,847,407                     |
| Accrued profit / mark-up                                        |      | 652,729,987                          | 640,513,390                   |
| Short-term borrowings                                           |      | 21,440,900,150                       | 22,019,671,370                |
| Short-term loans from Directors and their relatives - unsecured |      | 3,035,852,665                        | 3,127,545,844                 |
| Current portion of long-term financing - secured                |      | 1,137,595,506                        | 3,412,001,890                 |
| Current portion of deferred grant                               |      | 2,538,594                            | 2,650,463                     |
|                                                                 |      | <u>31,665,147,973</u>                | <u>33,738,909,374</u>         |
| <b>TOTAL LIABILITIES</b>                                        |      | <u><b>56,872,115,093</b></u>         | <u><b>57,196,461,813</b></u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             |      | <u><b>93,701,646,135</b></u>         | <u><b>93,824,590,283</b></u>  |
| <b>CONTINGENCIES AND COMMITMENTS</b>                            | 8.   |                                      |                               |

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.



**Khurram Javaid**  
Chief Executive Officer/Director



**Muhammad Zafar Iqbal**  
Chief Financial Officer



**Jamshed Iqbal**  
Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                   | Note | 2026                    | 2025             |
|----------------------------------------------------------|------|-------------------------|------------------|
| <b>Gross sales</b>                                       |      | <b>20,258,114,515</b>   | 22,616,498,466   |
| Sales tax                                                |      | <b>(3,090,220,988)</b>  | (2,510,648,018)  |
| Net sales before commission                              | 9.   | <b>17,167,893,527</b>   | 20,105,850,448   |
| Commission                                               |      | <b>(18,440,656)</b>     | (14,096,348)     |
| <b>Net sales</b>                                         |      | <b>17,149,452,871</b>   | 20,091,754,100   |
| Cost of sales                                            | 10.  | <b>(15,653,651,033)</b> | (16,637,353,552) |
| <b>GROSS PROFIT</b>                                      |      | <b>1,495,801,838</b>    | 3,454,400,548    |
| Sales and marketing expenses                             |      | <b>(75,222,413)</b>     | (99,735,426)     |
| Administrative expenses                                  |      | <b>(267,656,135)</b>    | (274,646,390)    |
| Other charges                                            |      | <b>(28,360,205)</b>     | (150,509,033)    |
| Allowance for expected credit losses - reversal / charge |      | <b>19,985,311</b>       | (72,512,305)     |
| Other income                                             | 11.  | <b>25,498,420</b>       | 42,876,531       |
| Finance cost                                             |      | <b>(849,551,248)</b>    | (951,041,549)    |
|                                                          |      | <b>(1,175,306,270)</b>  | (1,505,568,172)  |
| <b>PROFIT BEFORE LEVIES AND TAXATION</b>                 |      | <b>320,495,568</b>      | 1,948,832,376    |
| Levies                                                   |      | <b>(155,222,977)</b>    | (7,004,692)      |
| <b>PROFIT BEFORE TAXATION</b>                            |      | <b>165,272,591</b>      | 1,941,827,684    |
| Taxation                                                 |      | <b>36,129,981</b>       | (1,016,126,891)  |
| <b>PROFIT FOR THE PERIOD</b>                             |      | <b>201,402,572</b>      | 925,700,793      |
| <b>SHARE OF PROFIT / (LOSS) FOR THE PERIOD</b>           |      |                         |                  |
| <b>ATTRIBUTABLE TO:</b>                                  |      |                         |                  |
| - Owners of the holding company                          |      | <b>202,810,350</b>      | 925,875,047      |
| - Non-controlling interest                               |      | <b>(1,407,778)</b>      | (174,254)        |
|                                                          |      | <b>201,402,572</b>      | 925,700,793      |
| <b>EARNINGS PER SHARE - BASIC AND DILUTED</b>            | 12.  | <b>0.55</b>             | 2.51             |

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.

**Khurram Javaid**  
Chief Executive Officer/Director

**Muhammad Zafar Iqbal**  
Chief Financial Officer

**Jamshed Iqbal**  
Director



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                                    | 2026               | 2025          |
|---------------------------------------------------------------------------|--------------------|---------------|
| <b>PROFIT FOR THE PERIOD</b>                                              | <b>201,402,572</b> | 925,700,793   |
| <b>OTHER COMPREHENSIVE INCOME:</b>                                        |                    |               |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |                    |               |
| - Effect of change in effective tax rate                                  | -                  | (228,614,929) |
| Other comprehensive income for the period - net of tax                    | -                  | (228,614,929) |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                          | <b>201,402,572</b> | 697,085,864   |
| <b>SHARE OF TOTAL INCOME / (LOSS) FOR THE PERIOD</b>                      |                    |               |
| <b>ATTRIBUTABLE TO:</b>                                                   |                    |               |
| - Owners of the holding company                                           | 202,810,350        | 697,260,118   |
| - Non-controlling interest                                                | (1,407,778)        | (174,254)     |
|                                                                           | <b>201,402,572</b> | 697,085,864   |

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.



**Khurram Javaid**  
Chief Executive Officer/Director



**Muhammad Zafar Iqbal**  
Chief Financial Officer



**Jamshed Iqbal**  
Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

## FOR THE QUARTER ENDED SEPTEMBER 30, 2026

| Attributable to equity holders of the holding company                                                              |                                        |                         |                                       |                                               |                     |                                                      |                         |                      |                          |                |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------|---------------------------------------|-----------------------------------------------|---------------------|------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------|
| Rupees                                                                                                             | Issued, subscribed and paid-up capital |                         | Capital Reserves                      |                                               |                     | Revenue Reserve                                      |                         | Shareholders' equity | Non-Controlling interest | Total Equity   |
|                                                                                                                    | Ordinary shares                        | Ordinary Class-C shares | Share premium account-ordinary shares | Share premium account-ordinary Class-C shares | Contingency reserve | Revaluation surplus on property, plant and equipment | Un-appropriated profits |                      |                          |                |
| BALANCE AS AT JUNE 30, 2025-(AUDITED)                                                                              |                                        |                         |                                       |                                               |                     |                                                      |                         |                      |                          |                |
|                                                                                                                    | 3,356,339,330                          | 330,624,470             | 2,324,952,020                         | 1,142,626,474                                 | 980,000,000         | 3,889,891,432                                        | 16,568,529,321          | 28,602,963,047       | 321,104,240              | 28,924,067,287 |
| Profit / (loss) for the period                                                                                     | -                                      | -                       | -                                     | -                                             | -                   | -                                                    | 925,875,047             | 925,875,047          | (174,254)                | 925,700,793    |
| Other comprehensive income for the period - net of tax                                                             | -                                      | -                       | -                                     | -                                             | -                   | (228,614,929)                                        | -                       | (228,614,929)        | -                        | (228,614,929)  |
| Total comprehensive income / (loss) for the period                                                                 | -                                      | -                       | -                                     | -                                             | -                   | (228,614,929)                                        | 925,875,047             | 697,260,118          | (174,254)                | 697,085,864    |
| Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax |                                        |                         |                                       |                                               |                     |                                                      |                         |                      |                          |                |
|                                                                                                                    | -                                      | -                       | -                                     | -                                             | -                   | (21,704,062)                                         | 21,704,062              | -                    | -                        | -              |
| BALANCE AS AT SEPTEMBER 30, 2025 - (UNAUDITED)                                                                     |                                        |                         |                                       |                                               |                     |                                                      |                         |                      |                          |                |
|                                                                                                                    | 3,356,339,330                          | 330,624,470             | 2,324,952,020                         | 1,142,626,474                                 | 980,000,000         | 3,649,572,441                                        | 17,516,108,430          | 29,300,223,165       | 320,929,986              | 29,621,153,151 |
| Profit / (loss) for the period                                                                                     | -                                      | -                       | -                                     | -                                             | -                   | -                                                    | 202,810,350             | 202,810,350          | (1,407,778)              | 201,402,572    |
| Other comprehensive income for the period - net of tax                                                             | -                                      | -                       | -                                     | -                                             | -                   | -                                                    | -                       | -                    | -                        | -              |
| Total comprehensive income / (loss) for the period                                                                 | -                                      | -                       | -                                     | -                                             | -                   | -                                                    | 202,810,350             | 202,810,350          | (1,407,778)              | 201,402,572    |
| Transfer of incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax |                                        |                         |                                       |                                               |                     |                                                      |                         |                      |                          |                |
|                                                                                                                    | -                                      | -                       | -                                     | -                                             | -                   | (54,178,743)                                         | 54,178,743              | -                    | -                        | -              |
| BALANCE AS AT SEPTEMBER 30, 2026 - (UNAUDITED)                                                                     |                                        |                         |                                       |                                               |                     |                                                      |                         |                      |                          |                |
|                                                                                                                    | 3,356,339,330                          | 330,624,470             | 2,324,952,020                         | 1,142,626,474                                 | 980,000,000         | 9,200,758,074                                        | 19,117,529,942          | 36,452,830,312       | 376,700,732              | 36,829,531,042 |

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.



**Khuram Javaid**  
Chief Executive Officer/Director



**Muhammad Zafar Iqbal**  
Chief Financial Officer



**Jamshed Iqbal**  
Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                                                  | Note | 2026                   | 2025                   |
|-----------------------------------------------------------------------------------------|------|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                             |      |                        |                        |
| Cash used in operations                                                                 |      | (2,241,361,338)        | (1,975,051,133)        |
| Decrease in long-term loans to employees - net                                          | 13.  | 2,685,724              | 15,659,454             |
| Defined benefits paid                                                                   |      | (12,253,901)           | (11,231,115)           |
| Workers' profit participation fund paid                                                 |      | (199,960,789)          | (73,126,313)           |
| Levies and taxes - refund / payments - net                                              |      | 306,019,308            | (395,429,951)          |
| <b>Net cash used in operating activities</b>                                            |      | <b>(2,144,870,996)</b> | <b>(2,439,179,058)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                             |      |                        |                        |
| Payments for acquisition of property, plant and equipment                               |      | (231,807,027)          | (394,074,328)          |
| Payments for investment in short-term debt instrument                                   |      | -                      | (25,000,000)           |
| Profit received on short-term debt instrument                                           |      | 932,508                | 2,366,865              |
| <b>Net cash used in investing activities</b>                                            |      | <b>(230,874,519)</b>   | <b>(416,707,463)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                             |      |                        |                        |
| Proceeds from long-term financing - net                                                 |      | 2,200,000,000          | 59,128,604             |
| Repayment of long-term financing                                                        |      | (2,681,258,593)        | (294,655,189)          |
| Repayment of / proceeds from short-term borrowings - net                                |      | (597,417,815)          | 2,594,935,654          |
| Repayment of proceeds from short-term loans from<br>Directors and their relatives - net |      | (91,693,179)           | 389,073,276            |
| Finance cost paid                                                                       |      | (801,714,624)          | (659,199,301)          |
| <b>Net cash used in / generated from financing activities</b>                           |      | <b>(1,972,084,211)</b> | <b>2,089,283,044</b>   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                                        |      | <b>(4,347,829,726)</b> | <b>(766,603,477)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING<br/>OF THE PERIOD</b>                     |      | <b>7,794,512,729</b>   | <b>3,343,162,957</b>   |
| <b>NET EXCHANGE DIFFERENCE ON FOREIGN<br/>CURRENCY ACCOUNTS</b>                         |      | <b>(31,220)</b>        | <b>(1,098,220)</b>     |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                               | 14.  | <b>3,446,651,783</b>   | <b>2,575,461,260</b>   |

The annexed notes from 1 to 21 form an integral part of these consolidated 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 CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

## 1. THE GROUP AND ITS OPERATIONS

These condensed interim financial statements are the consolidated condensed financial statements of Mughal Iron & Steel Industries Limited and its subsidiary (The Group). The Group consists of:

### Holding company:

- Mughal Iron & Steel Industries Limited (the holding company)

### Subsidiary company

- Mughal Energy Limited (the subsidiary company)

Group registration was granted by the Securities & Exchange Commission of Pakistan (SECP) vide its approval dated December 13, 2023.

### Mughal Iron & Steel Industries Limited:

Mughal Iron & Steel Industries Limited was incorporated in Pakistan as a public limited company on February 16, 2010 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The ordinary and ordinary Class-C shares of the holding company are listed on the Pakistan Stock Exchange Limited (PSX). The holding company is involved in ferrous and non-ferrous business segments and also manages investment in its subsidiary company which is engaged in energy segment. The principal activity of the holding company is manufacturing and sale of mild steel products under the ferrous segment. The registered office of the holding company is situated in Lahore, Pakistan.

### Mughal Energy Limited:

The subsidiary company was incorporated in Pakistan as a public limited company on August 19, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its registered office is situated at 31-A, Shadman I, Lahore. The principal purpose of the subsidiary company is to carry on business of generating and supplying electricity. The issued, subscribed and paid-up capital of the subsidiary company is Rs. 2,166.732 million divided into 194.103 million ordinary shares of Rs. 10/- each and 22.570 million Class-B shares of Rs. 10/- each. Ordinary shares carry one vote per share, whereas, Class-B shares carry 100 votes per share. The Company is a subsidiary of Mughal Iron & Steel Industries Limited which holds 174.692 million (June 30, 2026: 174.692 million) ordinary shares representing 90% of the ordinary shares and 22.570 million (June 30, 2026: 22.570 million) Class-B shares, representing 100% of the Class-B shares. Based upon the total number of ordinary and Class-B shares held, holding company has 99.21% (June 30, 2026: 99.21%) control of the subsidiary company. Ordinary shares are listed on the Growth Enterprise Market (GEM) board of the Pakistan Stock Exchange Limited (PSX), whereas, Class-B shares are unquoted. During the period, the subsidiary company commissioned the main 31.50 MW turbine and commenced generation and sale of electricity to the holding company w.e.f September 01, 2026. During the first month the turbine operations were gradually ramped up and operated at 68% plant factor due to which the subsidiary company incurred loss initially. Going forward, this will improve as plant factor utilization increases.

### The geographical locations and addresses of the holding company's and its subsidiary company's business units, including mills / plants are as under:

#### Business unit:

- Registered office
- Mughal Iron & Steel Industries Limited
- Mughal Energy Limited
- Manufacturing plants
- Mughal Iron & Steel Industries Limited
- Mughal Energy Limited
- Warehouses
- Mughal Iron & Steel Industries Limited
- Sales centres
- Mughal Iron & Steel Industries Limited

#### Geographical location / address:

- 31-A, Shadman 1, Lahore
- 31-A, Shadman 1, Lahore
- 17-KM, Sheikhpura Road, Lahore
- 17-KM, Sheikhpura Road, Lahore
- 17-KM, Sheikhpura Road, Lahore, Badami Bagh, Lahore and Jumma Goth, Karachi
- Badami Bagh, Lahore

## 2. STATEMENT OF COMPLIANCE

These consolidated 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 (IFAS) 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 IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 3. BASIS OF PREPARATION

These consolidated condensed interim financial statements include the financial statements of Mughal Iron & Steel Industries Limited and its subsidiary – Mughal Energy Limited ("referred as the Group"). The financial statements of the subsidiary have been consolidated on line by line basis. All material inter-organization balances, transactions and resulting unrealized profits / losses have been eliminated.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes and are presented in Pakistani Rupees (Rs.), which is the functional and presentation currency of the Group.

These consolidated condensed interim financial statements are unaudited and do not include all the information and disclosures as are required for annual audited consolidated financial statements, and therefore, should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2026. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements.

### 4. MATERIAL ACCOUNTING POLICIES

The material accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended June 30, 2026, except detailed below or elsewhere. During the period, certain amendments / interpretations became effective and were adopted by the holding company and the subsidiary company. Management has assessed the changes laid down by the amendments / interpretations that became effective during the period or are yet not effective and determined that they do not have any significant impact on these consolidated condensed interim financial statements.

Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss of the holding company. Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out by the holding company on June 30, 2026. The impact of remeasurement of retirement benefit plan has not been incorporated in the consolidated condensed interim financial statements.

### 5. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of consolidated condensed interim financial statements in conformity with the approved accounting 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 consolidated condensed interim financial statements, the significant judgements made by management in applying the Group accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited consolidated financial statements of the Group for the year ended June 30, 2026, except as disclosed otherwise in respective notes.

| Rupees                                                         | Note | September 30,<br>2026<br>(Unaudited) | June 30,<br>2026<br>(Audited) |
|----------------------------------------------------------------|------|--------------------------------------|-------------------------------|
| <b>6. PROPERTY, PLANT AND EQUIPMENT</b>                        |      |                                      |                               |
| Tangible fixed assets                                          | 6.1  | 36,328,790,582                       | 30,040,771,721                |
| Capital work-in-progress                                       |      | 3,841,741,290                        | 10,124,538,027                |
|                                                                |      | <u>40,170,531,872</u>                | <u>40,165,309,748</u>         |
| <b>6.1 Following is the movement in tangible fixed assets:</b> |      |                                      |                               |
| Opening net book value                                         |      | 30,040,771,721                       | 21,740,962,080                |
| Additions / transfers during the period / year:                |      |                                      |                               |
| Freehold land                                                  |      | -                                    | 20,000,000                    |
| Factory building on freehold land                              |      | 417,007,425                          | -                             |
| Plant and machinery                                            |      | -                                    | 28,752,242                    |
| Hybrid power plant                                             |      | 6,083,903,358                        | -                             |
| Power plant                                                    |      | -                                    | 85,224,608                    |
| Grid station & electric installations                          |      | 12,424,300                           | 2,445,000                     |
| Furniture, fixture and office equipment                        |      | 768,681                              | 17,282,816                    |
| Vehicles                                                       |      | -                                    | 75,011,972                    |
| Trucks and cranes                                              |      | -                                    | 262,215,212                   |
| Computers                                                      |      | 500,000                              | 5,640,991                     |
|                                                                |      | <u>6,514,603,764</u>                 | <u>496,572,841</u>            |
| Revaluation Surplus                                            |      | -                                    | 8,475,057,065                 |
| Disposals during the period / year:                            |      |                                      |                               |
| Vehicles                                                       |      | -                                    | (13,176,638)                  |
| Depreciation charged during the period / year                  |      | (226,584,903)                        | (658,643,627)                 |
| Closing net book value                                         |      | <u>36,328,790,582</u>                | <u>30,040,771,721</u>         |



# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                  | Note | September 30,<br>2026<br>(Unaudited) | June 30,<br>2026<br>(Audited) |
|-----------------------------------------|------|--------------------------------------|-------------------------------|
| <b>7. INVENTORIES</b>                   |      |                                      |                               |
| Stores, spares and loose tools          |      | 2,689,051,940                        | 2,526,120,757                 |
| Raw material                            |      | 11,724,335,139                       | 8,475,335,500                 |
| Finished goods / by-products            |      | 4,306,395,923                        | 2,159,849,062                 |
|                                         |      | <u>18,719,783,002</u>                | <u>13,161,305,319</u>         |
| <b>8. CONTINGENCIES AND COMMITMENTS</b> |      |                                      |                               |

## Contingencies:

- There has been no significant change in the status of contingencies as reported in the annual consolidated audited financial statements of the Group for the year ended June 30, 2026, except as disclosed elsewhere in the interim financial report.
- Aggregate amount of corporate guarantees issued by the Mughal Iron & Steel Industries Limited (holding company) on behalf of Mughal Energy Limited (subsidiary company), for the purpose of availing financing, amounted to Rs. 2,874.290 million as at September 30, 2026 (June 30, 2026: Rs. 2,389.607 million), against total approved limit of Rs. 6,000.000 million.

## Commitments:

- Major non-capital & capital commitments

| Quarter ended       |      |                                      |                                      |
|---------------------|------|--------------------------------------|--------------------------------------|
| Rupees              | Note | September 30,<br>2026<br>(Unaudited) | September 30,<br>2025<br>(Unaudited) |
| <b>9. NET SALES</b> |      |                                      |                                      |
| Local sales         |      | 16,664,486,192                       | 13,948,044,221                       |
| Export sales        |      | -                                    | 6,157,806,227                        |
| Trading sales       |      | 503,407,335                          | -                                    |
|                     |      | <u>17,167,893,527</u>                | <u>20,105,850,448</u>                |

## 9.1 Reconciliation of net revenue from external customers with segment information:

| Rupees                    | Ferrous               | Non-Ferrous          | Total                 |
|---------------------------|-----------------------|----------------------|-----------------------|
| - Local sales             | 16,664,486,192        | -                    | 16,664,486,192        |
| - Trading sales           | 503,407,335           | -                    | 503,407,335           |
| <b>September 30, 2026</b> | <u>17,167,893,527</u> | <u>-</u>             | <u>17,167,893,527</u> |
| - Local sales             | 13,813,544,221        | 134,500,000          | 13,948,044,221        |
| - Export sales            | -                     | 6,157,806,227        | 6,157,806,227         |
| September 30, 2025        | <u>13,813,544,221</u> | <u>6,292,306,227</u> | <u>20,105,850,448</u> |

| Rupees                                          | September 30,<br>2026<br>(Unaudited) | September 30,<br>2025<br>(Unaudited) |
|-------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>10. COST OF SALES</b>                        |                                      |                                      |
| Opening stock of finished goods and by-products | 2,159,849,062                        | 3,519,648,406                        |
| Cost of goods manufactured                      |                                      |                                      |
| - Raw material consumed                         | 13,678,574,262                       | 12,657,569,191                       |
| - Salaries, wages and other benefits            | 584,640,489                          | 517,774,611                          |
| - Stores, spares and loose tools consumed       | 348,550,960                          | 603,045,775                          |
| - Fuel and power                                | 2,444,031,708                        | 2,521,673,152                        |
| - Repair and maintenance                        | -                                    | 350,500                              |
| - Other manufacturing expenses                  | 81,128,260                           | 82,862,091                           |
| - Depreciation                                  | 182,932,034                          | 148,201,752                          |
|                                                 | <u>17,319,857,713</u>                | <u>16,531,477,072</u>                |
| Closing stock of finished goods / by-products   | (4,306,395,923)                      | (3,413,771,926)                      |
| Cost of sales - manufacturing                   | <u>15,173,310,852</u>                | <u>16,637,353,552</u>                |
| Cost of sales - trading                         | 480,340,181                          | -                                    |
|                                                 | <u>15,653,651,033</u>                | <u>16,637,353,552</u>                |

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                 | September 30,<br>2026<br>(Unaudited) | September 30,<br>2025<br>(Unaudited) |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>11. OTHER INCOME</b>                                |                                      |                                      |
| Shariah compliant:                                     |                                      |                                      |
| - Profit on saving accounts                            | 13,097,581                           | 6,089,080                            |
| - Profit on investments in short-term debt instruments | 976,455                              | 1,340,693                            |
| - Foreign exchange gain - net                          | 6,102,612                            | 35,439,321                           |
| - Gain on sale of store items                          | 2,004,018                            | -                                    |
| - Balances written back - net                          | 3,317,734                            | -                                    |
|                                                        | 25,498,400                           | 42,869,094                           |
| Non-Shariah compliant:                                 |                                      |                                      |
| - Profit on saving accounts                            | 20                                   | 7,437                                |
|                                                        | 25,498,420                           | 42,876,531                           |

## 12. EARNINGS PER SHARE-BASIC AND DILUTED

Basic earnings per share

|                                                                                |                |             |             |
|--------------------------------------------------------------------------------|----------------|-------------|-------------|
| Profit for the period                                                          | Rupees         | 202,810,350 | 925,875,047 |
| Weighted average number of total ordinary shares outstanding during the period | Number         | 368,696,380 | 368,696,380 |
| Earnings per share - Basic                                                     | Rupees / share | 0.55        | 2.51        |

**12.1** There are no dilutive potential ordinary shares outstanding as at September 30, 2026 and 2025.

## 13. CASH USED IN OPERATIONS

|                                                           |                 |                 |
|-----------------------------------------------------------|-----------------|-----------------|
| Profit before levies and taxation                         | 320,495,568     | 1,948,832,376   |
| <b>Adjustments:</b>                                       |                 |                 |
| Depreciation of property, plant and equipment             | 226,584,903     | 161,935,627     |
| Employee defined benefit change                           | 75,000,000      | 58,170,099      |
| Allowance for expected credit losses - reversal / charge  | (19,985,311)    | 72,512,305      |
| Profit on investment in short-term debt instrument        | (976,455)       | (1,340,693)     |
| Net unrealized foreign exchange gain                      | (21,370,566)    | (51,136,741)    |
| Finance cost                                              | 813,931,221     | 860,953,421     |
| Workers' profit participation fund                        | 19,535,475      | 108,506,622     |
| Interest on workers' profit participation fund            | 6,951,915       | 2,284,126       |
| Workers' welfare fund                                     | 7,423,480       | 41,232,516      |
|                                                           | 1,107,094,662   | 1,253,117,282   |
| Profit before working capital changes                     | 1,427,590,230   | 3,201,949,658   |
| <b>Effect on cash flow due to working capital changes</b> |                 |                 |
| <i>(Increase) / decrease in current assets:</i>           |                 |                 |
| Inventories                                               | (5,558,477,683) | (1,767,136,050) |
| Trade debts                                               | 1,295,460,502   | (1,310,353,518) |
| Loans and advances                                        | (71,586,030)    | 58,359,582      |
| Deposits, prepayments and other receivables               | (15,137,398)    | 276,028,443     |
| Due from the government                                   | (365,667,318)   | (864,762,784)   |
|                                                           | (4,715,407,927) | (3,607,864,327) |
| <i>Increase / (decrease) in current liabilities:</i>      |                 |                 |
| Trade and other payables                                  | 1,046,456,359   | (1,569,136,464) |
|                                                           | (2,241,361,338) | (1,975,051,133) |

## 14. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

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

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Short-term highly liquid investments | 30,000,000    | -             |
| Bank balances under lien             | 225,770,000   | 4,260,791     |
| Cash and bank balances               | 3,211,441,049 | 3,177,301,855 |
| Temporary bank overdrawn             | (20,559,266)  | (606,101,386) |
|                                      | 3,446,651,783 | 2,575,461,260 |

## 15. SEGMENT REPORTING

## 15.1 Reportable segments:

The Group's reportable segments are as follows:

- Ferrous
- Non - Ferrous
- Energy

Ferrous and non-ferrous segment relate to operations of Mughal Iron & Steel Industries Limited (holding company). Ferrous segment comprises of mild steel related products, non-ferrous segment mainly comprises of copper and iron scrap. Energy segment comprises of operations of Mughal Energy Limited (subsidiary company). Information regarding the Group's reportable segments is presented below.

## 15.2 Segment revenues and measure of segment profit or loss:

Following is an analysis of the Group's revenue and results by reportable segment for the quarter ended September 30, 2026 and September 30, 2025 along with reconciliation of the total of the reportable segments measures of profit or loss to the Group's profit or loss for the quarter:

| Rupees                                                             | Ferrous<br>Quarter ended |                       | Non-Ferrous<br>Quarter ended |                       | Energy<br>Quarter ended |                       | Total<br>Quarter ended |                       | Inter-company elimination<br>Quarter ended |                       | Consolidated<br>Quarter ended |                       |
|--------------------------------------------------------------------|--------------------------|-----------------------|------------------------------|-----------------------|-------------------------|-----------------------|------------------------|-----------------------|--------------------------------------------|-----------------------|-------------------------------|-----------------------|
|                                                                    | September 30,<br>2026    | September 30,<br>2025 | September 30,<br>2026        | September 30,<br>2025 | September 30,<br>2026   | September 30,<br>2025 | September 30,<br>2026  | September 30,<br>2025 | September 30,<br>2026                      | September 30,<br>2025 | September 30,<br>2026         | September 30,<br>2025 |
| Total sales - net                                                  | (Unaudited)              | (Unaudited)           | (Unaudited)                  | (Unaudited)           | (Unaudited)             | (Unaudited)           | (Unaudited)            | (Unaudited)           | (Unaudited)                                | (Unaudited)           | (Unaudited)                   | (Unaudited)           |
| Inter-segment transactions                                         | 17,167,893,527           | 13,813,544,221        | -                            | 6,840,577,307         | 274,604,400             | -                     | 17,442,497,927         | 20,654,121,528        | (274,604,400)                              | -                     | 17,167,893,527                | 20,654,121,528        |
| Net external sales                                                 | -                        | -                     | -                            | (548,271,080)         | -                       | -                     | -                      | (548,271,080)         | -                                          | -                     | -                             | (548,271,080)         |
| Commission                                                         | (18,440,656)             | (14,096,348)          | -                            | 6,292,306,227         | 274,604,400             | -                     | 17,442,497,927         | 20,105,850,448        | (274,604,400)                              | -                     | 17,167,893,527                | 20,105,850,448        |
| Net sales after commission                                         | 17,149,452,871           | 13,799,447,873        | -                            | 6,292,306,227         | 274,604,400             | -                     | 17,424,057,271         | 20,091,754,100        | (274,604,400)                              | -                     | 17,149,452,871                | 20,091,754,100        |
| Total cost of sales                                                | (15,700,576,360)         | (12,562,005,466)      | -                            | 4,631,708,530         | (236,539,391)           | -                     | (15,937,117,751)       | (17,193,131,960)      | 263,666,718                                | 8,069,364             | (15,653,651,033)              | (17,195,624,632)      |
| Inter-segment transactions                                         | (15,700,576,360)         | (12,562,005,466)      | -                            | 548,271,080           | -                       | -                     | (15,937,117,751)       | (16,645,402,916)      | 263,666,718                                | 8,069,364             | (15,653,651,033)              | (16,637,533,552)      |
| Cost of sales                                                      | 1,448,876,511            | 1,237,442,407         | -                            | 4,083,437,650         | (236,539,391)           | -                     | (15,937,117,751)       | (16,645,402,916)      | 8,062,318                                  | 8,069,364             | 1,495,601,838                 | 3,654,400,548         |
| Gross profit                                                       | (75,222,413)             | (77,365,478)          | -                            | (22,369,948)          | (12,554,781)            | -                     | (75,222,413)           | (99,735,426)          | -                                          | -                     | (75,222,413)                  | (99,735,426)          |
| Sales and marketing expenses                                       | (257,623,170)            | (252,623,170)         | -                            | -                     | (14,875,991)            | -                     | (272,499,161)          | (14,875,991)          | 2,421,816                                  | -                     | (267,656,135)                 | (12,654,175)          |
| Administrative expenses                                            | (28,666,102)             | (28,666,102)          | -                            | -                     | (1,791,103)             | -                     | (29,389,205)           | (28,389,205)          | -                                          | -                     | (28,389,205)                  | (195,000)             |
| Other charges                                                      | -                        | -                     | -                            | 307,799               | -                       | -                     | 19,985,311             | (72,512,365)          | -                                          | -                     | 19,985,311                    | (72,512,365)          |
| Allowance for ECL - reversal (charge)                              | -                        | (72,820,105)          | -                            | -                     | -                       | -                     | -                      | -                     | (17,804,737)                               | -                     | 25,498,311                    | 6,303                 |
| Other income                                                       | 48,298,950               | (814,560,559)         | -                            | -                     | 17,359,282              | -                     | 65,618,232             | 17,811,040            | (40,119,412)                               | -                     | (649,551,248)                 | (100,831,846)         |
| Finance cost                                                       | (814,560,559)            | (37,065,548)          | -                            | (59,192,061)          | (55,138,957)            | -                     | (870,699,516)          | (100,931,846)         | 21,148,268                                 | -                     | (155,222,977)                 | (100,831,846)         |
| Levies                                                             | (155,222,977)            | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Taxation                                                           | 36,128,981               | (187,251,131)         | -                            | -                     | (53,125,559)            | -                     | -                      | -                     | -                                          | -                     | 36,128,981                    | (285,752,450)         |
| Segment profit before taxation and unallocated income and expenses | (1,224,723,979)          | (1,872,551,131)       | -                            | (81,254,210)          | (1,864,188)             | -                     | (1,158,765,542)        | (270,869,529)         | (15,549,728)                               | (15,382,921)          | (1,294,395,266)               | (285,752,450)         |
| Unallocated income and expenses:                                   | 224,150,532              | 1,050,191,276         | -                            | 2,127,614,467         | (15,060,550)            | (1,864,188)           | 328,182,978            | 3,175,941,655         | (7,687,410)                                | (7,293,557)           | 201,402,572                   | 3,168,646,098         |
| Administrative expenses                                            | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Other charges                                                      | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Other income                                                       | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Finance cost                                                       | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Levies                                                             | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Taxation                                                           | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Profit after taxation                                              | 224,150,532              | 1,050,191,276         | -                            | 2,127,614,467         | (15,060,550)            | (1,864,188)           | 328,182,978            | 3,175,941,655         | (7,687,410)                                | (7,293,557)           | 201,402,572                   | 3,168,646,098         |
| Other charges                                                      | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Other income                                                       | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Finance cost                                                       | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Levies                                                             | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Taxation                                                           | -                        | -                     | -                            | -                     | -                       | -                     | -                      | -                     | -                                          | -                     | -                             | -                     |
| Profit after taxation                                              | 224,150,532              | 1,050,191,276         | -                            | 2,127,614,467         | (15,060,550)            | (1,864,188)           | 328,182,978            | 3,175,941,655         | (7,687,410)                                | (7,293,557)           | 201,402,572                   | 3,168,646,098         |

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

| Rupees                                                                                          | Quarter ended                     |                                   |
|-------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
|                                                                                                 | September 30, 2026<br>(Unaudited) | September 30, 2025<br>(Unaudited) |
| <b>15.3 Revenue from external customers:</b>                                                    |                                   |                                   |
| The analysis of the Company's revenue from external customers for major products is as follows: |                                   |                                   |
| Ferrous:                                                                                        |                                   |                                   |
| - Steel re-bars                                                                                 | 56.32%                            | 57.55%                            |
| - Girders                                                                                       | 40.50%                            | 42.16%                            |
| - Billets                                                                                       | 0.24%                             | 0.30%                             |
| - Others                                                                                        | 2.93%                             | 0.00%                             |
|                                                                                                 | <u>100.00%</u>                    | <u>100.00%</u>                    |
| Non-Ferrous:                                                                                    |                                   |                                   |
| - Copper Products                                                                               | 0.00%                             | 97.86%                            |
| - Iron                                                                                          | 0.00%                             | 0.00%                             |
| - Others                                                                                        | 0.00%                             | 2.14%                             |
|                                                                                                 | <u>0.00%</u>                      | <u>100.00%</u>                    |

## 15.4 Information about major customers:

Revenue from major customers of ferrous segment represent 50% (September 2025: 77%) of the total revenue of ferrous segment. Revenue from major local customers of non-ferrous segment represent Nil% (September 2025: 2%) of the total revenue of non-ferrous segment and Nil% (September 2025: 100%) of the total local revenue of non-ferrous segment. Revenue from major foreign customers of non-ferrous segment represent approx. Nil% (September 2025: 78%) of the total revenue of non-ferrous segment and Nil% (September 2025: 78%) of the total foreign revenue of non-ferrous segment.

## 15.5 Geographical information:

All revenues from external customers for ferrous segment were generated in Pakistan. Nil% (September 2025: 98%) of revenues from external customers for non-ferrous segment were generated from outside Pakistan while remaining were generated from external customers within Pakistan. Majority of sales outside of Pakistan is made to customers in the People's Republic of China. All non-current assets of the Company as at September 30, 2026 and June 30, 2026 were located and operating in Pakistan.

## 15.6 Measure of total assets and total liabilities:

Reportable segments' assets and liabilities as at September 30, 2026 and June 30, 2026 are reconciled to total assets and liabilities as follows:

| Rupees                                                                                                  | Ferrous               | Non-Ferrous          | Energy                | Total                 | Inter-company elimination | Total                 |
|---------------------------------------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|-----------------------|---------------------------|-----------------------|
| - Segment assets for reportable segments                                                                | 79,750,298,963        | 2,875,021,487        | 12,215,523,140        | 94,840,843,590        | (1,139,197,455)           | 93,701,646,135        |
| - Unallocated assets                                                                                    | -                     | -                    | -                     | -                     | -                         | -                     |
| - <b>Total assets as per consolidated statement of financial position as at September 30, 2026</b>      | <u>79,750,298,963</u> | <u>2,875,021,487</u> | <u>12,215,523,140</u> | <u>94,840,843,590</u> | <u>(1,139,197,455)</u>    | <u>93,701,646,135</u> |
| - Segment liabilities for reportable segments                                                           | 49,019,344,034        | 689,131,265          | 7,943,308,602         | 57,651,783,901        | (779,668,808)             | 56,872,115,093        |
| - Unallocated liabilities                                                                               | -                     | -                    | -                     | -                     | -                         | -                     |
| - <b>Total liabilities as per consolidated statement of financial position as at September 30, 2026</b> | <u>49,019,344,034</u> | <u>689,131,265</u>   | <u>7,943,308,602</u>  | <u>57,651,783,901</u> | <u>(779,668,808)</u>      | <u>56,872,115,093</u> |
| - Segment assets for reportable segments                                                                | 80,100,208,747        | 3,366,582,375        | 11,299,202,836        | 94,765,993,958        | (4,101,486,874)           | 90,664,507,084        |
| - Unallocated assets                                                                                    | -                     | -                    | -                     | 3,160,083,199         | -                         | 3,160,083,199         |
| - <b>Total assets as per consolidated statement of financial position as at June 30, 2026</b>           | <u>80,100,208,747</u> | <u>3,366,582,375</u> | <u>11,299,202,836</u> | <u>97,926,077,157</u> | <u>(4,101,486,874)</u>    | <u>93,824,590,283</u> |
| - Segment liabilities for reportable segments                                                           | 42,311,216,313        | 799,625,511          | 7,722,460,921         | 50,833,302,745        | (650,646,867)             | 50,182,655,878        |
| - Unallocated liabilities                                                                               | -                     | -                    | -                     | 7,013,805,935         | -                         | 7,013,805,935         |
| - <b>Total liabilities as per consolidated statement of financial position as at June 30, 2026</b>      | <u>42,311,216,313</u> | <u>799,625,511</u>   | <u>7,722,460,921</u>  | <u>57,847,108,680</u> | <u>(650,646,867)</u>      | <u>57,196,461,813</u> |

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

Quarter ended

| Rupees                             | September 30,<br>2026<br>(Unaudited) | September 30,<br>2025<br>(Unaudited) |
|------------------------------------|--------------------------------------|--------------------------------------|
| <b>15.7 Other information:</b>     |                                      |                                      |
| Depreciation                       |                                      |                                      |
| - Ferrous                          | 212,603,203                          | 119,533,072                          |
| - Non-Ferrous                      | -                                    | 14,966,883                           |
| - Energy                           | 13,981,700                           | -                                    |
| - Unallocated                      | -                                    | 27,435,672                           |
|                                    | <u>226,584,903</u>                   | <u>161,935,627</u>                   |
| Additions to tangible fixed assets |                                      |                                      |
| - Ferrous                          | 1,397,181                            | 249,288,834                          |
| - Energy                           | 6,513,206,583                        | -                                    |
| - Unallocated                      | -                                    | 1,625,985                            |
|                                    | <u>6,514,603,764</u>                 | <u>250,914,819</u>                   |

## 16. SHARIAH DISCLOSURE

Following information has been disclosed as required under relevant clauses of the Fourth Schedule to the Companies Act, 2017.

| Rupees                                                                                                                | Quarter ended                        |                                      | As at                                |                               |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|
|                                                                                                                       | September 30,<br>2026<br>(Unaudited) | September 30,<br>2025<br>(Unaudited) | September 30,<br>2026<br>(Unaudited) | June 30,<br>2026<br>(Audited) |
|                                                                                                                       | Transactions                         |                                      | Outstanding balances                 |                               |
| <b>Consolidated condensed interim statement of financial position:</b>                                                |                                      |                                      |                                      |                               |
| <i>Liabilities side</i>                                                                                               |                                      |                                      |                                      |                               |
| Financing (long-term, short-term, or lease financing) obtained as per Islamic mode                                    |                                      |                                      | 31,886,374,622                       | 33,418,715,467                |
| Interest or mark-up accrued on any conventional loan or advance                                                       |                                      |                                      | 202,982,267                          | 246,533,659                   |
| <i>Assets side</i>                                                                                                    |                                      |                                      |                                      |                               |
| Long-term and short-term shariah compliant investments                                                                |                                      |                                      | 30,000,000                           | 30,000,000                    |
| Shariah compliant bank deposits / bank balances / TDRs                                                                |                                      |                                      | 2,987,150,125                        | 7,307,480,080                 |
| <b>Consolidated condensed interim statement of profit or loss:</b>                                                    |                                      |                                      |                                      |                               |
| Revenue earned from a shariah compliant business segment                                                              | 20,258,114,515                       | 22,616,498,466                       |                                      |                               |
| Break-up of late payments or liquidated damages                                                                       | Not Applicable                       | Not Applicable                       |                                      |                               |
| Gain or loss or dividend earned on Shariah-compliant investments or share of profit from Shariah-compliant associates | Not Applicable                       | Not Applicable                       |                                      |                               |
| Profit earned from Shariah-compliant bank deposits, bank balances or TDRs                                             | 14,074,036                           | 6,095,383                            |                                      |                               |
| Exchange gain earned from actual currency                                                                             | Not Applicable                       | Not Applicable                       |                                      |                               |
| Exchange gain earned using conventional derivative financial instruments                                              | Not Applicable                       | Not Applicable                       |                                      |                               |
| Profit paid on Islamic mode of financing                                                                              | 505,774,700                          | 509,861,352                          |                                      |                               |
| Total interest earned or any conventional loan or advance                                                             | Not Applicable                       | Not Applicable                       |                                      |                               |

**16.1** Sources and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income are given in note 11.

### Relationship with Shairah-compliant financial institutions, including banks, takaful operator and their windows:

The Group has relationships with shariah compliant banks / banks having Islamic window of operations, takaful operators and carries out trade and other routine banking / takaful transactions with them as disclosed in relevant notes to the financial statements.

## 17. FINANCIAL RISK MANAGEMENT

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures, which are required in the annual consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2026. There has been no material change in any risk management policies since the year end.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

## 18. FAIR VALUE DISCLOSURES

Except for long-term loans to employees, long-term deposits and long-term loans under SBP refinance schemes, the fair value of financial assets and financial liabilities recognized in these consolidated condensed interim financial statements equals the transaction price at initial recognition. The fair value of the long-term loans under SBP refinance schemes has been determined using discounting techniques. However, due to immaterial effect and impracticalities, the fair value of long-term loans to employees and long-term deposits has not been determined and their carrying value has been assumed to be equal to their fair value. Accordingly, the carrying amount of financial assets and financial liabilities recognized in these consolidated 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.

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

|                                       | Level 2              | Level 3               |
|---------------------------------------|----------------------|-----------------------|
| Freehold land                         | 3,073,980,000        | -                     |
| Factory building on freehold land     | -                    | 772,313,034           |
| Plant and machinery                   | -                    | 21,090,060,986        |
| Power plant                           | -                    | 3,072,652,055         |
| <b>September 30, 2026 - unaudited</b> | <b>3,073,980,000</b> | <b>24,935,026,075</b> |
| Freehold land                         | 3,073,980,000        | -                     |
| Factory building on freehold land     | -                    | 360,309,300           |
| Plant and machinery                   | -                    | 21,223,800,000        |
| Power plant                           | -                    | 3,100,000,000         |
| <b>June 30, 2026 - audited</b>        | <b>3,073,980,000</b> | <b>24,684,109,300</b> |

The above table shows assets recognized at fair value, analyzed between those whose fair value is based on:

- 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.

## 19. RELATED PARTY DISCLOSURES

The Group ("the reporting entity"), in the normal course of business, carries out transactions with various related parties on an arm's length basis. Related parties comprise entities regarded as related or associated due to common directorship, common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control or significant influence over the Group. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including Directors (whether executive or otherwise). Details of transactions and outstanding balances with related parties, not otherwise disclosed elsewhere, are as follows:

| Rupees                                                                     | Quarter ended      |                    | As at                |               |
|----------------------------------------------------------------------------|--------------------|--------------------|----------------------|---------------|
|                                                                            | September 30, 2026 | September 30, 2025 | September 30, 2026   | June 30, 2026 |
|                                                                            | (Unaudited)        | (Unaudited)        | (Unaudited)          | (Audited)     |
|                                                                            | Transactions       |                    | Outstanding Balances |               |
| <b>Major shareholders, key management personnel and their relatives</b>    |                    |                    |                      |               |
| <b>Major shareholders, Directors and their relatives</b>                   |                    |                    |                      |               |
| <i>Detail of transactions:</i>                                             |                    |                    |                      |               |
| - Remuneration / meeting fee                                               | 18,639,908         | 26,446,838         |                      |               |
| - Short-term loan repayment / disbursement - net                           | 91,693,179         | 389,073,276        |                      |               |
| - Rent expense                                                             | 99,825             | 90,750             |                      |               |
| <b>Key management personnel (other than Directors) and their relatives</b> |                    |                    |                      |               |
| <i>Detail of outstanding balances:</i>                                     |                    |                    |                      |               |
| - Loans and advances                                                       |                    |                    | 9,225,000            | 15,932,500    |
| <i>Detail of transactions:</i>                                             |                    |                    |                      |               |
| - Salaries and benefits expense                                            | 15,750,000         | 14,100,000         |                      |               |
| - Loans and advances - issued (net)                                        | 6,707,500          | 2,835,000          |                      |               |

## NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

19.1 Chief Executive Officer, Executive Directors and certain Executives are given company maintained cars. There are no transactions with key management personnel other than under the terms of employment and otherwise disclosed, if any.

### 20. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements have been approved by the Board of Directors and authorized for issue on October 30, 2026.

### 21. 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 consolidated condensed interim statement of financial position as of the end of the current interim period has been compared with the consolidated statement of financial position as of the end of the immediately preceding financial year, the consolidated condensed interim statement of profit or loss and the consolidated condensed interim statement of comprehensive income for the current interim period has been compared with the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income for the comparable interim period of the immediately preceding financial year, whereas, the consolidated condensed interim statement of changes in equity and consolidated 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

