



ITTEFAQ IRON INDUSTRIES LTD



**ANNUAL
REPORT
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CORPORATE INFORMATION

Board of Directors

Mian Muhammad Pervaiz Shafi	Chairman
Shahzad Javed	Chief Executive
Khurram Jamil	Independent Director
Muhammad Mubashir Iqbal	Independent Director
Tayyab Ali	Director
Wajeeha Shahzad	Director
Sobia Irshad	Director

Audit Committee

Muhammad Mubashir Iqbal	Chairman
Imran Khan	Committee Sec.
Khurram Jamil	Member
Tayyab Ali	Member
Sobia Irshad	Member

Company Secretary

Dr. Syed Sikander Ali Shah

Auditors

Kaleem & Company
Chartered Accountants
25-A, Street-15, Cavalry Ground
Extension Lahore.

Mills

8-KM Manga Raiwind Road
Near Rousa Stop
Tel: 042-35397001-8

Bankers

National Bank of Pakistan
Bank of Punjab
Soneri Bank Ltd.

Hr & R Committee

Muhammad Mubashir Iqbal	Chairman
Tayyab Ali	Member
Wajeeha Shahzad	Member

Chief Financial Officer

Khaliq Sharif Khilji

Share Registrar

M/s. Corplink (Pvt.) Ltd
Share Registrar & Corporate Consultants
Wing Arcade, 1-K, Commercial
Model Town, Lahore
Tel; 042-35916714, Fax; 042-35869037
Email; corplink786@gmail.com

Registered Office

40 B-II, Gulberg III, Lahore
Tel: 042-35765021-26, Fax; 042-35759546
Email; info@ittefaqsteel.com

Company Website

www.ittefaqsteel.com

Legal Advisor

Shahid Abrar
Advocate High Court
Pakistan Law Chambers
6-fane Road Lahore
Email: ravian_shahid@hotmail.com



ITTEFAQ IRON INDUSTRIES LIMITED



اتفاق میں طاقت ہے





VISION STATEMENT

To contribute to the society
by creating better value,
innovative technology, high
quality Steel products and
superior services.



MISSION STATEMENT

Ittefaq Steel aims to proceed
on its path to be the leading
provider of quality steel
products, through employees
empowerment with safe
and environmentally sound
practice.

STRATEGIC GOALS

Providing Customer Satisfaction by serving with superior quality production of Steel bar, Girder etc at lowest cost. Ensuring Security and Accountability for employees, production facilities and products.

Ensuring efficient Resource Management by managing human, financial, technical and infrastructural resources so as to support all our strategic goals and to ensure highest possible value addition to stakeholders.



CORE VALUES

Striving for continuous improvement and innovation with commitment and responsibility; Treating stakeholders with respect, courtesy and competence; Practicing highest personal and professional integrity; Maintaining teamwork, trust and support with open and candid communication; and Ensuring cost consciousness in all decisions and operations.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the members of ITTEFAQ IRON INDUSTRIES LIMITED will be held on Monday, October 26, 2026, at 12:00 Noon at the registered office, 40 B II, Gulberg-III, Lahore, to transact the following business **in person and via video-link**.

ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on Monday, October 27, 2025
2. To receive, consider, and adopt the audited financial statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditors' Report thereon.

<https://ittefaqsteel.com/financial-reports/AGMAnnual2026.pdf>



3. To elect seven (7) Directors of the Company as fixed by the Board of Directors in accordance with the Section 159(1) of The Companies Act 2017 for a term of three years Commencing From October 26, 2026. Names of retiring Directors who are eligible for re-election are given below.

- 1.Mian Muhammad Pervaiz Shafi
- 2.Shahzad Javed
- 3.Khurram Jamil
- 4.Muhammad Mubashir Iqbal
- 5.Tayyab Ali
- 6.Wajeeha Shahzad
- 7.Sobia Irshad

(Attached to this Notice is the statement under section 166(3) of the Companies Act, 2017, pertaining to the election of Directors).

4. To appoint Auditors for the year ending June 30, 2027, and to fix their remuneration. The present auditor, M/s. Kaleem & Company (Chartered Accountants), the retiring auditors, who are eligible, have offered themselves for re-appointment.
5. Any other Business with the permission of the Chairman.

BY ORDER OF THE BOARD

Dr. Syed Sikander Ali Shah
Company Secretary.
Lahore:
October 05, 2026

NOTES:

1. Book closure

Share transfer books of the Company will remain closed from October 20, 2026, to October 26, 2026 (both days inclusive). Physical transfers/ CDs transaction IDs received in order by the Company's Share Registrar, M/s. Corplink (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore, up to the close of business on October 19, 2026, will be treated in time.

2. Election of Directors

In terms of Section 159(1) of the Companies Act, 2017, the Board of Directors have fixed the number of elected directors at seven (7) to be elected in the AGM for the next term of three year commencing from October 26, 2026. Any person who seeks to contest the election of directors shall, whether he/she is a retiring director or otherwise, file with the Company, the following documents and information at its registered office not later than fourteen days before the day of the above said meeting.

- a)** His/her Folio No./CDC Investors Account No./CDC Participant No./Sub-Account No.
- b)** Notice of his/her intention to offer himself/herself for the election of directors in terms of Section 159(3) of the Companies Act, 2017.
- c)** Consent to act as director under Section 167 of the Companies Act, 2017 on the prescribed form appendix to Form 9.
- d)** A detailed profile along with his/her office address for placement onto the Company's website www.ittefaqsteel.com.
- e)** The selection of independent directors shall be as per requirements of Section 166 of the Companies Act, 2017 and under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 Any member intending to contest as an independent director shall submit a declaration on non-judicial stamp paper that he/she qualifies the criteria of eligibility and independence notified under the Companies Act, 2017 and rules and regulations issued thereunder.
- f)** Details of Other Offices/Directorships Held.
- g)** An attested copy of Computerized National Identity Card (CNIC)/Passport and National Tax Number (NTN).
- h)** A declaration that:
 - i)** He/she is not ineligible to become a director of the Company under Section 153 of the Companies Act, 2017 and any other applicable laws, rules and regulations.
 - ii)** He/she is not serving as a director of more than seven listed companies.
 - iii)** Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor director or officer of a corporate brokerage house.
 - iv)** He/she is aware of his/her duties and powers under the Companies Act, 2017, Memorandum & Articles of Association of Company, regulations of Pakistan Stock Exchange Limited and other applicable laws, rules and regulations.

- I) The candidates are requested to read the relevant provisions/requirements relating to the election of Directors, as stipulated the Listed Companies (Code of Corporate Governance) Regulations, 2019, the other applicable laws and regulations and ensure the compliance with the same in letter and spirit.

2. Independent Director

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act, and they meet the criteria laid down under Section 166(2) of the Act and shall be listed on the data bank of Independent Directors maintained by Pakistan Institute of Corporate Governance. Further their selection shall be made due to their respective core competencies, diversity, skill, knowledge and experience. No directors have direct or indirect interest in the above said business other than as shareholders of the Company and that they are eligible to contest the election of directors. The present directors are interested to the extent that they are eligible for re-election as directors of the Company.

3. The individual members or representatives of corporate members of the Company will follow company SOPs and the under-mentioned guidelines as laid down in Circular No.1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

a) For Attending the AGM

In the case of individuals, the account holder or sub-account holder whose securities and registration details are uploaded as per the Regulations, shall produce proof of his/her identity by showing the original Computerized National Identity Card (CNIC), at the time of the meeting. In the case of a corporate entity, the Board of Directors, resolution/power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b) Attendance of AGM through video-link

As permitted by circular No.5 of 2020 issued by SECP and in the interest of the Company shareholders, directors may participate virtually via video link. To attend the AGM through the video link, members are requested to register themselves by providing the following information through email at ittefaqagm@gmail.com at least 48 hours before the AGM.

Name of Shareholder	CNIC Number	Folio No/ CDC A/c No	Cell No	Email Address

- Members who are requested, after necessary verification as per the above requirement, will be provided a video link by the Company via email.
- The login will remain open from 12:00 till the end of the AGM.
- Members can also share their comments/suggestions on the above agenda on WhatsApp number at **0343-6142857** by email at ittefaqagm@gmail.com

c) For Appointing Proxy

A member entitled to attend and vote at the above meeting may appoint a person/representative as Proxy to attend and vote on his behalf at the Meeting. The instrument of Proxy duly executed by the Articles of Association of the Company must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. Form of Proxy is available at the Company Website.

d) For Zakat

Members are requested to submit a declaration (CZ-50) as per the Zakat & Ushr Ordinance, 1980, for Zakat exemption and advise an address change, if any.

4. Prohibition of Gift Distribution

In accordance with Company policy and applicable regulatory guidelines, no gifts or incentives shall be distributed at any General Meeting. Shareholders are also respectfully requested to refrain from bringing or presenting any gifts during the meeting.

5. Video Conference Facility

Pursuant to SECP's Circular No 10 dated 21 May 2014 read with section 132(2) & 134(1)(b) of the Companies Act 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a city, to participate in the meeting through video conference at least 7 days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, shareholder(s) may send their request on the Standard Form provided in the annual report and also available on the company's website.

6. Unclaimed shares/dividends

The Company has recently sent notices to shareholders under section 244 of the Companies Act, for the unclaimed/unpaid dividends. Claims can be lodged by shareholders. The Claim Forms are available on the Company website. Claims Forms must be submitted to the Company's Share Registrar, M/s Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial, Model Town, Lahore, for the process and receipt of the dividends.

7. Deposits of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to open a CDC sub-account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scripless form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

8. Availability of Annual Audited Financial Statements on the Company website

By the provisions of section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2026, are available on the Company website.

<https://ittefaqsteel.com/financialreports/AGMAnnual2026.pdf>

9. Contact us

For any query/information, the shareholders may contact the corporate affairs department at 042-35765029, or email address, or the Company's Share Registrars, M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore. Phone: 042-35916714, 042 35916719. Email: corplink@gmail.com



COMPANY PROFILE

Ittefaq the name of itself has over the years become synonymous with quality structural steel in Pakistan.

Ittefaq steel is made up of 1000 team-mates whose goal is to take care of the customers. We are accomplished this by being the safest highest quality and most productive steel products company in Pakistan. We are committed to doing this while being cultural and environmental stewards in communities where we live and work. We are succeeding by working together.

The company's attention is focused on customer's satisfaction, development of products, research and quality control however, the main concern since the beginning has been to emphasize on investment in the national manpower, as it is the real capital of the company.

The company's long term investment in a combination of advanced technologies with the highly trained and motivated work force has been the key factor in bringing us to this point in our development. Today, by the grace of ALLAH we are leading a way in heavy industry by providing structure and alloy steel in the form of billet & bars in all type of industrial, residential sectors.

Product Profile

Ittefaq Steel is the leading steel rolling mill in Pakistan with the capability to manufacture international quality products with various standards, such as DIN, ASTM etc. the company has created a name for itself and is known as the pioneer in steel products. Our state of the arts rolling mill can produce structure steel (with close tolerance and the required mechanical properties) and cater to stringent requirements for critical applications. Highly responsive and flexible production capability producing trailer made solution has resulted in Ittefaq Steel became a preferred supplies to key customers of structural steel in the region. Ittefaq steel is also able to minimize the leading time required to provide consistent international quality structural steel angles flat bars, channels, round and girders in a wide range of sizes.

PRODUCTS

DEFORMED BARS

Ittefaq Steel has been shaping steel for the nation for more than 50 Years. Our Deformed steel bars of Grade 40 and Grade 60 are produced in all American and

British Standards Sizes from 10mm to 50mm. The Deformed bars are manufactured in a state of the art fully computerized plant. Well trained staff operates the plant with through quality control at all stages of manufacturing process. Ittefaq steel has also introduced international quality ittefaq thermex TMT bars.

GIRDER, T-IRON, I & BEAM, CHANNEL & ANGLE

I-Beam are commonly made of structured steel. A common type of I-Beam is the Rolled Steel joist (RJS). These sections have parallel flanges. Ittefaq Steel is manufacturing I & H-Beam, Girder, T-Iron, Channel and Angle that has no match in strength and durability. All these products are available in different sizes as per your need and convenience.

STEEL BILLETS

Ittefaq Steel has quickly emerged as one of the most productive mills in Pakistan producing high quality industrial steel conforming to international standards industrial section, angles, girders, channels, rounds, and special shapes. Throughout our melt shop from steel scrap to billets we maintain strict control over the composition of our steel. Ittefaq steel quality system is based on the key principals of ISO and is focused on production products consistently right, to meet the customer requirements.

PRODUCTION FACILITIES

INDUCTION FURNACES

Melt Shop is the heart of the steel-making operation at Ittefaq. Here, steel scrap is transformed into a semi-finished product, called a billet, of the correct size and chemical composition. The process is carried out using three medium-frequency induction furnaces: two with a capacity of 15 tons each and one with a capacity of 20 tons per heat.

LADLE REFINING FURNACES

Ladle Refining Furnace with a capacity of 20 ton per heat is used for refining liquid steel to produce high quality alloy steel. LRF reduces the dissolved gas content and helps in improved quality with better content and helps in improved quality with better recover of Ferro Alloys.

AOD CONVERTER

A.O.D is an improved Air-Oxygen Decarburization (AOD) Converter. At Ittefaq Steel, our AOD has a capacity of 22 tons per heat for making Stainless Steel and low carbon alloy steels.

CONTINUOUS CASTING

The two stands 6/11 radius continuous caster is equipped with special features, for the production of 100mm X 100mm to 200mm x 200mm steel billet.

BAR ROLLING MILL

Fully automatic rolling of 20" straight with auto controlled re-heating furnace has the capacity to roll steel bars from 10mm to 50mm size according to international standards.

STRUCTURAL MILL

A 24" modern structural mill has been recently installed with a rolling capacity of 35-40 ton per hour to produce Ms Joist, Ms Channel, Ms Angle, Ms T-Iron, Round Bar and other shapes of steel structure.

Quality

Ittefaq iron industries limited is committed to supply quality products strictly as per customer requirement. A well equipped metallurgical laboratory has always been need of the day to ensure products being produced as per requisite standards for this purpose company have established a well equipped modern steel testing laboratory to ensure strict quality control at all stages i.e. from induction of raw material to the dispatch of finish products.

Quality assurance laboratory installed is one of the most modern laboratories in Pakistan equipped with the following testing facilities required for quality production of steel and R & D purpose for further advancement in the relevant field.

Emission Spectrometer

A twenty seven channel optical Emission spectrometer for direct analysis of solid metallic samples of ferrous metals with high precision accuracy least inter element

interference particularly for trace element analysis of world famous German Spectro Lab brand has been installed and Commissioned under foreign experts for quick and accurate analysis of results and to print out reports in addition to save analysis data for traceability.

LECO CS – 230 Analyzer

LECO CS-230 has been installed to determine precisely carbon & sulphur contents of steel and other carbonaceous material over a wide range of composition. The equipment is of German origin and has been designed for more accurate results in quick basis with built in computer to print out analysis report.

Universal Tensile Testing Machine

A modern hydraulic tensile testing machine with maximum load capacity 2000KN is installed with servo control to test various metallic and non-metallic materials for tension, compression, bending and shearing strength. It is capable of testing the characteristic of material on physical and technological properties machine is equipped with computer software and printer. It can control the test procedures as the set programs and can also display record, process and print the test results and can draw test curves automatically in real time. This machine has been recently imported installed and commissioned under the supervision of foreign experts and is presently the biggest capacity computerized machine in any steel industry in Pakistan. Besides this, there is already a 1000-KN capacity machine in the mechanical testing lab to share the load of testing.

Moreover this machine complies with ISO 7500-1, ISO-6892, ISP-15630, ASTM-A-730, ASTM-E4, ASTM-E9, ASTM-D 76, JIS-Z 2841 standards.

Hardness Testing

Two latest model hardness testers have been installed in the laboratory for determining brinell Rockwell and Vickers hardness of ferrous nonferrous and hard alloys with complete measuring range.

Metallography

Metallography is a powerful material investigation tool. Its lead to establish product

reliability and to determine the failure of materials. Keeping in view the vital role of Metallography laboratory has been installed and is under functioning. The laboratory comprises of a metallurgical microscope equipped with reflected illumination which provides bright field, dark field, polarization observation and photography. Moreover a computer system with image analyzer software is attached to the microscope for online microstructure analysis.

Chemical Analysis

In addition to above mentioned testing facilities, there exists a complete and up to date chemical laboratory for analysis of ferrous and Ferro alloys. A dedicated and experienced R & D team is engaged in developing new products and upgrading existing formulations. We develop and produce products to meet the entire satisfaction of the customer. We continuously upgrade the product based in the feedback from end user. Our field representative keep a track of performance of each supply and forward the feedback to our technical experts. Who analyze and make necessary changes, if required. Our valued customers are assured of best quality material.

Sample Preparation

The goal of metallo graphic specimen preparation is to reveal the true structure of the material. True structure enables the analyst to examine a specimen surface that show a precise image of the material. Mechanical preparation (i.e) (cutting, grinding and polishing) is the most common method of preparing samples for microscopic examination.

A complete range of equipment for cutting grinding, fine grinding, cold mounting and embedding, hot compression mounting has been installed in the metallographic laboratory for proper preparation of samples for metallographic.

PROFILE OF DIRECTORS

Mr. Shahzad Javed , Chief Executive Officer / Director

Mr. Shahzad Javed is the son of Mian Muhammad Javed Shafi; one of the most eminent industrialists of the country with a superior vision and dynamic brand of leadership. Mr. Shahzad Javed had held the directorships at , Ittefaq Sugar Mills Ltd., Ittefaq Power Ltd, Kashmir Feeds Ltd and Ittefaq Bio Tech Pvt Ltd.

Mr. Shahzad Javed is instrumental in making strategic decisions for the Company and has led the Company to become one of the leading players in steel sector. He did early education from Aitchison College Lahore Pakistan. Further he did his B.Sc from United State of America. He is an enthusiastic and devoted industrialist.

Mr. Mian Muhammad Pervaiz Shafi, Director

Mr. Pervaiz has a rich and diversified experience of 40 years in iron and steel industry and is renowned as one of the most experienced industrialists of the steel industry. He has also served as the Director of Ittefaq Sugar and Kashmir Sugar Mills Ltd. Under his leadership the Company expects to achieve new heights and can further excel in the steel industry. Mr. Pervaiz is also serving as a member of audit committee of the Company.

Mr. Muhammad Mubashir Iqbal, Director

Mr. Muhammad Mubashir Iqbal is serving as independent director. He holds an MBA degree from the University of Central Punjab and to his credit has a very rich banking and management experience. His banking experience includes senior level positions in Bank Alfalah Ltd, Burj Bank Ltd, Barclays Bank, Standard Chartered and Citibank N.A. Some of his core areas of expertise are people management, revenue generation, large team management & development and sales management. Currently, he is also working as Chief Executive Officer of an agricultural company in addition to heading a real estate company. His presence as an independent member on the Board is going to be a highly valuable addition leading to the over-all better performance of the management in all business segments.

Mr. Khurram Jamil, Director

Mr. Khurram Jamil has earned Master degree from Lahore and having vast experience in dynamic Business sector. He has more than 20-years in various business sector. He is devoted and committed with his business strategies. Under his directorship company expects to achieve new heights and can further excel in the steel industry. He is also member of Audit Committee.

Mr. Tayyab Ali, Director

He is very energetic intelligent, hardworking, dedicated with his work and task oriented personality. At present, he is also member of Audit Committee and Human Resource Committee.

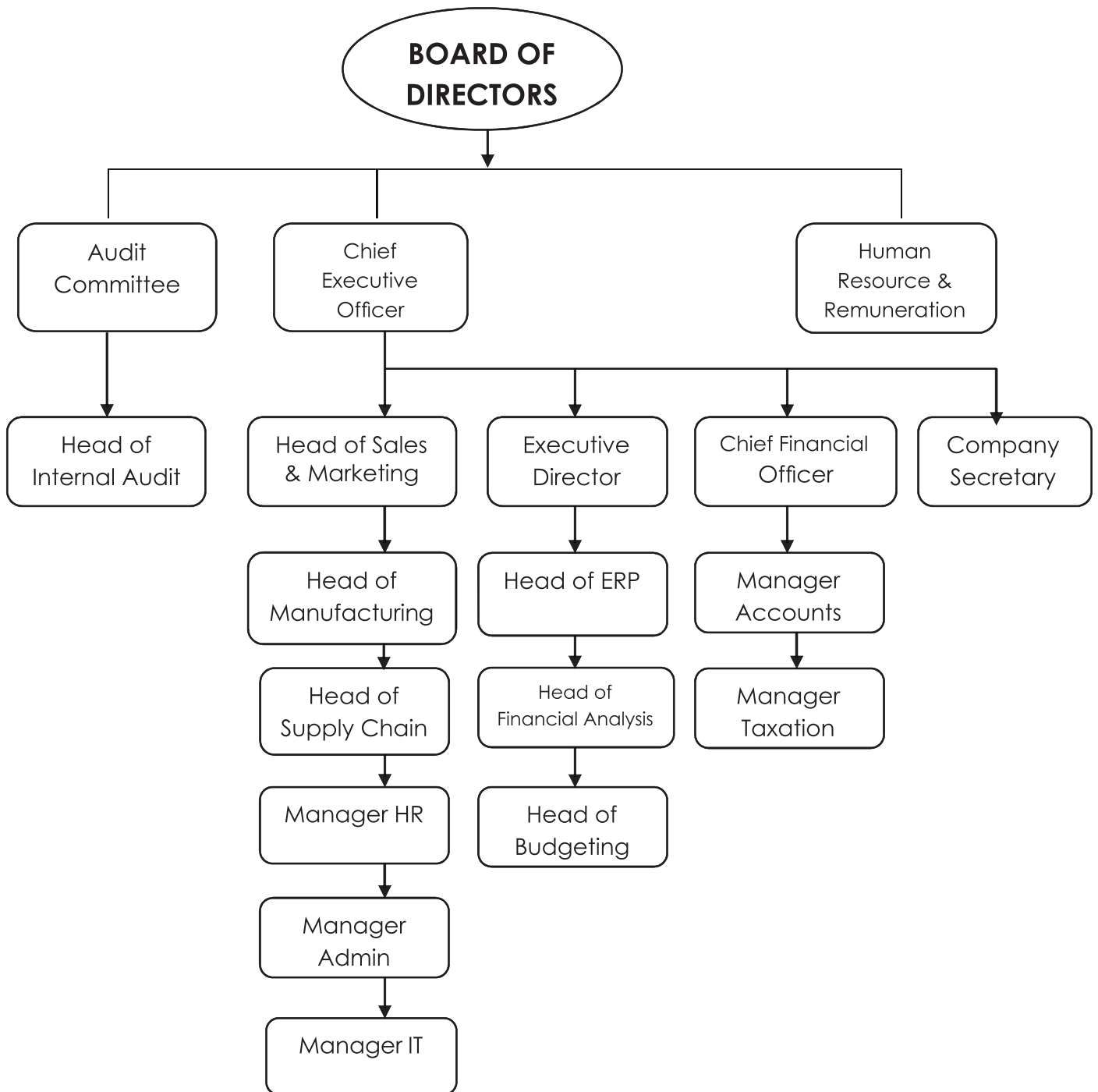
Mrs. Sobia Irshad, Director

Miss Sobia Irshad is graduate from Lahore. Her presence on the board and as a member of Audit Committee has brought numerous initiatives to set high standers and bench mark for the performance of the company, She also aims to work for the improvement of product portfolio of the Company and expanding its customer base.

Mrs. Wajeeha Shahzad, Director

Mrs. Wajeeha Javed is a graduate from Kinnaird College Lahore, Apart from serving the Board she supervising the Procurement of raw materials and is also serving as a member of HR & Remuneration Committee.

ORGANOGRAM OF COMPANY



CHARIMAN MESSAGE

Dear Shareholders:

I hereby present a brief summary of the Company's performance for the financial year 2026. The period under review has also been quite challenging and tough like the previous year. The main factors responsible for the difficult times the Company had to face include low economic growth, high financial costs, extremely high energy tariffs and a high burden of taxation to say the least. All these factors left a very negative effect on our financial health and we had to face significant losses.

Another factor that adversely affected our supply lines and consequently forced us to operate our plants at the sub-optimal levels was the war-like scenario at the Strait of Hormuz between Iran and the United States and/or Israel. This protracted war severely disrupted our operations leading to heavy losses for us.

Our sales volume throughout the year remained much less than our forecasts due to significantly high rate of inflation eroding purchasing power of general population. High prices of steel products and construction material forced the construction sector to operate at much lower level than its full potential leading to reduced demand of steel products. Resultantly, lower sales volume was one of the main reasons leading to heavy losses for the Company.

During the period under review, the national economy achieved moderate growth in terms of GDP as compared to the last year but the steel sector along with some other sectors actually faced decline.

A major factor responsible for the decline in the steel sector is abnormally high rate of taxes further increasing the already high cost of doing business. High interest rates were another reason responsible for negative impact on our bottom line and thus increasing the volume of our losses. High electricity rates are another strain on the profitability of the steel sector. All these factors ie high rates of taxes, interest and electricity are mainly responsible for steep hike in steel products making it unaffordable for a majority of the population - leading to lower sales volume and consequent losses for the Company. Furthermore, the consistently shrinking size of the government's spending on development projects under public sector development program (PSDP) is another factor resulting into lower demand of steel products. Under the ongoing program with the IMF, the government has limited options vis-à-vis its spending under PSDP due to its commitments with the IMF to keep current and fiscal deficits at certain levels.

As per the government, the stabilization phase of the national economy under the IMF program is now over and soon the economy will start experiencing growth. It is hoped that with start of growth phase, things will turn around for the industrial sector including the steel sector making it profitable once again.

In the face of difficult and tough times it has to face during the year the Company has made best possible efforts to ensure maximum operational cost-cutting and most efficient utilization of resources to keep the losses at the minimum possible level. The management and employees have shown exemplary commitment and fighting spirit during these challenging times and I really appreciate their valuable efforts and contribution in this regard.

In the end, my message to our shareholders is that we will leave no stone unturned to create maximum possible value for them by turning things around and making the Company profitable once again.



CHIEF EXECUTIVE MESSAGE

Dear Shareholders:

The financial year ending on June 30, 2026 has throughout been quite tough and full of challenges due to domestic as well as foreign factors. At the domestic front, we had to face numerous challenges like political instability, very limited economic growth, high financial and energy costs, underutilization of production capacity due to lower demand and quite high tax burden. The cost of doing business remained extremely high round the year which caused a big dent to our bottom line and the Company had to bear significant losses.

At the international front, a war-like situation developed involving Iran on one side and the United States and Israel on the other which severely disrupted the supply lines passing through the Strait of Hormuz. Resultantly, for a significant period during the latter half of the financial year our imports of scrap and related material could not pass through the Strait of Hormuz which severely jolted our operational timelines and thus causing significant losses to us

During the year large-scale manufacturing witnessed 6.1% growth but many sectors including iron and steel actually contracted/declined. The steel sector is operating far below its potential. Against a total installed capacity of nine million tonnes, current production in the steel sector stands at just 3.8 million tonnes, with many units shut down and the rest running at only 30 per cent to 50 per cent capacity.

This declining trend in the steel industry is due to a number of major factors including but not limited to a very high cost of doing business on account of high financial and energy costs and higher taxation rates. Interest rate remained quite high throughout the year leading to higher financial costs. Our energy tariffs are highest in the region. Sales tax on steel has sharply increased from Rs10,350 per tonne in FY2018-19 to Rs40,500 per tonne in recent years. This steep increase in taxes, combined with soaring electricity tariffs and high interest rates, has significantly increased the cost of doing business and resulted into higher prices of steel products and thus making them quite unaffordable for not-so-affluent segments of the population leading to a sharp decline in the demand of steel products. Due to this erosion of demand and lower sales volume, the Company had to face significant losses during this year.

Furthermore, the government's big spending cuts on public sector development projects is another factor resulting into lower demand of steel products. All new projects have been put on the back burner while the pace of spending on the existing ones is also quite slow on account of budgetary constraints faced by the government and commitments made with the IMF for reducing current and fiscal account deficits. To reverse the decline in the steel industry, the government at its end should rationalize taxes, eliminate super tax and reduce electricity tariffs to regionally competitive levels. With improvement in macroeconomic indicators and introduction of suitable policy steps and incentives for the steel sector, it is hoped that things will start moving in the right direction and steel industry will bounce back to its full potential and paly its due role in creating value for its stakeholders and in the economic development of the country. Finally, I would like to thank all our stakeholders for their full support in these tough times and our employees for making their utmost efforts to ensure optimal utilization of our resources



DIRECTOR'S REPORT

It gives me great pleasure in presenting to you the Company's 21st Annual Report and Audited Accounts for the year ended 30th June 2026.

FINANCIAL RESULTS

Key financial results for the year are as follows:

Rupee in Million	Year Ended June 30, 2026	Year Ended June 30, 2025
(Loss)/profit before tax	(291.221)	(664.961)
Taxation	(30.763)	6.981
Other comprehensive income	(1.754)	378
Un-appropriated profit	(259.81)	29.995
Opening retained Earnings	29.995	646
Total balance available for appropriation	(259.81)	29.995
Appropriations: *		
Transfer to general reserves	(259.81)	29.995
Earnings per share - basic & diluted (Rs)	(2.23)	(4.56)

The directors hereby present a general overview of the annual report related to the Company's performance during the financial year ending on June 30, 2026. The year under review has proved to be a really challenging and bumpy ride throughout on account of a number of internal and external factors. Internal challenges included political as well as economic distress, sharp and sustained rise in taxation, high interest rates and electricity costs – all these factors have resulted into steep increase in steel products leading to erosion in demand for the finished/semi-finished products in the steel sector. The smuggling of semi-finished steel products into the country has been another sore point for the sector leading to significant losses for the documented/legitimate players. At the international front, the latter half of the year witnessed a war-like scenario between Iran and joint military might of the United States and Israel which severely disrupted the industrial supply lines including the steel sector passing through the Strait of Hormuz. This disruption in supply lines in terms of scrap imports into the country severely hit the operations of the steel sector leading to sub-optimal utilization of production capacity and thus resulting into significant losses for most of the

steel manufacturing companies including ours. Moreover, throughout the year, the Company had to bear extremely high cost of doing business due to higher raw material and electricity costs in addition to quite high tax burden. This significantly high cost of doing business was a major factor behind the steep rise in the price of steel products in the country making them almost unaffordable for a major chunk of the population. Hence, construction activities remained lackluster on account of the soaring prices of steel products and very high inflation rate in the country leading to a significant drop in the demand of steel products. Resultantly, the Company had to face significant losses this year on account of much lower sales volume.

Furthermore, another factor responsible for lower demand of steel products is sustained and significant cut on public spendings by the federal government on account of the ongoing program with the IMF. This year as well no new major project has been initiated by the government under the public sector development program (PSDP) whereas the pace of progress on the ongoing projects is also quite slow on account of the budgetary constraint/cuts. The Company on its part has made all-out efforts to face the above-mentioned challenges in the best possible way in order to keep the losses at the lowest possible level. In this regard, the management and staff have made their best efforts under the prevailing tough economic scenario and it is hoped that things will gradually turn around.

1. Dividend

The Board has not proposed any cash dividend or bonus shares for the year ended June 30, 2026.

2. Role of Chief Executive Officer (CEO)/ Managing Director (MD)

CEO/MD is responsible for execution of the Company's long-term strategy with a view to creating value for shareholders. The CEO/MD takes all day to day decisions to accomplish the company's short-and long-term objectives/ plans. He acts as a direct liaison between the Board and the company management. He also communicates on behalf of the company with shareholders, employees, Govt. authorities, other stakeholders and the public. CEO/MD acts as a Director, decision maker and leader. The role as a communicator involves interaction with the outside world as well as the organization's management and employees. The role as decision maker involves high level decisions about policy and strategy. As a leader of the company, he motivates employees and inculcates requisite enthusiasm and spirit in them.

3. General

The Directors of Ittefaq Iron Industries Ltd (IIIL) are pleased to present the annual report together with the audited financial statements of the company for the year ended 30th June 2026 and the auditors' report thereon.

4. Presentation of Financial Statements

Financial statements prepared by the management present the company's state of affairs, results of its operations, cash flows and changes in equity in a fair and accurate manner.

5. Accounting policies

Appropriate accounting policies are consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

6. Books of Accounts

Proper books of accounts have been kept and maintained by the company as per the relevant provision of Company's Act-2017. Compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in Pakistan adopted by Securities and Exchange Commission of Pakistan and The Institute of Chartered Accountants of Pakistan, have been ensured in preparation of financial statements.

7. Internal control System

An internal control system is designed to provide reasonable assurance that the company ensures compliance of policies, plans and laws; efficient use of resources; accomplishment of goals besides availability and integrity of financial and management information. The internal control system of IIIL is very comprehensive, effectively implemented and being monitored regularly. The company is fully focused on control procedures of business unit to ensure that corporate policies and corrections are applied as and when required. are executed

8. Best practices of Corporate Governance

IIIL, as a model corporate entity, pursues perfection by adherence to the best corporate and ethical practices. Best practices of corporate governance, as given in the Companies Act 2017, are being applied and implemented in true letter and spirit. All periodic financial statements of the company were circulated to the Directors, duly endorsed by Chief Executive Officer and Chief Financial Officer, for approval before publication. Half yearly review and Quarterly unaudited financial statements along with Directors' review were published and circulated to the shareholders and regulators.

(a) Shareholding Pattern

Pattern of shareholding of the company in accordance with Listed Companies (Code of Corporate Governance) Regulation, 2019 and the Companies Act, 2017, as on 30th June 2026 is attached at the end of the report.

(b) Shareholders' Information

To update the shareholders about the operations, growth and state of affairs of the company, the management promptly disseminates all material information including the announcement of interim and final results to Pakistan Stock Exchange. Quarterly, half yearly and annual financial Statements are accordingly circulated within the stipulated time frame to all the concerned. Likewise, notices and announcements of dividend are transmitted to all stakeholders and regulators within the time laid down in Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act, 2017. The same are also uploaded immediately on the company's website.

9. Human Resource Committee

The committee is comprised of three members including its chairman. Two members are non-executive Directors, while the chairman is an independent Director. During the year, two meetings of this committee were held.

10. Role of Chairman

Leads the Board of Directors, represents the Group and acts as an overall custodian of the Group on behalf of the Board and stakeholders. Being responsible for ensuring the Board's effectiveness, he empowers the Board as a whole to play a constructive role in the determination and development of the company's strategy and overall objectives.

11. Board Composition

The Board is comprised of two independent Directors, two executive Directors (Including Chairman & CEO/MD) and three non-executive Directors (including two female Directors). The diverse knowledge, expertise and skills of the members enhance the effectiveness of our Board. The composition of the Board guarantees to safeguard the interests of all categories of shareholders.

12. Performance Evaluation of the Board

Pursuant to Listed Companies (Code of Corporate Governance) Regulations, 2019 the Board of Directors approved a comprehensive mechanism for evaluation of the Board's own performance. The Human Resource Committee will undertake a formal process for evaluation of the performance of the Board as a whole and its committees.

13. Meetings of Board of Directors

The Board meetings are held every quarter for reviewing and approving the adoption of the company's financial statements, coupled with review and adoption of business plan. During this year, six meetings of the Board of Directors were held.

14. Committees of the Board

Following committee was constituted to work under the guidance of the Board of Directors.

a. Audit Committee

NAME	DESIGNATION
Mr. Muhammad Mubashir Iqbal	Chairman (Independent Director)
Mr. Imran Khan	Secretary of the Committee
Mr. Khurram Jamil	Member (Independent Director)
Mr. Tayyab Ali	Member (Non-Executive Director)
Ms. Sobia Irshad	Member (Non-Executive Director)

During this year, five meetings of the Audit Committee were held.

15. Board of Director's Remuneration

No fees were paid to any Director for attending Board meetings as per the approved policy. The relevant details are indicated in the relevant notes to the financial statements.

16. Qualifications of CFO and Head of Internal Audit

Chief Financial Officer and Head of Internal Audit possess the requisite qualification and experience as prescribed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

17. Training of the Board Members

The company takes keen interest in the professional development of its Board members and arranges necessary trainings for them as per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, none of the Directors of the company have attended Directors' Training Program. The management is conscious of its responsibilities and is hopeful that the training of all Directors shall be completed soon.

18. Approval of Vision, Mission and Corporate Strategy by the Board

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors has carefully reviewed and approved the Vision, Mission and Corporate Strategy of the company. It comprehensively states the ideology with which IIL was incorporated. We ensure that our Vision and Mission set the direction of our overall corporate strategy. The entire organization is connected and driven by a well-defined purpose and it serves the decision-making criterion in our day to day business.

19. Code of Conduct

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019, IIL adheres to the best ethical standards in the conduct of business. Accordingly, the Code of Conduct of the company has been approved by the Board of Directors and placed on the website of the company.

20. Listed Companies (Code of Corporate Governance) Regulations, 2019

Security and Exchange Commission of Pakistan (SECP) issued the Listed Companies (Code of Corporate Governance) Regulations, 2019 for listed companies while revising the previous regulations. The Board of Directors is fully aware of the requirements of the revised code which is applicable since 25 September 2019 and has been making necessary arrangements to ensure its compliance. As part of compliance of the code, we confirm the following: -

- a. The financial statements prepared by the company management present fairly its state of affairs, results of its operations, cash flows and changes in equity.
- b. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- c. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained.
- d. The system of internal control is sound in design and is effectively implemented and monitored.
- e. There are no significant doubts upon the company's ability to continue as a going concern.

21. Salient Aspects of Company's Control and Reporting Systems

The company complies with all the requirements of the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. To fulfill this role, the Board is responsible to implement overall corporate governance guidelines in the company, including approval of the strategic direction as recommended by the management; approving and monitoring capital expenditures; appointing, removing and creating succession policies for the senior management; establishing

and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. The Board is also responsible for approving and monitoring financial and other reporting.

22. Relations with Company Personnel

Relations between the management and the workers continued to remain cordial, based on mutual respect and trust. Considerable investment has been made for welfare of the staff in order to provide safe and conducive environment.

23. Gratuity Funds Investment

The company operates Non-Funded Gratuity Scheme covering all its permanent employees in accordance with Gratuity Fund Rule.

24. Related Party Transactions

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019 and requirement of the Company's Act 2017, the company adheres to the highest ethical standards in the conduct of business. Policy on related party transactions of the company is duly approved by the Board of Directors.

25. External Auditors

M / s. kaleem & Company Chartered Accountants, has completed the Annual Audit for the year ended 30th June 2026 and will retire on conclusion of the Annual General Meeting. In view of the good corporate governance practices, the Board has also recommended consent of other QCR rated Chartered Accountant firms and as well as M/s. Kaleem & Company Chartered Accountants, as External Auditors, for approval by the shareholders duly endorsed by the Audit Committee, for the appointment of External Auditors for the year ending 30th June 2027.

26. Environmental & Social Policy

IIIL follows the best possible ethical standards in the conduct of business. Accordingly, environmental and social policy of the company, duly approved by the Board of Directors, is placed on the website of the company. During the current year the company installed scrubber to control the smoke pollution.

27. Whistle Blowing Policy

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019, IIIL is committed to achieving high standards of integrity, ethical values and accountability. Accordingly, whistle blowing policy of the company has been approved by the Board of Directors and placed on the company's website, which enables officers and employees to share their concerns, which are addressed through necessary corrective measures.

28. Disclosures

To the best of our knowledge, Directors (except as shown in the pattern of shareholding in the report), Chief Executive/Managing Director, CFO, Company Secretary, Company Auditors, their spouses and their minor children have not undertaken any trading in shares of the company during the FY 2025-2026.



CEO/ Director



KALEEM & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ittefaq Iron Industries Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Ittefaq Iron Industries Limited** for the year ended **June 30, 2026**, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, except for non-compliance to Regulation No. 18 and 19, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2026**.

Reference of Regulation	Description	Explanation
18,19	The required number of Directors have not participated in the Directors Training Programme.	According to the given Regulations, by June 30, 2022 all the Directors on the panel of Board of Directors must have gone through Directors Training Programme.

Note. The Company's Board of Directors has 2 appointed female directors.


KALEEM & COMPANY
CHARTERED ACCOUNTANTS



Place: Lahore
Date: September 29, 2026
UDIN : CR202610377hVa6J3nOy

KEY FIGURES

PKR

Sales Revenue

2,403,668,804

(2025: 2,651,935,301)

PKR

EBITDA

82,915,944

(2025: 403,947,361)

PKR

(Loss)/Profit before Tax & Depreciation

(136,611,083)

(2025: 512,504,869)

PKR

Loss After Tax

(321,983,149)

(2025: 657,979,649)

PKR

Loss per share

-2.23

(Loss per share 2025: (-4.56))

%

Return on Capital Employed

-0.07

(2025: -0.15)

PKR

Total Assets

5,478,993,928

(2025: 5,366,779,706)

%

Current Ratio

1.81

(2025: 2.18)

PKR

Shareholder Equity

3,171,797,165

(2025: 3,495,534,865)

PKR

Breakup value per share

15.76

(2025: 17.77)

Last Five year Financial Review

(Amounts in PKR Mn.)	FY22	FY23	FY24	FY25	FY26
Income Statement	Audited	Audited	Audited	Audited	Audited
Sales	11,225	8,284	2,271	2,652	2,404
Cost of Goods Sold	10,716	8,142	2,906	3,111	2,501
Gross Profit	509	14.	-635	-459	-97
EBITDA	416	67	640	404	-83
Operating Profit	297	-63	-795	576	-238
Financial Charges	51.	73.	88	89	54
Profit before Taxation	222	-145	-884	-665	-291
Profit after Taxation	234	-94	-821	-658	-322
Balance Sheet					
Non-Current Assets	1,987	1,952	2,472	2,300	2,147
Current Assets	7,532	5,324	3,750	3,066	3,332
Total Assets	9,520	7,277	6,222	5,367	5,479
Share Capital	1,443	1,443	1,443	1,443	1,443
Total Equity (including surplus on revaluation of assets)	4,673	4,573	4,149	3,496	3,172
Non-Current Liabilities	606	480	516	468	461
Deferred Liabilities	86	161	195	246	285
Current Liabilities	4,240	2,224	1,556	1,404	1,846
Total Liabilities	4,846	2,704	2,072	1,872	2,307
Total Equity and Liabilities	9,520	7,277	6,222	5,367	5,474
Total Number of Issued Shares of PKR 10/- each (mn)#	144.3.	144.3.	144.3.	144.3.	144.3.
Financial Ratios					
Gross Margin(1)	4.53%	1.72%	-27.96%	-17.3%	-403%
Operating Profit Margin(2)	2.65%	0.35%	-29.55%	-21.7%	-9.9%
Net Margin(3)	2.09%	-1.14%	-36.17%	-24.8%	-13.4%
EBITDA Margin(4)	3.71%	0.81%	28.20%	-15.2%	-3.4%
EBIT Margin(5)	2.44%	-0.84%	-35.04%	-21.7%	-9.9%
Earnings Per Share (PKR) (6)	1.62	-0.65	-5.69	-4.56	-2.23
Current Ratio (x) (7)	1.78	2.39	2.41	2.18	1.81
Breakup Value Per Share (PKR) (8) (excluding surplus on revaluation of assets)	28.55.	28.00.	22.04.	17.77.	15.76
Breakup Value Per Share (PKR)(9) (including surplus on revaluation of assets)	32.38.	31.68.	28.75.	24.22.	21.97
Working Capital Turnover (x) (10)	3.41.	2.67.	1.04.	1.60.	1.62
Inventory Days(11)	81	88	126	109	169.08
Receivable Days(12)	49	85	285	206	191.87
Payable Days(13)	42	94	96	34	101.99
Inventory Turnover(14)	3.71.	3.38.	2.38.	3.35.	2.16

(Amounts in PKR Mn.)
Income Statement

FY22
Audited

FY23
Audited

FY24
Audited

FY25
Audited

FY26
Audited

Receivable Turnover (15)	3.9	6.18	1.05	2.04	1.90
Payable Turnover (16)	2.35	7.08	3.11	14.97	3.58
Asset Turnover (17)	83%	132%	34%	49%	43.9%
Return on Asset (18)	3.58%	2.46%	-13.20%	-12.26%	-5.9%
Return on Equity(including surplus on revaluation)(19)	6.01%	5.01%	-19.80%	17.35%	16.4%
Return on Equity (excluding surplus on revaluation)(20)	6.90%	5.68%	-25.83%	26.65%	28.3%
Return on Fixed Asset (21)	13.22%	11.98%	-33.24%	-28.86%	-15.1%
Debt to Equity (including surplus on revaluation) (22)	0.43	0.36	0.35	0.54	0.73
Debt to Equity (excluding surplus on revaluation) (23)	0.49	0.41	0.45	0.73	1.01
Debt to Assets (24)	0.23	0.18	0.23	0.35	0.42

Notes:

No.	Ratio	Formula	FINAL2026	2025
1	Gross Margin	Gross Profit ÷ Revenue × 100	-402.98%	-17.32%
2	Operating Profit Margin	Operating Profit ÷ Revenue × 100	-10%	-21.7%
3	Net Margin	Net Profit ÷ Revenue × 100	-14%	(24.81)
4	EBITDA Margin	EBITDA ÷ Revenue × 100	(0.04)	(0.15)
5	EBIT Margin	Operating Profit ÷ Revenue × 100	(0.10)	(0.22)
6	Earnings per Share	Net Profit ÷ No. of Shares	(2.27)	(4.56)
7	Current Ratio	Current Assets ÷ Current Liabilities	1.80	2.18
8	Breakup Value Per Share (Excl. Revaluation)	Equity excl. revaluation ÷ No. of Shares	15.72	17.77
9	Breakup Value Per Share (Incl. Revaluation)	Equity incl. revaluation ÷ No. of Shares	21.94	24.22
10	Working Capital Turnover	Revenue ÷ (Current Assets – Current Liabilities)	1.62	1.59
11	Inventory Days	365 ÷ Inventory Turnover	169.08	101.98
12	Receivable Days	365 ÷ Receivable Turnover	191.09	178.58
13	Payable Days	365 ÷ Payable Turnover	101.99	24.39
14	Inventory Turnover	Cost of Sales ÷ Inventory	2.16	3.58
15	Receivable Turnover	Revenue ÷ Receivables	1.91	2.04
16	Payable Turnover	Cost of Sales ÷ Payables	3.58	14.96
17	Asset Turnover	Revenue ÷ Total Assets	0.44	0.49
18	Return on Assets	Net Profit ÷ Total Assets ×100	(0.06)	(12.26)
19	Surplus / Total Assets	Revaluation Surplus ÷ Total Assets ×100	0.16	17.35
20	Surplus / Total Equity	Revaluation Surplus ÷ Total Equity ×100	0.28	26.64
21	Return on Fixed Assets	Net Profit ÷ PPE ×100	(0.15)	(28.85)
22	Debt to Equity (Incl. Surplus)	Total Liabilities ÷ Total Equity incl. surplus	0.73	0.54
23	Debt to Equity (Excl. Surplus)	Total Liabilities ÷ Total Equity excl. surplus	1.02	0.73
24	Debt to Assets	Total Liabilities ÷ Total Assets	0.42	0.35
25	ROCE (Times)	EBIT ÷ Capital Employed	(0.07)	(0.15)
26	EBITDA	Operating Profit + Depreciation	(82,915,944.00)	(403,947,361.00)

CODE OF CONDUCT

The Code of Conduct sets out the Company's objectives and its responsibilities to various stakeholders and the ethical standards required from its Directors and employees to meet such objectives and responsibilities.

FINANCIAL DISCLOSURE

All transactions should be accurately reflected in the books of accounts according to applicable accounting principles. Falsification of the Company's books, any of the recorded bank accounts and transactions is strictly prohibited.

CONFLICT OF INTEREST

The Directors and employees of the Company must recognize that in the course of performing their duties, they may be out into a position where there is a conflict in the performance of such duty and a personal interest they may have. It is the overriding intention of the Company that all business transactions conducted by it are on arm's length basis.

COMPLIANCE WITH LAWS, DIRECTIVES & RULES

Compliance with all applicable laws, regulations, directives and rules including those issued by the Board of Directors and Management.

CONFIDENTIALITY

Confidentiality of the Company's internal confidential information must be maintained and upheld, which includes proprietary, technical, business, financial, joint-venture, customer and employee information that is not available publicly.

TIME MANAGEMENT

The Directors and the employees of the Company shall ensure that they adopt

efficient and productive time management schedules.

BUSINESS INTEGRITY

The Directors and employees will strive to promote honesty, integrity and fairness in all aspects of the Company's business and their dealings with vendors, contractors, customers, Joint Venture participants and Government officials.

INSIDER TRADING

Every Director and employee who has knowledge of confidential material information is prohibited from trading in securities of the Company.

HEALTH, SAFETY & ENVIRONMENT

The Company, its Directors and employees will Endeavour to exercise a systematic approach to health, safety and environmental management, in order to achieve continuous performance improvement.

INVOLVEMENT IN POLITICS, GIFTS & BRIBARY

Company shall not make payments or other contributions to political parties and organizations. Employees must ensure that if they elect to take part in any form of political activity in their spare time, such activity does not and will not have any adverse effects on the Company and such activities must be within the legally permissible limits. The Directors and employees shall not give or accept gifts, entertainment, or any other personal benefit or privilege that could influence business dealings.

COMPLIANCE

All Directors and employees must understand and adhere to the Company's business accordance with the Company's business practices and Code of Conduct and practices and Code of Conduct. They must commit to individual conduct in

observe both the spirit and the letter of the Code in their dealings on the Company's behalf.

ACCOUNTABILITY

Failure to adhere to the Company's business practices or Code of Conduct may result in disciplinary action, which could include dismissal.

STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019

FOR THE YEAR ENDED: JUNE 30, 2026

The company has complied with the requirements of the regulations in the following manner:

1 The total number of directors is seven as per the following:

a Male: 5 (FIVE)

b Female: 2 (TWO)

2 The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Mubashir Iqbal Mr. Khurram Jamil
Non-Executive Directors	Mr. Tayyab Ali Mrs. Wajeeha Shahzad Mrs. Sobia Irshad
Executive Directors	Mian Muhammad Pervaiz Shafi Mr. Shahzad Javed (CEO)

Determination of number of independent Directors comes to 2(rounding up not required) which is based on Six Elected Directors, excluding CEO who is considered as deemed Director.

3 The Directors have confirmed that none of them is serving as a Director on more than seven listed Companies including this Company.

4 The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5 The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6 All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Companies Act 2017 ("Act") and these Regulations.

- 7 The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8 The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
- 9 The Company takes keen interest in the professional development of its Board members. In House training have been arranged for Board members, however, none of the directors of the company have attended Directors' Training Program. The management is conscious of its responsibilities and is hopeful that the training of all directors shall be completed soon.
- 10 The board has approved appointment of CFO, Company Secretary and Head of internal audit, including their remuneration, terms, and conditions of employment complied with relevant requirements of the regulations.
- 11 Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
- 12 **The Board has formed committees comprising of members given below:**

Names of Committee	Names of Members and Chairman
Audit Committee	Mr. Muhammad Mubashir Iqbal (Chairman of the Committee) Mr. Imran Khan (Secretary of the Committee) Mr. Khurram Jamil (Member) Mr. Tayyab Ali (Member) Ms. Sobia Irshad (Member)
Human Resource and Remuneration Committee	Mr. Muhammad Mubashir Iqbal (Chairman of the Committee) Mr. Tayyab Ali (Member) Ms. Wajeeha Shahzad (Member)

- 13** The term of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.
- 14 The frequency of meetings (quarterly/half yearly/ yearly) were as per following:**
- a Audit Committee (Once in quarter/ Four in a year)
 - b HR & Remuneration Committee (Once in every financial year)
- 15** The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 16** The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company.
- 17** The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18** We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.
- 19** Explanation for non compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Sr. No.	Requirements	Explanations	Regulations No.
1	Constitution of Risk Management Committee:	The function risk of management committee is currently performed by chief internal auditor who appraises the board accordingly. However the consideration of committee shall be completed before the close of current fiscal year.	30
2	Responsibilities of the Board and its members:	Non-mandatory provisions of the CCG Regulations are partially complied	10(1)
3	Nominations Committee:	Currently, the board has not constituted a separate Nomination Committee and the function are being performed by Executive Committee.	29(1)
4	Representation of Minority Shareholders:	No one intended to contest election as Director representing minority shareholders	5
5	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024.	As per the regulations, the Company has disclosed key elements of its significant policies and intends to add the gist of its policy on DE&I & protection against harassment at the workplace.	35(1)
6	Role of the Board and its members to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)

20 We confirmed that all other requirements of the regulation have been complied with.

For & on behalf of the board



Mian Muhammad Pervaiz Shafi
Chairman



Shahzad Javed
Chief Executive Officer

Lahore: Dated September 30, 2026



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THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

FORM 20

1.1 Name of the Company

ITTEFAQ IRON INDUSTRIES LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
884	1	100	30,527
517	101	500	179,723
1,773	501	1,000	1,115,577
1,667	1,001	5,000	3,723,029
409	5,001	10,000	3,169,528
158	10,001	15,000	2,019,030
107	15,001	20,000	1,966,504
79	20,001	25,000	1,885,039
54	25,001	30,000	1,549,082
41	30,001	35,000	1,360,011
39	35,001	40,000	1,511,906
19	40,001	45,000	805,028
36	45,001	50,000	1,779,078
16	50,001	55,000	854,107
13	55,001	60,000	757,506
7	60,001	65,000	446,310
9	65,001	70,000	609,673
9	70,001	75,000	657,280
12	75,001	80,000	944,500
7	80,001	85,000	583,527
6	85,001	90,000	530,587
6	90,001	95,000	553,613
26	95,001	100,000	2,589,165
4	100,001	105,000	413,316
7	105,001	110,000	760,928
8	110,001	115,000	906,119
4	115,001	120,000	477,000
3	120,001	125,000	370,000

3	125,001	130,000	384,922
4	130,001	135,000	538,438
1	135,001	140,000	137,263
3	140,001	145,000	428,013
4	145,001	150,000	597,220
3	150,001	155,000	463,800
1	155,001	160,000	159,077
1	170,001	175,000	174,997
4	180,001	185,000	730,440
2	185,001	190,000	379,176
11	195,001	200,000	2,199,252
2	235,001	240,000	475,922
1	240,001	245,000	241,031
1	255,001	260,000	255,005
1	275,001	280,000	280,000
2	295,001	300,000	600,000
2	310,001	315,000	622,865
1	350,001	355,000	350,105
2	395,001	400,000	800,000
1	400,001	405,000	400,111
1	410,001	415,000	414,339
1	430,001	435,000	435,000
1	470,001	475,000	473,629
1	495,001	500,000	500,000
1	500,001	505,000	503,524
1	515,001	520,000	519,996
1	520,001	525,000	525,000
1	535,001	540,000	537,224
1	580,001	585,000	584,099
1	675,001	680,000	678,751
2	765,001	770,000	1,535,770
2	800,001	805,000	1,605,172
1	830,001	835,000	830,839
1	860,001	865,000	862,000

1	875,001	880,000	878,345
1	980,001	985,000	981,266
1	1,395,001	1,400,000	1,400,000
1	1,505,001	1,510,000	1,509,677
1	1,570,001	1,575,000	1,572,500
1	1,580,001	1,585,000	1,580,001
1	1,835,001	1,840,000	1,839,607
1	1,855,001	1,860,000	1,859,990
1	3,130,001	3,135,000	3,135,000
1	5,715,001	5,720,000	5,717,976
1	5,785,001	5,790,000	5,786,693
1	5,915,001	5,920,000	5,919,290
1	6,180,001	6,185,000	6,183,828
1	6,785,001	6,790,000	6,787,902
1	6,940,001	6,945,000	6,940,758
1	8,850,001	8,855,000	8,854,780
1	9,025,001	9,030,000	9,025,500
1	9,655,001	9,660,000	9,656,559
1	11,940,001	11,945,000	11,943,019

6,005

144,343,364

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	11,782,240	8.1626%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	15,078,019	10.4459%
2.3.8 General Public		
a. Local	127,526,859	88.3497%
b. Foreign	550	0.0004%
2.3.9 Others (to be specified)		
- Joint Stock Companies	5,000,715	3.4645%
- Others	33,000	0.0229%

ITTEFAQ IRON INDUSTRIES LIMITED

Categories of Shareholding required under Code of Corporate Governance (CCG) As on June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	--------------------	------------

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. SHAHZAD JAVED (CDC)	9,887,500	6.8500%
2	MIAN MUHAMAMD PERVAIZ SHAFI (CDC)	34,000	0.0236%
3	MST. WAJEEHA SHAHZAD (CDC)	1,859,990	1.2886%
4	MST. SOBIA IRSHAD (CDC)	100	0.0001%
5	MR. TAYYAB ALI (CDC)	100	0.0001%
6	MR. MUHAMAMD MUBASHIR IQBAL	300	0.0002%
7	MR. KHURRAM JAMIL	250	0.0002%

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

- -

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	MR. MUHAMMAD HASNAIN TARIQ SHAFI (CDC)	15,078,019	10.4459%
2	MR. SHAHZAD JAVED (CDC)	9,887,500	6.8500%
3	MST. KHALIDA PERVEZ (CDC)	9,656,559	6.6900%
4	USMAN JAVED (CDC)	8,854,780	6.1345%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

<u>S. No.</u>	<u>NAME</u>	<u>SALF</u>	<u>PURCHASE</u>	<u>BONUS</u>
---------------	-------------	-------------	-----------------	--------------

NIL

Dear Sir, please check at your end



ITTEFAQ IRON INDUSTRIES LTD.

Financial Statements

For the year ended 30 June 2026



KALEEM & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

ITTEFAQ IRON INDUSTRIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Ittefaq Iron Industries Limited** (the Company), which comprise the statement of financial position as at **June 30, 2026**, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including material accounting policies information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as **at June 30, 2026** and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter paragraph

As disclosed in note no. 18.1 to the financial statements for the year ended **June 30, 2026**, the Company is under litigation with the National Bank of Pakistan on the application and payment of mark-up, recoverability of outstanding and other matters outlined in note no. 18.1. Consequently, the Company has not charged any provision for mark-up, as the Company is of the view that the said matter is pending before the court and subject to adjudication. Hence, management is of the opinion that no provision is required for such expenses. The legal advisor of the Company is of the opinion that they are pursuing the case vigorously and it is probable that its settlement would be in the Company's favor.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key audit matter	How the matter was addressed in our audit
(i).	Revenue Recognition The company recognizes revenue from the sale of steel bars when the performance obligation is satisfied, in accordance with the applicable financial reporting framework, through the transfer of control of goods to the customer. During the current financial year, the company reported a 9.36% decrease in sales revenue compared to the prior year. This decrease is primarily attributable to lower sales volumes resulting from subdued demand and prevailing market conditions, partially offset by price adjustments made in response to inflationary pressures affecting raw materials, production costs, and overall input pricing. We considered the above to be a key audit matter due to revenue being one of the key performance indicators of the Company, the decrease in revenue compared to the prior year, and there being an inherent risk of material misstatement in revenue recognition.	Our audit procedures included, but were not limited to: 1. Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; 1. Understood and evaluated the accounting policy with respect to revenue recognition; 1. Performed analytical procedures on sales revenue, including comparison of sales volumes, selling prices and trends with the prior year, and inquired into the reasons for the decrease in revenue and corroborated management's explanations with supporting evidence; 1. Performed substantive testing of revenue on a sample basis with underlying documentation; 1. Performed cut-off procedures on a sample basis to ensure sales revenue has been recorded in the appropriate period; 1. Ensured that presentation and disclosures in the financial statements pertaining to sales revenue are appropriate.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- No zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)


MUHAMMAD KALEEM RATHOR
 (Engagement Partner)

Lahore
 Date: September 28, 2026
 UDIN: AR202610377odjnHSJ01



KALEEM & COMPANY
 CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2026

	Note	2026 RUPEES	2025 RUPEES
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	1,443,433,640	1,443,433,640
Director's loan	8	316,329,215	316,329,215
Capital reserves			
Share premium	9	774,507,925	774,507,925
Surplus on revaluation of property, plant and equipment	10	897,336,067	931,268,740
		1,671,843,992	1,705,776,665
General reserves			
Un-appropriated profit /(Loss)		(259,809,682)	29,995,345
		3,171,797,165	3,495,534,865
Non-current liabilities			
Long-term finances	11	176,239,000	221,229,156
Deferred taxation	12	-	-
Deferred liabilities	13	285,189,998	246,358,107
		461,428,998	467,587,263
Current liabilities			
Trade and other payables	14	698,677,362	207,929,860
Mark-up accrued on borrowings	15	78,055,628	76,700,187
Short-term borrowings	16	1,026,442,775	1,060,698,499
Current portion of long-term liabilities	17	42,592,000	58,329,032
		1,845,767,765	1,403,657,578
Contingencies and commitments			
	18	-	-
		5,478,993,928	5,366,779,706

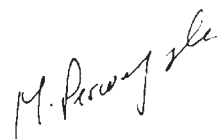
The annexed notes from 1 to 49 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2026

ASSETS

Non-current assets

Property, plant and equipment	19	2,127,109,470	2,280,346,493
Right-of-use assets	20	-	-
Long-term deposits	21	20,026,226	20,026,226
		2,147,135,696	2,300,372,719

Current assets

Stores, Spares & Loose tools	22	248,204,424	276,321,288
Stock-in-trade	23	1,158,319,754	869,291,666
Trade debts	24	1,263,528,463	1,297,450,625
Loans and advances	25	20,565,240	21,270,502
Trade deposits and prepayments	26	146,495,164	135,462,142
Tax refunds due from government	27	464,285,094	407,476,336
Cash and bank balances	28	30,460,093	59,134,428
		3,331,858,232	3,066,406,987
		5,478,993,928	5,366,779,706

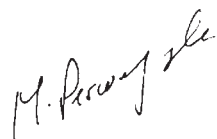
The annexed notes from 1 to 49 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2026

	Note	2026 RUPEES	2025 RUPEES
Revenue from contracts with customers	29	2,403,668,804	2,651,935,301
Cost of sales	30	2,500,532,960	3,111,191,914
Gross (loss)/profit		(96,864,156)	(459,256,613)
Other operating income	31	11,717,069	21,303,320
Distribution and selling expenses	32	26,890,548	26,330,376
Administrative and general expenses	33	113,369,563	108,475,157
Other operating costs	34	12,118,305	3,644,457
Finance cost	35	53,695,139	88,557,508
		206,073,555	227,007,498
(Loss)/profit before levies and taxation		(291,220,642)	(664,960,791)
Levies	36.1	(30,045,860)	(34,839,181)
(Loss)/profit before taxation		(321,266,502)	(699,799,972)
Taxation	36.2	(716,647)	41,820,323
(Loss)/profit after taxation		(321,983,149)	(657,979,649)
 Loss per share - (basic and diluted)	37	 (2.23)	 (4.56)

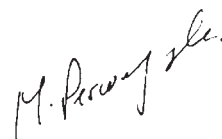
The annexed notes from 1 to 49 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	2026 RUPEES	2025 RUPEES
(Loss)/profit after taxation		(321,983,149)	(657,979,649)
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Employee retirement benefits:			
Remeasurement of defined benefits obligation	13	(2,471,198)	5,335,405
Revaluation of property, plant and equipment		-	-
Related deferred tax	12	716,647	(1,547,267)
		(1,754,551)	3,788,138
Total comprehensive loss for the year		<u>(323,737,700)</u>	<u>(654,191,511)</u>

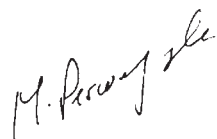
The annexed notes from 1 to 49 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Share capital	Reserves		Director's loan	Total equity	
		Capital				Revenue
		Share premium	Surplus on revaluation of operating asset			Un-appropriated profit / (Loss)
		----- Rupees -----				
Balance as at 1st July 2024	1,443,433,640	774,507,925	968,864,778	646,590,818	316,329,215	4,149,726,376
Profit/(Loss) after taxation for the year	-	-	-	(657,979,649)	-	(657,979,649)
Other comprehensive income						
Remeasurements of benefit plan (net of tax)	-	-	-	3,788,138	-	3,788,138
Revaluation surplus (net of deferred tax)	-	-	-	-	-	-
	-	-	-	3,788,138	-	3,788,138
Transfer from revaluation surplus (net of deferred tax) - note 10	-	-	(37,596,038)	37,596,038	-	-
Balance as at 30 June 2025	1,443,433,640	774,507,925	931,268,740	29,995,345	316,329,215	3,495,534,865
Profit/(Loss) after taxation for the year	-	-	-	(321,983,149)	-	(321,983,149)
Other comprehensive income						
Remeasurements of benefit plan (net of tax)	-	-	-	(1,754,551)	-	(1,754,551)
	-	-	-	(1,754,551)	-	(1,754,551)
Transfer from revaluation surplus (net of deferred tax) - note 10	-	-	(33,932,673)	33,932,673	-	-
Balance as at 30 June 2026	1,443,433,640	774,507,925	897,336,067	(259,809,682)	316,329,215	3,171,797,165

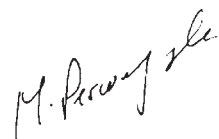
The annexed notes from 1 to 49 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CASH FLOW

For the year ended 30 June 2026

	Note	2026 RUPEES	2025 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	177,038,394	231,686,598
Income taxes paid	27.1	(74,664,126)	(91,793,551)
Employee benefits paid	13.1	(6,199,375)	(7,108,667)
Finance cost paid		(30,827,716)	(51,644,446)
Net cash generated from operating activities		65,347,177	81,139,934
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) in long-term deposits	21.1	-	-
Acquisition of property, plant and equipment	19.1	(1,523,600)	(828,500)
Proceeds from disposal of property, plant and equipment	19.4	2,485,000	83,529
Net cash used in investing activities		961,400	(744,971)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends		-	(373,720)
Repayment of lease obligations		-	(6,569,244)
Long term loan		(60,727,188)	(41,324,471)
Proceeds from short-term borrowings (net)		(34,255,724)	(1,236,063)
Net cash (used in) / generated from financing activities		(94,982,912)	(49,503,498)
NET CASH INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(28,674,335)	30,891,465
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	39.1	59,134,428	28,242,963
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		30,460,093	59,134,428

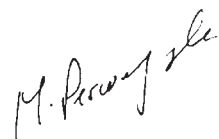
The annexed notes from 1 to 49 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS

For the year ended 30 June 2026

1 STATUS AND ACTIVITIES

Ittefaq Iron Industries Limited ("The Company") (Formerly Ittefaq Sons Private Limited) was incorporated on February 20, 2004 and converted into public unquoted company on January 05, 2017. The company also changed its name from (Ittefaq Sons (Private) Limited) to (Ittefaq Iron Industries Limited) on February 09, 2017. The Company was listed on Pakistan Stock Exchange on July 03, 2017. The principal activity of the company is manufacturing of Iron Bars and Girders.

Following is the detail of addresses of the Company.

Particulars	Location
Registered office	40 B / II, Gulberg III, M. M. Alam Road, Lahore.
Project site	8 KM, Manga Mandi, Raiwind Road, District Kasur

2 STATEMENT OF COMPLIANCE

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

4.1 Standards, amendments to published standards and interpretations that are effective in the current year

There are certain new standards, amendments and interpretations to the accounting and reporting standards that are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these are either not relevant to the Company's operations or do not have any significant impact on its financial reporting and, therefore, have not been disclosed in these financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards and amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2026. The following standards and amendments are not yet effective and have not been early adopted by the Company:

a) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual period beginning on or after January 1, 2026)

The IASB has issued narrow-scope amendments to IFRS Standards. The amendments aim to

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the Solely Payments of Principal and Interest ('SPPI') criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance ('ESG') targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income ('FVOCI').

b) IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods beginning or after January 1, 2027)

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

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

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the unconsolidated financial statements other than in presentation / disclosures

5 BASIS OF PREPARATION

5.1 Measurement

These financial statements have been prepared under historical cost convention modified by application of following:

Components of financial statements	Mode of Valuation
(i) Financial instruments	at fair values
(ii) Certain classes of operating fixed assets	at revalued amounts
(iii) Lease obligations	at present values
(iv) Interest free loans from directors	at face value
(v) Employee retirement benefits	at present values

In these financial statements, except for the amounts reflected in the cash flow statement, all transaction have been accounted for on accrual basis.

5.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

a)	assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property and equipment;	(notes 6.1 and 19)
b)	deferred tax asset is recognized only to extent that is probable that future taxable profits will be available against which assets may be utilized;	(notes 6.4, 12 and 36.1)
c)	assumptions and estimates used in calculating the provision for impairment for trade debts;	(notes 6.6 and 24)
d)	assumptions and estimates used in determining the provision for slow moving stores and spares;	(notes 6.12 and 22)
e)	assumptions and estimates used in writing down items of stock in trade to their net realizable values;	(notes 6.13 and 23)
g)	assumptions and estimates used for valuation of present value of defined benefit obligations;	(notes 6.8 and 13)
h)	assumptions and estimates used in disclosure and assessment of provision for contingencies; and	(notes 6.17 and 6.19)
i)	assumptions / estimates used in determining current income and decisions of authorities issued in past.	(notes 6.4 and 27)

Estimates and judgments are continually evaluated, are based on historical experience / other factors, including expectation of future events that are believed to be reasonable under circumstances.

5.3 Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is Company's functional and presentation currency, as converted on the day of transactions other wise as determined on the last day of closing date of the financial statements.

6 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparation of these financial statements are set out below:

6.1 Property and equipment

Items of property and equipment except freehold land, buildings on freehold land, plant and machinery are stated at cost less accumulated depreciation and impairment losses, if any. Free hold land, buildings on freehold land, plant and machinery are stated at revalued amounts less impairment loss, if any. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to the acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of items of property and equipment.

Assets' residual values, if significant and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. When parts of an item of property and equipment have different useful lives, they are recognized as separate items of property and equipment.

Depreciation charge is based on the reducing balance method, so as to write off the historical cost of an asset over its estimated useful life after taking into account their residual values. The Company charges depreciation on the items of property and equipment from the date asset is available for use till date of its disposal. The rate of depreciation is specified in note 19 to these financial statements.

Depreciation on additions to property and equipment is charged from the day in which they are available for use while no depreciation is charged for the day in which property and equipment is disposed off. The useful lives and depreciation methods are reviewed on periodic intervals to ensure that the methods and period of depreciation charged during the year, are consistent with the expected pattern of economic benefits.

Exchange differences in respect of foreign currency loans obtained for acquisition of property, plant and equipment are incorporated in the cost of the relevant assets. Subsequent costs are recognized as a part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on sale of an item of property and equipment are determined by comparing the proceeds from sale with the carrying amount of property and equipment, and are recognized in profit or loss account.

6.2 Capital work in progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use. Express which cannot directly related the asset appropriate/indirect to all other assets.

6.3 Surplus on revaluation of property, plant and equipment

Surplus arising on acquisition being the difference between fair value of the assets acquired and the consideration paid is recognized as income over the remaining useful life of the assets acquired. Increase in carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity.

To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same assets are first recognized in other comprehensive income to the extent of remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Differences between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property plant and equipment to unappropriated profit.

6.4 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in profit and loss account except to the extent that it relates to items recognized directly in 'statement of profit or loss / statement of comprehensive income' or 'equity', in which case it is recognized in 'statement of profit or loss / statement of comprehensive income' or 'equity'.

a) Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made and finalized during the year.

b) Deferred

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

c) Levy

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, other than those within the scope of other standards e.g. Income taxes and fines or penalties imposed for breach of legislation. A liability to pay levies is recognized when an obligation event take place, such as generation of revenue in the current period.

In these financial statements, levies include minimum tax based on sales of the Company and final tax based on export sales of the Company. Final tax includes taxes charged, withheld, or paid under various provisions of the Income Tax Ordinance 2001 (the Ordinance). These taxes are computed under the Ordinance without reference to income taxable at general rate, and the final tax charged, withheld, or paid for a tax year is deemed the final tax liability under the Ordinance. The payment of final tax is considered a full and final discharge of the Company's tax liability for that tax year.

6.5 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line method over the lease term. Right-of-use assets are subject to impairment.

6.6 Trade debts, loans, deposits and other receivables

a) Financial assets

These are classified at 'amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, trade debts and other receivables are recognized and carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end. Provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Significant financial difficulties of debtors, probability that the debtor will enter bankruptcy or financial reorganization, default or delinquency in payments are considered indicators that trade receivable is impaired. Debts, considered irrecoverable, are written off, as and when identified. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

b) Non-financial assets

These on initial recognition and subsequently are measured at cost.

6.7 Trade and other payables

a) Financial liabilities

Trade and other payables are obligations to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payable are classified if payment is due within one year or less (or in normal operating cycle of business, if longer), if not, they are classified as non current liabilities.

Liabilities for trade and other payable are carried at amortized cost which is fair value of consideration to be paid in future for goods and services received, whether or not billed to the Company.

b) Non-financial liabilities

These on initial recognition and subsequently are measured at cost.

6.8 Staff retirement benefits

The Company operates an unfunded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. The Company recognizes expense in accordance with IAS 19 "Employee Benefits". The scheme pays a lump-sum gratuity to member on leaving, equals to last drawn gross salary into number of completed years of services.

The Company's net obligation in respect of defined benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Actuarial valuation of the scheme is undertaken at appropriate regular intervals and the latest valuation was carried out at 30 June 2026. (Note 13)

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognized immediately in OCI. The Company determines the net interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss account.

6.9 Employees' compensated absences

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

6.10 Operating profit

The operating profit is the result generated during the year from the continuing principal revenue producing activities of the Company. Operating profit excludes other income, other expenses, finance costs and income taxes.

6.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, call deposits and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

6.12 Stores, spare parts and loose tools

These are normally held for internal use and valued at average cost less allowances for obsolete and slow moving items and net realizable value, except stores in transit which are valued at invoice values plus other charges incurred thereon up to the statement of financial position date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

6.13 Stocks in trade

These are valued at lower of cost and net realizable value less impairment loss, if any, except for goods in transit. The basis of cost valuations are as follows:

Particulars	Mode of Valuation
Raw material	at raw material cost calculated on weighted average basis
Work-in-process	at weighted average manufacturing cost
Finished goods	at lower of cost and net realizable value
Waste	at realizable value

Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon up to the date of statement of financial position.

Provision is made in the financial statements against slow moving and obsolete stock in trade based on management's best estimate regarding their future usability whenever necessary and is recognized in the statement of profit or loss. Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

6.14 Lease obligations

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The right-of-use assets are presented as a separate line item in the statement of financial position as on the reporting date.

6.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in profit and loss account as incurred.

6.16 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

6.17 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

6.18 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss'. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

6.19 Contingents

a) Contingent liabilities - are disclosed when:

- (i) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (ii) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

b) Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization become virtually certain.

6.20 Financial assets

a) Initial measurement

The Company classifies its financial assets in the following categories:

- (i) at fair value through profit or loss
- (ii) at fair value through other comprehensive income
- (iii) measured at amortized cost

A financial asset is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

The financial assets are subsequently measured as follows:

- | | | |
|-------|---|--|
| (i) | Financial assets at fair value through profit and loss | These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss. |
| (ii) | Financial assets measured at amortized cost | These assets are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains / losses and impairment are recognized in the statement of profit or loss. |
| (iii) | Debt investments at fair value through other comprehensive income | These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss. |
| (iv) | Equity investments at fair value through other comprehensive income | These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss. |

c) De-recognition of financial assets

Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

6.21 Foreign currency transactions and translations

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated into rupees at the foreign exchange rates approximating those prevailing at the reporting date. Exchange differences, if any, are charged in statement of profit or loss.

6.22 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

6.23 Revenue recognition-IFRS 15

The company applies 5 step - model approach in revenue recognition.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied.

Revenue consists of sale of iron bars, girders and related products. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers.

Profit on saving account is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective profit rate applicable.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

Dividends, if any are accounted for on receipt basis, irrespective of the year to which such dividends are related.

6.24 Dividend distribution and other appropriations

a) Dividend distributions

Dividend is recognized as liability in the period in which it is declared, irrespective of the year.

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed, in the Company's financial statements in the year in which the dividends are approved by Company's shareholders.

b) Appropriations

Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

6.25 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

6.26 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders.

The total comprehensive income comprises of all the components of profit or loss and other comprehensive income.

Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of other comprehensive income'.

6.27 Earnings per share ("EPS")

The Company calculates both basic and diluted earnings per share in accordance with IAS 33 "Earnings per Share". Under IAS 33, basic EPS is computed using weighted average number of shares outstanding during the year.

Diluted EPS is computed using weighted average number of shares outstanding plus dilutive effect of stock options outstanding during the year.

6.28 Impairment

a) Financial assets

The Company recognizes loss allowances for expected credit losses in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured at 12 months expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit loss.

The expected loss rates are based on the payment profiles of sales over a specific period of time and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Company has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

b) Non-financial assets.

The carrying amounts of the Company's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If such indication exists, the asset's recoverable amount, being higher of value of use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

6.29 Related party transactions

The related parties of the Company comprise of associated undertakings, key management personnel and entities under common directorship as defined in the relevant provisions of the Companies Act, 2017.

Related party transactions are carried out on mutually agreed terms.

Pricing for these transactions are determined on the basis of comparable uncontrolled price method subject to agreed on mutual terms, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

The accounting methods adopted for various types of transactions and balances with related parties are as follows:

a) Sale of goods and services

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions.

Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) Purchases of goods and services

Purchases of goods from related parties are recognized at actual cost to the Company.

Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) Dividend distribution

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.

6.30 Determination of fair value

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of the objective evidence at each reporting date.

A number of Company's accounting policies require determination of fair value, for both financial and non-financial assets and liabilities. Fair values of assets and liabilities is determined as follows:

a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future net cash inflows which are discounted at the market rate of interest at the reporting date.

b) Trade and other payables

The fair value of trade and other payables is estimated as the present value of future net cash outflows which are discounted at the market rate of interest at the reporting date.

c) Borrowings

The fair value of borrowings is determined using effective interest method.

6.31 Figures

Figures in these financial statements have been rounded off to the nearest of rupee.

6.32 Government Grant

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that these are intended to compensate, irrespective of the year to which they are related.

6.33 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated. The company has no segments worth reportable as per IFRS 08.

6.34 Non- Current Assets Held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. These are stated at the lower of carrying amount and fair value less costs to sell.

7 SHARE CAPITAL

Authorized capital

2026	2025		2026 Rupees	2025 Rupees
----- Number of shares -----				
300,000,000	300,000,000	Ordinary shares of Rs. 10 each	3,000,000,000	3,000,000,000

Issued, subscribed and paid-up capital

2026	2025		2026 Rupees	2025 Rupees
----- Number of shares -----				
121,750,000	121,750,000	Ordinary shares of Rs. 10 each fully paid in cash	1,217,500,000	1,217,500,000
9,471,240	9,471,240	Ordinary shares of Rs. 10 each for consideration other than cash	94,712,400	94,712,400
13,122,124	13,122,124	Ordinary shares of Rs. 10 each issued as bonus shares	131,221,240	131,221,240
144,343,364	144,343,364		1,443,433,640	1,443,433,640

Movement in share capital of the Company during the current as well as last year is as follows:

2026	2025		2026 Rupees	2025 Rupees
----- Number of shares -----				
144,343,364	144,343,364	At beginning of the year	1,443,433,640	1,443,433,640
-	-	Movement during the year	-	-
144,343,364	144,343,364	Total at the year end	1,443,433,640	1,443,433,640

7.1 The Company has only one class of ordinary shares which carry no right to fixed income.

7.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

8 DIRECTOR'S LOAN

		2026 Rupees	2025 Rupees
At the beginning of the year	8.1	316,329,215	316,329,215
Add: Addition during the year		-	-
Less: Repayment during the year		-	-
At the end of the year		316,329,215	316,329,215

8.1 It is interest free loan from directors amounting to Rs. 316.329 million (2025: Rs. 316.329 million). This loan has been classified into equity as per regulations of TR 32 issued by the Institute of Chartered Accountant of Pakistan. (see note 8.2).

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

8.3 The Director's loan are subordinated until the fulfilment of the terms and conditions.

9 CAPITAL RESERVES

	2026 Rupees	2025 Rupees
Share premium	774,507,925	774,507,925

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

10 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

10.1 As at 30 June 2026

	Freehold land	Buildings on freehold land	Plant and machinery	Aggregate
	----- Rupees -----			
Revaluation surplus				
At beginning of the year	573,656,748	51,507,790	452,171,070	1,077,335,608
Less: Transferred to unappropriated profit in respect of incremental depreciation charged for the year	-	(2,575,390)	(45,217,107)	(47,792,497)
At end of the year	573,656,748	48,932,400	406,953,963	1,029,543,111
Related deferred tax liabilities				
At beginning of the year	-	(14,937,258)	(131,129,610)	(146,066,868)
Incremental depreciation charged during the year	-	746,863	13,112,961	13,859,824
At end of the year	-	(14,190,395)	(118,016,649)	(132,207,044)
At end of the year (net)	573,656,748	34,742,005	288,937,314	897,336,067

10.2 As at 30 June 2025

Revaluation surplus				
At beginning of the year	573,656,748	54,218,726	502,412,300	1,130,287,774
Less: Transferred to unappropriated profit in respect of incremental depreciation charged for the year	-	(2,710,936)	(50,241,230)	(52,952,166)
At end of the year	573,656,748	51,507,790	452,171,070	1,077,335,608
Related deferred tax liabilities				
At beginning of the year	-	(15,723,429)	(145,699,567)	(161,422,996)
Incremental depreciation charged during the year	-	786,171	14,569,957	15,356,128
At end of the year	-	(14,937,258)	(131,129,610)	(146,066,868)
At end of the year (net)	573,656,748	36,570,532	321,041,460	931,268,740

10.3 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 240(2) of the Companies Act, 2017.

10.4 The latest revaluation of property, plant and equipment of the Company was carried out by KG Traders independent professional valuers (approved business valuers on the panel of Pakistan Banks' Association) during the financial year 2024, with a valuation date of 18 November 2023. The said revaluation was carried out to replace the carrying amounts of assets with the market values / depreciated market values. The Company has incorporated the revaluation adjustments [surplus / (impairment)] in the financial statements of the respective year. The company in the current year carried out an internal valuation to assess the values of fixed assets at the reporting date and determined the values approximate to book values.

10.5 Forced sale value of property, plant and equipment at that time is as under:

Freehold land	515,931,938
Buildings on freehold land	382,500,000
Plant and machinery	883,200,000
Total	1,781,631,938

10.6 Basis of revaluation were as under as per the provisions of IFRS 13:

	Freehold land	Buildings on freehold land	Plant and machinery
Basis of valuation	The value of land was determined on the basis of inquiries in the activity of land and also information obtained from different sources in the area.	The value of building was based on information of various construction details, covered areas and quality of constructions were noted and new rate of construction per square foot where applicable was determined to arrive at new construction value.	The value is based on inquiries from the local market to obtain prevalent replacement values of similar local and imported machinery items.

Valuation technique	Market approach	Cost Approach	Cost approach
Significant inputs	Location, accessibility, land size, shape, frontage, utilisation, surrounding infrastructure and prevailing market rates for comparable land in the vicinity (Rs 950,000 to Rs 3,500,000 per kanal), based on inquiries with estate agents, brokers and developers.	Covered area (436,120 sq ft), type and quality of construction, construction specifications, prevailing construction rates per square foot (Rs 250 to Rs 2,750) and condition of the buildings, together with lump-sum values for the scrap yard and other civil works.	Prevailing replacement values of similar local and imported machinery and other relevant market information considered by the valuer
Fair value hierarchy	Level 3	Level 3	Level 3

		2026 RUPEES	2025 RUPEES
11 LONG TERM LOANS			
Bank of Punjab Limited - FATR/FIM	- note 16.3	125,338,000	145,954,000
Bank of Punjab Limited - CF	- note 16.1	93,493,000	108,877,000
		218,831,000	254,831,000
Soneri Bank Limited - DF	- note 16.6	-	24,727,188
Less: Current Portion of Long term Loans	- note 16.7	(42,592,000)	(58,329,032)
		176,239,000	221,229,156

		2026 RUPEES	2025 RUPEES
12 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences		142,803,726	102,636,408
Accelerated depreciation on property, plant and equipment		-	-
Lease finances		132,207,044	146,066,868
Surplus on revaluation of property, plant and equipment		275,010,770	248,703,276
Deferred tax asset on deductible temporary differences		(40,838,031)	(35,815,257)
Provision for Gratuity		(2,972,008)	-
Impairment allowance for expected credit losses		(231,200,731)	(212,888,019)
Minimum tax available for carry forward		(275,010,770)	(248,703,276)
		-	-

12.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.

12.2 The company has recognized deferred tax asset on minimum tax to the extent of its reversibility in future as per the relevant provisions of Income Tax Ordinance 2001 and IAS 12.

12.3 Movement in deferred tax due to taxable / (deductible) temporary differences -

	Opening balance	Revaluation surplus	Profit and loss account	Other comprehensive income	Closing balance
			Rupees		
As at 30 June 2026					
Accelerated depreciation	102,636,408	-	40,167,318	-	142,803,726
Surplus on revaluation of assets	146,066,868	-	(13,859,824)	-	132,207,044
Lease finances	-	-	-	-	-
Other Provisions	(212,888,019)	-	(18,312,712)	-	(231,200,731)
Provision for Gratuity	(35,815,257)	-	(4,306,127)	(716,647)	(40,838,031)
Impairment allowance for expected credit losses	-	-	(2,972,008)	-	(2,972,008)
	-	-	716,647	(716,647)	-
As at 30 June 2025					
Accelerated depreciation	97,113,767	-	5,522,641	-	102,636,408
Surplus on revaluation of assets	161,422,996	-	(15,356,128)	-	146,066,868
Lease finances	12,972,650	-	(12,972,650)	-	-
Other Provisions	(198,126,904)	-	(14,761,115)	-	(212,888,019)
Provision for Gratuity	(33,109,453)	-	(4,253,071)	1,547,267	(35,815,257)
	40,273,056	-	(41,820,323)	1,547,267	-

12.4 Rate Reconciliation with current tax and deferred tax

Profit/(Loss) before tax	(291,220,642)	(664,960,791)
Admissible	(101,072,196)	(153,165,222)
In -admissible	219,127,042	208,377,611
Tax @ 29%	(50,218,081)	(176,827,037)
Minimum Tax adjustments	30,045,860	33,149,191
Minimum Tax payable	30,045,860	33,149,191
Deferred tax difference- on taxable temporary difference	26,307,494	(22,806,137)
Deferred tax Difference- on deductible temporary difference	(25,590,847)	(19,014,186)
	30,762,507	(8,671,132)
Prior year adjustment	-	1,689,990
Total tax	30,762,507	(6,981,142)

		2026 RUPEES	2025 RUPEES
13 DEFERRED LIABILITIES			
Defined gratuity benefit plan	- note 13.1	140,820,795	123,500,886
Provisional finance cost	- note 13.9	99,941,830	81,303,008
Present value of markup	- note 33.1	44,427,373	41,554,213
		285,189,998	246,358,107
13.1 Reconciliation of present value of defined benefit obligation			
Obligation at beginning of the year		123,500,886	114,170,526
Charge for the year			
- Profit and loss account	- note 13.2.1	32,757,196	35,419,413
- Other comprehensive income	- note 13.2.2	2,471,198	(5,335,405)
		35,228,394	30,084,008
Benefits due but not paid (payables)		(11,709,110)	(13,644,981)
Benefits paid during the year		(6,199,375)	(7,108,667)
Obligation at end of the year		140,820,795	123,500,886
13.2 Reconciliation of present value of defined benefit obligation			
Present value of defined benefit obligations		123,500,886	114,170,526
Current service cost		19,297,965	20,109,842
Interest cost on defined benefit obligations		13,459,231	15,309,571
Benefits due but not paid (payables)		(11,709,110)	(13,644,981)
Benefits paid during the year		(6,199,375)	(7,108,667)
Remeasurements recognized in other comprehensive income			
Actuarial (gain)/losses from changes in financial assumptions		-	(936,977)
Experience adjustments		2,471,198	(4,398,428)
		2,471,198	(5,335,405)
At end of the year		140,820,795	123,500,886
13.2.1 Charge to profit and loss account			
Current service cost		19,297,965	20,109,842
Interest cost		13,459,231	15,309,571
		32,757,196	35,419,413
13.2.2 Remeasurements recognized in other comprehensive income			
Actuarial loss due to changes in financial assumptions		-	(936,977)
Actuarial (gain) / loss due to Experience adjustments		2,471,198	(4,398,428)
Net actuarial (gain) / loss for the year		2,471,198	(5,335,405)
		2026	2025
		----- % age per annum -----	
13.3 Assumptions used for valuation of the defined benefit scheme for employees are as under:			
Financial assumptions			
Discount rate		11.75%	11.75%
Expected rate of salary increase		11.25%	11.25%
Demographic assumptions			
Expected mortality rate	SLIC 2001-2005		SLIC 2001-2005
Retirement age	60 years		60 years

The actuarial valuation of gratuity was carried out at June 30 by an independent actuary under projected unit credit (PUC) actuarial cost method.

13.4 Year end sensitivity analysis on present value of defined benefit obligations -

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the net defined benefit obligation as at 30 June 2026 would have been as follows:

	30 / Jun / 2026		30 / Jun / 2025	
	Variation of 100 bps		Variation of 100 bps	
	Increase	Decrease	Increase	Decrease
	----- Rupees -----		----- Rupees -----	
Discount rate	130,646,114	152,486,636	114,487,757	133,849,926
Future salary	152,734,204	130,239,250	134,084,510	114,112,899

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

13.5 Expected expense for next year

The expected expense to be charged in profit and loss in respect of the gratuity scheme for the year ending 30 June 2027 would be Rs. 34,780,639.

13.6 Average duration of the obligation

Weighted average duration of the defined benefit obligation is 8 (2025: 8) years gratuity plan.

13.7 Exposure of actuarial risk

The plans expose the Company to the actuarial risks such as:

- | | | |
|----|-----------------|---|
| a) | Salary risks | The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases. |
| b) | Mortality risks | The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side. |
| c) | Withdrawal Risk | The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary. |

13.8 Expected benefit payments for the next 10 years and beyond

FY 2027	14,070,503
FY 2028	19,443,829
FY 2029	17,788,664
FY 2030	20,754,742
FY 2031	25,589,477
FY 2032	18,665,163
FY 2033	14,861,645
FY 2034	23,643,140
FY 2035	22,100,963
FY 2036	36,818,744
FY 2037 onwards	1,279,423,923

- 13.9** The company has entered into restructuring agreement with The Bank of Punjab. The loan has been restructured on revised terms and conditions, and bank booked markup @ 8.02% on outstanding liability on prudent basis and is likely to book markup till the final settlement of the loans and also intends to waive off the markup if the company complies with strict terms and conditions. The markup is payable only if the company make defaults in agreed payments and the bank has confirmed the same. Therefore, the company has also recognized the provision for mark up as per the revised schedule.

14 TRADE AND OTHER PAYABLES

	2026 Rupees	2025 Rupees
Trade creditors	496,953,102	104,528,471
Advances from customers	118,656,029	42,713,948
Accrued expenses	36,325,174	31,406,995
Security deposits	1,430,267	1,323,993
Employee retirement benefits	34,015,189	22,306,079
Other payables	11,297,601	5,650,374
	698,677,362	207,929,860

- 14.1** These represent interest free deposits received from various contractors / suppliers. The amount received have been utilized for business in accordance with the written agreements with them.

15	MARK-UP ACCRUED ON BORROWINGS			2026	2025
				Rupees	Rupees
	Cash finances			55,981,351	35,982,802
	Short-term borrowings- FATR/FIM			22,074,277	40,717,385
				78,055,628	76,700,187
16	SHORT-TERM BORROWINGS				
	Cash finances				
	- National Bank of Pakistan	- note 16.2		166,945,609	166,945,609
				166,945,609	166,945,609
	FATR / FIM				
	- National Bank of Pakistan	- note 16.4		694,989,535	694,989,535
	- Soneri Bank Limited	- note 16.5		164,122,122	198,763,355
				859,111,657	893,752,890
	RF				
	- Soneri Bank Limited	- note 16.7		385,509	-
				385,509	-
				1,026,442,775	1,060,698,499

	Name of Bank Facility Type	Interest	Security	30 / Jun / 2026		30 / Jun / 2025	
				Facility Limit	Facility Availed	Facility Limit	Facility Availed
				Rupees		Rupees	
16.1	Bank of Punjab Limited Cash finances	3 months KIBOR plus 225 bps (2022: 3 months KIBOR plus 225 bps) per annum, payable quarterly.	It is secured against first hypothecation charge on all present and future current and fixed assets of the Company for Rs. 434 million, ranking charge of Rs. 50 million on fixed assets and personal guarantees of directors of the Company. The company has entered into rescheduling agreement with the bank on May 26, 2022 with respect to payment of principal and mark up. The loan has been classified into current and non current liability as per the stated terms of the agreement.	350,000,000	93,493,000	350,000,000	108,877,000
16.2	National Bank of Pakistan Cash finances	3 months KIBOR plus 250 bps (2022: 3 months KIBOR plus 250 bps) per annum, payable quarterly.	It is secured against open pledge of local scrap and pledge of finished goods (billets, steel bars, girders and iron rods) in the godown with 15% margin and personal guarantees of all directors of the Company.	300,000,000	166,945,609	300,000,000	166,945,609
16.3	Bank of Punjab Limited FATR / FIM	3 months KIBOR plus 225 bps (2022: 3 months KIBOR plus 225 bps) per annum, payable quarterly.	It is secured against ranking charge of Rs. 267 million over specific receivables. First pari passu charge on current and fixed assets of Rs. 434 million and personal guarantees of all directors of the Company. See note 18.1.	200,000,000	125,338,000	200,000,000	145,954,000
16.4	National Bank of Pakistan FATR / FIM	3 months KIBOR plus 200 bps (2022: 3 months KIBOR plus 200 bps) per annum.	It is secured against pledge of import material and ranking charge of Rs. 900 million over current and fixed assets of the Company and personal guarantees of all directors of the Company.	900,000,000	694,989,535	900,000,000	694,989,535
16.5	Soneri Bank Limited FATR / FIM	3 months KIBOR plus 250 bps (2022: 3 months KIBOR plus 250 bps) per annum.	It is secured against pari passu charge over current assets of Rs. 334 million. Mortgage / Hypothecation over land, building and machinery of Rs. 160 million and personal guarantees of the directors.	200,000,000	164,122,122	200,000,000	198,763,355
16.6	Soneri Bank limited DF	Three months KIBOR plus 250 bps	The finance obtained from Soneri Bank to purchase vehicle for business/executive use. The finance is secured against specific charge over vehicle Rs 100 Million with complete description registered with SECP backed by HPA over finance vehicle comprehensively insured in bank's favour with bank mortgage clause duly insured by Tier-1 company in bank's favour.	40,000,000	-	40,000,000	24,727,188
16.7	Soneri Bank limited RF	Three months KIBOR plus 200 bps per annum	It is secured against pari passu charge over fixed assets (land, building and machinery) of Rs. 160 million, personal guarantees of the sponsoring directors duly supported by PNWS, 1st charge over property owned by M/s. Sardar Board and Paper Mills Ltd., equitable mortgage over land measuring 128 Kanals-19 Marlas owned by the sponsoring directors, and ranking charge over present and future current assets (stocks, book debts/receivables) of Rs. 334 million.	32,000,000	385,509	-	-
				1,990,000,000	1,244,888,266	1,990,000,000	1,340,256,687

		2026 RUPEES	2025 RUPEES
17 CURRENT PORTION OF LONG TERM LIABILITIES			
Long- term finances		42,592,000	58,329,032
		42,592,000	58,329,032
18 CONTINGENCIES AND COMMITMENTS			
18.1 Contingencies			
(a)	The Company is in litigation with National Bank of Pakistan ('NBP') wherein NBP had filed suits bearing # COS 22222/2019 and COS 30498/2021 before Honourable Lahore High Court against the Company for recovery of Rs. 887.812 million and Rs. 1,564.298 million respectively. The Company had filed counter suits against NBP, as below:		
i)	The Company had filed a suit bearing # COS 217367/2018 before Honourable the Lahore High Court against NBP's claims of certain facilities of letters of credit.		
ii)	The Company with other claimants filed a suit bearing # COS 18377/2019 before Honourable Lahore High Court for recovery of Rs. 942.50 million on account of damages. The said petition is pending adjudication.		
iii)	The Company with other claimants filed a suit bearing # COS 67073/2019 before Honourable Lahore High Court Lahore wherein along with other claims/prayers, recovery of Rs. 768.298 million. The said petition is pending adjudication.		
	The management and legal counsel of the Company is of the view that these cases are likely to be decided in favour of the Company.		
	The company is contesting all these cases vigorously and legal consultants is of the view that the said matters would be decided in favour of the company, therefore no provision has been recognized as per IAS 37 in the financial statements.		
b)	Writ petition No.19706/24 titled as 'M/s Ittefaq Iron Industries Vs SNGPL' is pending adjudication in the Honourable Lahore High Court, Lahore LPA (Late payment surcharge). The principal amount had been paid by the Company in accordance to the allocated scheduled, however SNGPL now claiming surcharge. At present court had allowed interim relief to the Company issuing a stay order. The said matter would be decided in favor of the Company; therefore no provision has been recognized in accordance with IAS-37,for late payment surcharge.		
(c)	Bank guarantees amounting to Rs. 114,913,110 (2025: Rs. 114,913,110) had been issued in favours of the Company by various financial institutions.		
(d)	Accrued markup on Bank of Punjab is contingent upon timely repayment of loan installments as per the agreed schedule.		
(e)	In the Tax year 2020,Sales tax of Rs.10,287,080/-has been disallowed in terms of section 8(1)(m) for failure to provide NIC/NTN of unregistered buyers.The matter is currently under consideration in Federal Board of Revenue and the management and legal counsel considers it probable that case will decided in the favour of company.		

		2026 RUPEES	2025 RUPEES
18.2 Commitments			
Irrevocable letters of credit/contracts		58,300,550	31,510,620
19 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	- note 19.1	2,127,109,470	2,280,346,493
Capital work-in-progress		-	-
		2,127,109,470	2,280,346,493

19.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Freehold land - revalued	Building on freehold land - revalued	Plant & Machinery - revalued	Grid station	Electric installation and equipment	Laboratory equipment	Loose tools	Office equipment	Furniture and fixture	Arms and ammunition	Motor vehicles	Total
As at July 01, 2024												
Cost / revaluation	606,978,750	456,379,539	1,165,333,933	57,279,039	316,993,839	12,822,088	302,509	12,387,547	7,392,170	146,013	131,610,118	2,767,625,545
Accumulated depreciation	-	(13,439,230)	(65,954,337)	(48,204,137)	(181,446,713)	(9,744,784)	(254,581)	(8,419,299)	(5,115,212)	(122,491)	(34,216,776)	(366,917,560)
Book value	606,978,750	442,940,309	1,099,379,596	9,074,902	135,547,126	3,077,304	47,928	3,968,248	2,276,958	23,522	97,393,342	2,400,707,985
Year ended June 30, 2025:												
Additions	-	-	50,009,417	-	-	-	-	566,000	27,600	-	234,900	50,837,917
Adjustments/transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-	-	-	(972,049)	(972,049)
- Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	935,457	935,457
Depreciation for the year	-	(22,147,015)	(113,678,390)	(907,490)	(13,554,713)	(307,730)	(4,793)	(828,020)	(229,235)	(2,352)	(19,503,079)	(171,162,817)
Book value	606,978,750	420,793,294	1,035,710,623	8,167,412	121,992,413	2,769,574	43,135	3,706,228	2,075,323	21,170	78,088,571	2,280,346,493
Year ended June 30, 2026:												
Additions/Transfer from R10U	-	-	81,000	-	-	-	-	703,700	22,800	-	716,100	1,523,600
Adjustments/transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-	-	-	(2,031,779)	(2,031,779)
- Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	1,880,715	1,880,715
Depreciation for the year	-	(21,039,664)	(103,577,120)	(816,741)	(12,199,241)	(276,957)	(4,313)	(818,738)	(209,037)	(2,117)	(15,665,631)	(154,609,559)
Book value	606,978,750	399,753,630	932,214,503	7,350,671	109,793,172	2,492,617	38,822	3,591,190	1,889,086	19,053	62,987,976	2,127,109,470
As at June 30, 2025												
Cost / revaluation	606,978,750	456,379,539	1,215,343,350	57,279,039	316,993,839	12,822,088	302,509	12,953,547	7,419,770	146,013	130,872,969	2,817,491,413
Accumulated depreciation	-	(35,586,245)	(179,632,727)	(49,111,627)	(195,001,426)	(10,052,514)	(259,374)	(9,247,319)	(5,344,447)	(124,843)	(52,784,398)	(537,144,921)
Book value	606,978,750	420,793,294	1,035,710,623	8,167,412	121,992,413	2,769,574	43,135	3,706,228	2,075,323	21,170	78,088,571	2,280,346,493
As at June 30, 2026												
Cost / revaluation	606,978,750	456,379,539	1,215,424,350	57,279,039	316,993,839	12,822,088	302,509	13,657,247	7,442,570	146,013	129,557,290	2,816,983,234
Accumulated depreciation	-	(56,625,909)	(283,209,847)	(49,928,368)	(207,200,667)	(10,329,471)	(263,687)	(10,066,057)	(5,553,484)	(126,960)	(66,569,314)	(689,873,764)
Book value	606,978,750	399,753,630	932,214,503	7,350,671	109,793,172	2,492,617	38,822	3,591,190	1,889,086	19,053	62,987,976	2,127,109,470
Depreciation rate (%) 2025	-	5%	10%	10%	10%	10%	10%	20%	10%	10%	20%	
Depreciation rate (%) 2026	-	5%	10%	10%	10%	10%	10%	20%	10%	10%	20%	

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

	2026 Rupees	2025 Rupees
Cost of goods manufactured	146,879,081	162,404,676
Cost of goods manufactured (Lease)	-	1,293,105
Administrative and general expenses	7,730,478	8,558,141
	154,609,559	172,455,922

19.3 Revaluation of property, plant and equipment

Had there been no revaluation, the cost, accumulated depreciation and book value of revalued assets would be as under:

	30 / June / 2026			30 / June / 2025		
	Cost	Accumulated Depreciation	Book value	Cost	Accumulated Depreciation	Book value
	----- Rupees -----			----- Rupees -----		
Freehold land	33,322,002	-	33,322,002	33,322,002	-	33,322,002
Buildings on freehold land	620,547,696	294,455,381	326,092,315	620,547,696	263,427,996	357,119,700
Plant and machinery	1,401,903,798	1,042,124,078	359,779,720	1,401,822,798	901,935,740	499,887,058
	2,055,773,496	1,336,579,459	719,194,037	2,055,692,496	1,165,363,736	890,328,760

19.4 Disposal of property, plant and equipment

Particulars		Cost (Rupees)	Depreciation (Rupees)	Book Value (Rupees)	Sale Proceeds (Rupees)	Gain / (Loss) (Rupees)	Relationship With Company
Asset	Buyer						
LEE-11-1719		1,767,500	1,692,407	75,093	2,325,000	2,249,907	Third Party
ACD-6120		134,779	92,966	41,813	80,000	38,187	Employee
LEX-20-1594		129,500	95,342	34,158	80,000	45,842	Employee
Total		2,031,779	1,880,715	151,064	2,485,000	2,333,936	

19.5 Particulars of immoveable property (freehold land and buildings on freehold land) in the name of the Company are as follows:

Location	Usage of Property	Total area
8 KM, Manga Mandi, Raiwind Road, District Kasur	Manufacturing Facility	53.144 Acres
40 B/II, Gulberg III, M. M. Alam Road, Lahore	Head Office	0.21 Acres

	2026 RUPEES	2025 RUPEES
20 RIGHT-OF-USE ASSETS		
Plant and machinery acquired on lease	-	51,302,522
Add: Further expense incurred by the Company	-	-
	-	51,302,522
Less: Depreciation on right-of-use assets	-	(1,293,105)
	-	50,009,417
Useful life	10 years	10 years
Less: Transfers from ROUA to owned assets	-	(50,009,417)
	-	-
Depreciation is charged on reducing balance basis.		
21 LONG-TERM DEPOSITS		
Deposits with various institutions	- note 21.1	
	20,026,226	20,026,226
21.1 Movement during the year is as follows:		
At beginning of the year	20,026,226	20,026,226
Add: Deposits during the year	-	-
At end of the year	20,026,226	20,026,226
These are interest free refundable deposits with various utility companies and regulatory authorities. These are classified as 'loans and receivables' under IFRS-9 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.		
22 STORES, SPARES & LOOSE TOOLS		
Stores	214,861,885	224,589,584
Spare parts	32,040,383	50,729,548
Loose tools	1,302,156	1,002,156
	248,204,424	276,321,288
23 STOCK-IN-TRADE		
Raw material	612,263,985	816,835,402
Finished goods	546,055,769	52,456,264
	1,158,319,754	869,291,666
23.1 Stocks are pledged with financial institutions against short-term borrowings availed by the Company.		

24	TRADE DEBTS			
	Gross amount due	24.1	1,273,776,768	1,299,225,082
	Impairment allowance for expected credit losses	24.2	(10,248,305)	(1,774,457)
			<u>1,263,528,463</u>	<u>1,297,450,625</u>
24.1	Ageing of trade debts			
	Not Past Due		1,183,291,604	-
	Past due 0 - 30 days		45,000,000	399,225,368
	Past due 31 - 60 days		28,760,164	382,870,230
	Past due 61 - 90 days		14,000,000	262,847,113
	Past due 91 - 181 days		1,225,000	83,075,123
	Over 181 days		1,500,000	171,207,248
			<u>1,273,776,768</u>	<u>1,299,225,082</u>
24.2	Impairment allowance for expected credit losses			
	Opening Balance		-	-
	Add: Provision for the year	- note 34	10,248,305	1,774,457
	Less: Write off against provision		-	(1,774,457)
	Balance at end of the year		<u>10,248,305</u>	<u>-</u>
25	LOANS AND ADVANCES			
	Advances to: (unsecured but considered good)			
	- Employees			
	against salaries		1,204,847	2,863,457
	against expenses	- note 25.1	4,161,482	3,031,229
			<u>5,366,329</u>	<u>5,894,686</u>
	- Suppliers		14,510,992	15,375,816
			<u>19,877,321</u>	<u>21,270,502</u>
	Letters of credits		687,919	-
			<u>20,565,240</u>	<u>21,270,502</u>
25.1	Advances to employees against expenses			
	These advances are made in the regular business requirements and settled in the accomplishment of the project for which advances are initiated.			
26	TRADE DEPOSITS AND PREPAYMENTS			
	Prepayments		663,807	702,408
	Deposits	- note 26.1	30,918,247	19,846,624
	Guarantee margins		114,913,110	114,913,110
			<u>146,495,164</u>	<u>135,462,142</u>
26.1	These deposits refer to amounts a company deposits as security when submitting a bid or tender for a contract.			
27	TAX REFUNDS DUE FROM GOVERNMENT			
	Income tax recoverable	- note 27.1	355,895,462	311,277,196
	Sales tax refundable	- note 27.2	108,389,632	96,199,140
			<u>464,285,094</u>	<u>407,476,336</u>
27.1	Income tax recoverable			
	At beginning of the year		311,277,196	254,322,826
	Add: Advance income tax / deductions during the year		74,664,126	91,793,551
			<u>385,941,322</u>	<u>346,116,377</u>
	Less: Provision for taxation -	- note 36.1		
	- Current year		(30,045,860)	(33,149,191)
	- Prior periods		-	(1,689,990)
			<u>(30,045,860)</u>	<u>(34,839,181)</u>
	At end of the year		<u>355,895,462</u>	<u>311,277,196</u>
27.2	Sales tax refundable			
	This amount represents accumulated differences of input tax on purchases and sales tax payable.			

28 CASH AND BANK BALANCES

In hand	982,313	1,006,872
With banks		
- In current accounts	29,477,780	58,127,556
	30,460,093	59,134,428

29 Revenue from contracts with customers

Gross Revenue	2,836,329,185	3,129,283,655
Less: Sales tax	(432,660,381)	(477,348,354)
Net Revenue	2,403,668,804	2,651,935,301

30 COST OF SALES

Consumption		
- Raw material	- note 30.1	
- Stores, spare parts and loose tools		
	2,018,989,815	2,029,603,982
Salaries, wages, allowances and other benefits	- note 30.2	
Fuel and power		
Vehicle running and maintenance		
Repairs and maintenance		
Freight and forwarding		
Insurance		
Laboratory		
Traveling and conveyance		
Entertainment		
Other manufacturing overheads		
Depreciation on property, plant and equipment	- note 19.2	
Depreciation on right-of-use assets	- note 20	
Cost of goods manufactured	2,994,132,465	3,114,640,928
Adjustment of finished goods		
Opening stock-in-trade		
Less: Closing stock-in-trade		
	(493,599,505)	(3,449,014)
	2,500,532,960	3,111,191,914

30.1 Raw material consumed

Opening stocks	816,835,402	938,352,175
Add: Purchases and related direct cost	1,678,861,859	1,728,893,642
Less: Closing stocks	(612,263,985)	(816,835,402)
Raw material consumed	1,883,433,276	1,850,410,415

30.2 Salaries, wages, allowances and other benefits

Salaries, wages, allowances and other benefits includes employee retirement benefits amounting to Rs. 26,043,712 (2025: Rs. 30,115,912).

31 OTHER OPERATING INCOME

On financial assets

Return on bank deposits

Notional income on remeasurement of markup under IFRS 9

31.1

8,484,477	18,725,231
-	-
8,484,477	18,725,231

On non-financial assets

Gain on disposal of property, plant and equipment

- note 19.4

Others

2,333,936	448,407
898,656	2,129,682
3,232,592	2,578,089
11,717,069	21,303,320

31.1 The company has remeasured its markup on prevailing KIBOR rate issued by SBP.**Financial liability:**

Opening balance

41,554,213

21,555,664

Remeasurement (gain)/loss

2,873,160

19,998,549

Closing balance**44,427,373****41,554,213**

The company is liable to pay markup accrued already in the books of account upto May 26, 2022 as per the restructured loan arrangements with Bank of Punjab. The said mark up is payable in 2032 and carries an option to be waived off the accrued markup if the company strictly complies to rescheduled loan arrangements and does not make any default in repayments. Since the said payment is subject to conditions and likely to be paid in 2032, therefore the company has discounted the said amount of markup amounting Rs. 87.974 million @ 12.06% (2025- @ 11.31%) and the accrued mark up has been remeasured at the reporting date as per the provisions of IFRS 09.

32 DISTRIBUTION AND SELLING EXPENSES

Salaries, wages and benefits

- note 32.1

Packing materials

Rebates and commission

Handling and carriage

Advertisement

Others

**2026
RUPEES****2025
RUPEES**

8,823,460	8,120,707
2,918,889	2,508,755
-	2,024,408
-	210,380
3,356,215	5,444,357
11,791,984	8,021,769
26,890,548	26,330,376

32.1 Salaries, wages and benefits

Salaries, wages and benefits includes employee retirement benefits amounting to Rs. 1,468,850 (2025: Rs. 1,176,342).

33 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, wages and benefits

- note 33.1

Travelling and conveyance

Entertainment

Vehicle running and maintenance

Printing and stationery

Communication

Electricity and sui gas

Legal and professional

Fee and subscription

Insurance expenses

Other expenses

Depreciation on property, plant and equipment

- note 19.2

72,995,330

66,797,255

2,226,476

1,804,957

1,548,849

1,833,312

15,093,022

16,011,599

942,117

1,005,360

2,855,742

2,784,326

828,874

854,203

1,065,116

1,886,287

4,339,604

3,478,906

2,327,286

2,372,317

1,416,669

1,088,494

7,730,478

8,558,141

113,369,563**108,475,157****33.1 Salaries, wages and benefits**

Salaries, wages and benefits includes employee retirement benefits amounting to Rs. 5,244,635 (2025: Rs. 4,127,159).

34 OTHER OPERATING COSTS

Auditor's remuneration

- note 34.1

Impairment allowance for expected credit losses

- note 24.2

1,870,000

1,870,000

10,248,305

1,774,457

12,118,305**3,644,457****34.1 Auditor's remuneration**

Audit fee

Fee for review of half yearly financial statements

Certifications and other advisory services

Out of pocket expenses

1,600,000

1,600,000

220,000

220,000

30,000

30,000

20,000

20,000

1,870,000**1,870,000**

35 FINANCE COST

Finance cost on:

- Soneri Bank Short-term borrowings		26,872,148	39,016,621
Soneri Bank Long-term borrowings		2,364,909	4,673,853
Provisional finance expense	- note 13.9	18,638,822	21,526,022
Loss on remeasurement of markup under IFRS 9	- note 31.1	2,873,160	19,998,549
- Lease liabilities		-	502,276
		50,749,039	85,717,321
Bank charges		2,946,100	2,840,187
		53,695,139	88,557,508

**2026
RUPEES****2025
RUPEES****36 LEVIES AND TAXATION****36.1 Levies****Minimum tax**

Current year	- note 27.1
Prior year	

30,045,860	33,149,191
-	1,689,990
30,045,860	34,839,181
30,045,860	34,839,181

36.2 Taxation**Current taxation**

For the year

Deferred taxation

For the year

- note 12

-	-
716,647	(41,820,323)
716,647	(41,820,323)

36.3 Current

Provision for current year's taxation has been made in accordance with the relevant provisions of the Income Tax Ordinance, 2001.

36.4 Minimum paid under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of the requirements of IFRIC 21 / IAS 37. During the year, the Company falls under minimum tax on turnover under section 113 of the Ordinance.

36.4 Numerical reconciliation between average and applicable tax rate

Applicable tax rate

29%**29%**

No % reconciliation has been provided as the company has charged provision for taxation on minimum tax basis as per section 113 of Income Tax Ordinance, 2001. Numerical calculation has been provided in note no. 12.4.

37 LOSS PER SHARE - (BASIC AND DILUTED)

(Loss) / Profit attributable to ordinary equity holders

Weighted average number of outstanding ordinary shares

(Loss) / Earnings per share - basic

(321,983,149)	(657,979,649)
144,343,364	144,343,364
(2.23)	(4.56)

37.1 There is no anti-dilutive / dilutive effect on the basic earnings per share of the Company. Moreover, there are no anti-dilutive / dilutive potential ordinary shares outstanding as at 30 June 2026 and 2025

38 SHARIAH DISCLOSURE

Statement of Financial position:

		2026 RUPEES	2025 RUPEES
Short-term financing as per Islamic mode		-	-
Long-term financing as per Islamic mode		-	-
Mark-up accrued on conventional loan	-note 15	78,055,628	76,700,187
Mark-up accrued on Islamic loan		-	-
Shariah-compliant bank balances and TDRs	-note 38.1	5,683,280	-
Long term and short term Sharia Compliance Investments		-	-

Statement of Profit or Loss:

Revenue earned from Shariah-compliant business segment	-note 29	2,403,668,804	2,651,935,301
Profit earned from shariah compliant bank deposits / balances / TDRs		-	-
Profit on bank deposit - Islamic financing		-	-
Total interest earned on any conventional loan or advance	-note 35	29,237,057	43,690,474
Income on TDRs - Islamic		-	-
Income on TDRs - Conventional	-note 31	8,484,477	18,725,231
Income on Bank deposit - Conventional		-	-
Profit paid on islamic mode of financing		-	-
Profit paid on conventional mode of financing		-	-

38.1 The Company maintains a Shariah-Complaint bank account with Meezan Bank,an Islamic bank.

39 CASH GENERATED FROM OPERATIONS

Loss before tax		(291,220,642)	(664,960,791)
Adjustments for non-cash expenses and other items:			
Depreciation on property and equipment	- note 19.2	154,609,559	171,162,817
Depreciation on right-to-use assets	- note 20	-	1,293,105
Provision for staff retirement benefits	- note 13.2.1	32,757,196	35,419,413
Gain on disposal of property and equipment	- note 19.4	(2,333,936)	(46,937)
Finance cost	- note 35	32,183,157	47,032,937
Provisional Finance cost		18,638,822	21,526,022
(Loss)/gain on remeasurement of markup	- note 31.1	2,873,160	19,998,549
Impairment allowance for expected credit losses	- note 24.2	10,248,305	1,774,457
		248,976,263	298,160,363
Operating profit before working capital changes		(42,244,379)	(366,800,428)
Working capital changes			
(Increase) / Decrease in current assets:			
Stores,Spares&Loose tools		28,116,864	186,190,914
Stock-in-trade		(289,028,088)	118,067,759
Trade debts		23,673,857	395,815,824
Loans and advances		705,262	83,076,681
Trade deposits and prepayments		(11,033,022)	(671,843)
Tax refunds due from government		(12,190,492)	(12,224,320)
(Decrease) / Increase in trade and other payables		479,038,392	(171,767,989)
		219,282,773	598,487,026
Cash generated from operations		177,038,394	231,686,598
39.1 CASH AND CASH EQUIVALENTS			
Cash and bank balances	- note 28	30,460,093	59,134,428
		30,460,093	59,134,428

39 CASH GENERATED FROM OPERATIONS

Loss before tax		(291,220,642)	(664,960,791)
Adjustments for non-cash expenses and other items:			
Depreciation on property and equipment	- note 19.2	154,609,559	171,162,817
Depreciation on right-to-use assets	- note 20	-	1,293,105
Provision for staff retirement benefits	- note 13.2.1	32,757,196	35,419,413
Gain on disposal of property and equipment	- note 19.4	(2,333,936)	(46,937)
Finance cost	- note 35	32,183,157	47,032,937
Provisional Finance cost		18,638,822	21,526,022
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		248,976,263	298,160,363
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Cash generated from operations		177,038,394	231,686,598
39.1 CASH AND CASH EQUIVALENTS			
Cash and bank balances	- note 28	30,460,093	59,134,428
		30,460,093	59,134,428

40 FINANCIAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance relating to the entity. The Company has exposure to the following risks from its use of financial instruments: risks to

- a) Credit risk;
- b) Liquidity risk; and
- c) Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

40.1 Risk management framework:

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company. Risk management systems are reviewed regularly by the executive management team to reflect changes in standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

40.2 Credit risk:

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

40.2.1 Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	30 / Jun / 2026	30 / Jun / 2025
	Rupees	Rupees
At amortized cost		
Trade debts - unsecured	1,263,528,463	1,297,450,625
Loans and advances	20,565,240	21,270,502
Bank balances	29,477,780	58,127,556
Trade deposits	145,831,357	134,759,734
	1,459,402,840	1,511,608,417

40.2.2 Credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

- (a) Counterparties without external credit ratings

The Company has a policy to provide for impairment of expected credit loss based upon the age analysis which is being implemented. Based on past experience the management believes that no further impairment allowance is necessary in respect of trade debts as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

- (b) Other financial assets

Based on past experience the management believes that no impairment allowance is necessary in respect of receivables from related parties, security deposits and advances, loan from directors and accrued interest on loan to director if any as there are reasonable grounds to believe that these balances will be recovered.

- (a) Counterparties with external credit ratings

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly credit risk is minimal. The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

Bank	Rating Agency	Rating as of 2026	
		Short-term	Long-term
Habib Bank Limited	VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
United Bank Limited	VIS	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA+
The Bank of Punjab	PACRA	A1+	AAA
JS Bank Limited	PACRA	A1+	AA
Soneri Bank Limited	PACRA	A1+	AA
Bank Islami Limited	PACRA	A-1	AA-
Askari Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Samba Bank Limited	PACRA	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
Apna Microfinance Bank Limited	PACRA	A-4	BB-
Allied Bank Limited	PACRA	A1+	AAA

40.2.3 Concentration of credit risk:

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

	30 / Jun / 2026 Rupees	30 / Jun / 2025 Rupees
Trade debts - unsecured	1,263,528,463	1,297,450,625
Loans and advances	20,565,240	21,270,502
Banks	29,477,780	58,127,556
Trade deposits	145,831,357	134,759,734
	1,459,402,840	1,511,608,417

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

As at the reporting date, Company envisages that default risk on account of non-realization of other receivables and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

	2026 Rupees	2025 Rupees
Gross carrying amount		
Trade deposits	145,831,357	134,759,734
Loss allowance	-	-
	145,831,357	134,759,734

The credit risk related to balances with banks, in term deposits, savings accounts and current accounts, is managed in accordance with the Company's policy of placing funds with approved financial institutions and within the limits assigned in accordance with the counter party risk policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counter party failure.

40.3 Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board. The company is currently under litigation with various banks as disclosed in note. no 18.

40.3.1 Exposure to liquidity risk:

- (a) Contractual maturities of financial liabilities, including estimated interest payments.

The following are the remaining contractual maturities of financial liabilities:

30 / June / 2026				
Financial liabilities	Carrying amount	Contractual cash flows	Not Later than 1 Year	Later than 1 Year
			----- Rupees -----	
Long-term finances	218,831,000	226,223,693	42,592,000	183,631,693
Short-term borrowings	1,026,442,775	1,026,442,775	1,026,442,775	-
Trade payables	698,677,362	698,677,362	698,677,362	-
Accrued mark-up	78,055,628	78,055,628	78,055,628	-
	2,022,006,765	2,029,399,458	1,845,767,765	183,631,693

30 / June / 2025				
Financial liabilities	Carrying amount	Contractual cash flows	Not Later than 1 Year	Later than 1 Year
			----- Rupees -----	
Long-term finances	279,558,188	286,950,881	58,329,032	228,621,849
Lease obligations	-	-	-	-
Short-term borrowings	1,060,698,499	1,060,698,499	1,060,698,499	-
Un-claimed dividends	-	-	-	-
Trade payables	207,929,860	207,929,860	207,929,860	-
Accrued mark-up	76,700,187	76,700,187	76,700,187	-
	1,624,886,734	1,632,279,427	1,403,657,578	228,621,849

40.4 Market risk:

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

40.4.1 Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies.

- **Exposure to foreign currency risk:**

Exposure to foreign currency risk (as denominated in US \$) was as follows based on notional amounts:

	30 / Jun / 2026	30 / Jun / 2025
Outstanding letters and credit (in US \$)	<u>209,000.00</u>	<u>110,100.00</u>

Commitments outstanding at year end amounted to US \$209,000 (2025: US \$ 110,100) relating to letter of credits for imports. The significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	30 / Jun / 2026	30 / Jun / 2025	30 / Jun / 2026	30 / Jun / 2025
	----- Rupees -----		----- Rupees -----	
USD 1	<u>280.57</u>	<u>279.60</u>	<u>278.95</u>	<u>286.20</u>

- **Sensitivity analysis:**

1% strengthening/weakening of Pak Rupee against US \$ at reporting date would have varied profit or loss as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Increase/decrease in profit and loss account	<u>583,005.50</u>	<u>315,106.20</u>
--	-------------------	-------------------

40.4.2 Interest rate risk:

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of all borrowings at variable interest rates. The effect of consequential risk before tax @ 1% is 2026: 12,452,738 (2025: 13,402,567). At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

- **Variable rate financial assets and liabilities:**

	30 / Jun / 2026		30 / Jun / 2025	
	Assets	Liabilities	Assets	Liabilities
	----- Rupees -----		----- Rupees -----	
Long Term finances	-	218,831,000	-	279,558,188
Short-term borrowings	-	1,026,442,775	-	1,060,698,499
	-	<u>1,245,273,775</u>	-	<u>1,340,256,687</u>

- **Cash flow sensitivity analysis for variable rate instruments:**

A change of 1% in interest rates at the reporting date would have varied profit before tax as shown below. Analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

Variable rate financial instruments:	Variation in basis points (% age)	Effect on profit after tax	
		30 / June / 2026 Rupees	30 / June / 2025 Rupees
Cash with banks	100 bps or 1.00%	-	-
Borrowings		(8,841,444)	(9,515,822)
		<u>(8,841,444)</u>	<u>(9,515,822)</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

40.4.3 Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

41 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS:

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in associates are carried using equity method. The carrying values of all other financial assets and liabilities reflected in these financial statements approximate their fair values. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) **(Level 2)**
- Inputs for the asset or liability that are not based on observable market data inputs **(Level 3)**

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company has not disclosed the fair values for some financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

Financial instruments on reporting date	Carrying Amount			Fair Value			
	As at 30 June 2026						
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	Rupees						
Financial assets measured at fair value	-	-	-	-	-	-	-
Financial assets not measured at fair value							
Trade debts	-	1,263,528,463	1,263,528,463	-	1,263,528,463	-	1,263,528,463
Loans and advances	-	20,565,240	20,565,240	-	20,565,240	-	20,565,240
Trade deposits	-	146,495,164	146,495,164	-	146,495,164	-	146,495,164
Bank balances	-	30,460,093	30,460,093	-	30,460,093	-	30,460,093
	-	1,461,048,960	1,461,048,960	-	1,461,048,960	-	1,461,048,960
Financial liabilities measured at fair value	-	-	-	-	-	-	-
Financial liabilities not measured at fair value							
Long term finances	-	218,831,000	218,831,000	218,831,000	-	-	218,831,000
Trade payables	-	698,677,362	698,677,362	698,677,362	-	-	698,677,362
Accrued mark-up	-	78,055,628	78,055,628	78,055,628	-	-	78,055,628
Short term borrowings	-	1,026,442,775	1,026,442,775	1,026,442,775	-	-	1,026,442,775
	-	2,022,006,765	2,022,006,765	2,022,006,765	-	-	2,022,006,765
On Statement of financial position date Gap	-	-	-	-	-	-	(560,957,805)
Interest bearing financial Liabilities	-	-	-	-	-	-	1,245,273,775
Non-Interest bearing financial Liabilities	-	-	-	-	-	-	776,732,990

The Relative maturities of financial liabilities has been disclosed in the appropriate notes to the financial statements.

The relative magnitudes of financial liabilities has been disclosed in the appropriate notes to the financial statements.							
Financial instruments on reporting date	Carrying Amount			Fair Value			
	As at 30 June 2025						
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	Rupees						
Financial assets measured at fair value	-	-	-	-	-	-	-
Financial assets not measured at fair value							
Trade debts	-	1,297,450,625	1,297,450,625	-	1,297,450,625	-	1,297,450,625
Loans and advances	-	21,270,502	21,270,502	-	21,270,502	-	21,270,502
Trade deposits	-	135,462,142	135,462,142	-	135,462,142	-	135,462,142
Bank balances	-	59,134,428	59,134,428	-	59,134,428	-	59,134,428
	-	1,513,317,697	1,513,317,697	-	1,513,317,697	-	1,513,317,697
Financial liabilities measured at fair value	-	-	-	-	-	-	-
Financial liabilities not measured at fair value							
Long term finances	-	254,831,000	254,831,000	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Trade payables	-	207,929,860	207,929,860	-	-	-	-
Unclaimed dividends	-	-	-	-	-	-	-
Accrued mark-up	-	76,700,187	76,700,187	-	-	-	-
Short term borrowings	-	1,060,698,499	1,060,698,499	-	-	-	-
	-	1,600,159,546	1,600,159,546	-	-	-	-
On Statement of financial position date Gap	-	-	-	-	-	-	(403,171,064)
Interest bearing financial Liabilities	-	-	-	-	-	-	1,315,529,499
Non-Interest bearing financial Liabilities	-	-	-	-	-	-	600,959,262

42 CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on basis of the debt-to-equity ratio calculated as ratio of total debt to equity.

	30 Jun 2026	30 Jun 2025
	--- Rupees in '000 ---	
Total debt	1,323,329,403	1,416,956,874
Less: Cash and bank balance	(30,460,093)	(59,134,428)
Net debt	1,292,869,310	1,357,822,446
Total equity and debt (including surplus on revaluation of operating assets)	3,171,797,165	3,495,534,865
Debt-to-equity ratio	41%	39%

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

42.1 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities 2026				
	Long Term Loan	Unclaimed dividends	Lease obligations	Short-term borrowings	Accrued mark-up
Balance as at June 30, 2025	279,558,188	-	-	1,060,698,499	76,700,187
Finances repaid	(60,727,188)	-	-	(34,641,233)	-
Finance obtained	-	-	-	385,509	-
Mark-up accrued	-	-	-	-	32,183,157
Mark-up repaid	-	-	-	-	(30,827,716)
Balance as at June 30, 2026	218,831,000	-	-	1,026,442,775	78,055,628

	Liabilities 2025				
	Long Term Loan	Unclaimed dividends	Lease obligations	Short-term borrowings	Accrued mark-up
Balance as at June 30, 2024	320,882,659	373,720	6,569,244	1,061,934,562	81,311,696
Finances repaid	(41,324,471)	-	-	(1,236,063)	-
Finance obtained	-	-	-	-	-
Mark-up accrued	-	-	-	-	47,032,937
Mark-up repaid	-	-	-	-	(51,644,446)
Lease rentals paid	-	-	(6,569,244)	-	-
Dividend paid	-	(373,720)	-	-	-
Balance as at June 30, 2025	279,558,188	-	-	1,060,698,499	76,700,187

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits to the Executives, Chief Executive and Director of the Company is as follows:

	Chief Executive		Directors		Executives	
	30 Jun 2026	30 Jun 2025	30 Jun 2026	30 Jun 2025	30 Jun 2026	30 Jun 2025
	----- Rupees -----					
Remuneration	8,927,601	8,402,447	5,392,791	5,075,567	11,883,523	11,184,492
Other allowances	3,597,689	3,386,060	2,173,214	2,045,378	4,788,883	4,507,183
Retirement benefits	799,489	752,459	482,936	454,527	1,064,198	1,001,597
	13,324,779	12,540,966	8,048,941	7,575,472	17,736,604	16,693,272
Number of persons	1	1	1	1	7	7

43.1 The Company has also provided Chief Executive and working Director with the Company maintained cars. No fees were paid to any Director for attending Board meetings.

	At end of the year		Average during the year	
	30 Jun 2026	30 Jun 2025	30 Jun 2026	30 Jun 2025
	----- Number of Employees -----			

44 NUMBER OF EMPLOYEES

Company employees	331	343	335	458
Manpower at factory	295	306	305	419

45 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

Related Party	Nature of relationship	Basis of relationship	Nature of transaction	Transaction Value		Outstanding Balance	
				30 Jun 2026	30 Jun 2025	30 Jun 2026	30 Jun 2025
				----- Rupees -----			
Chief Executive	CEO	Shareholder	Remuneration	13,324,779	12,540,966	-	-
Directors							
Key management personnel	Directors	Shareholders	Directors loan	-	-	316,329,215	316,329,215
	Directors	Shareholders	Remuneration	8,048,941	7,575,472	-	-
Executives							
Key management	Executives	Related parties	Remuneration	17,736,604	16,693,272	-	-

45.1 Shareholding of associated undertakings, key management personnel and entities under common directorship are as below:

Name of Related Parties	% of holding	Basis of relationship
Kashmir Feeds Limited	1.2745%	Common Directorship
Directors, Chief Executive Officer and their spouse and minor children	8.1626%	Key management personnel

30 Jun 2026 30 Jun 2025
--- Metric Tons ---

46 PLANT CAPACITY AND PRODUCTION

Total active capacity for production

Plant capacity

Rolling Mill

Melting

140,000	140,000
130,000	130,000

Actual utilization capacity for production

Rolling Mill

Melting

13,871	13,578
14,437	12,899

46.1 Actual production was sufficient to meet the demand.

46.2 The Company operated the plant considering the market demand and supply of the product.

46.3 Structure mill is being run on a demand basis. Being plant restructure, reoperated during the current year, foreseeing further improvement and penetration in the coming year.

47 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment as per the requirements of IFRS 08.

- All the sales of the Company are made to customers located in Pakistan.
- All non-current assets of the Company at 30 June 2026 are located in Pakistan.

48 RE-CLASSIFICATIONS AND RE-ARRANGEMENTS OF CORRESPONDING FIGURES

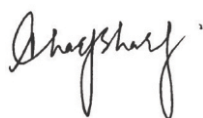
Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. No reclassification made in current financial year.

49 DATE OF AUTHORIZATION FOR ISSUE

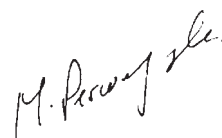
These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 30 September 2026.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

23. گریجویٹی فنڈ میں سرمایہ کاری

کمپنی گریجویٹی فنڈ اصولوں کے مطابق اپنے مستقل ملازمین کے لئے نان-فنڈ گریجویٹی سکیم چلاتی ہے۔

24. متعلقہ فریقین سے لین دین

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء اور کمپنیز ایکٹ 2017ء کے قواعد کی روشنی میں کمپنی کاروباری امور میں اعلیٰ اخلاقی معیار کو برقرار رکھنے کے لئے کوشاں ہے۔ متعلقہ فریقین سے لین دین کی کمپنی پالیسی کو بورڈ آف ڈائریکٹرز سے باقاعدہ منظور کیا ہے۔

25. بیرونی آڈیٹرز

کلیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے 30 جون 2026ء کو اختتام پذیر سال کے لئے سالانہ آڈٹ مکمل کر لیا ہے جو سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ کارپوریٹ گورننس پر بہتر عمل داری کو مد نظر رکھتے ہوئے بورڈ نے دیگر QCR ریٹڈ چارٹرڈ اکاؤنٹنٹس فرم اور کلیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی بطور بیرونی آڈیٹر تقرری کی بھی سفارش کی ہے۔ 30 جون 2027ء کو اختتام پذیر سال کے لئے بطور بیرونی آڈیٹر ان کی تقرری کی خاطر شیئر ہولڈرز کی منظوری حاصل کی جائے گی۔

26. ماحولیاتی و سماجی پالیسی

IIIIL کاروباری عمل میں ہر ممکن حد تک بہترین اخلاقی معیار کی پیروی کرتی ہے۔ اسی طرح سے، بورڈ آف ڈائریکٹرز سے باقاعدہ منظور شدہ کمپنی کی ماحولیاتی و سماجی پالیسی کمپنی کی ویب سائٹ پر بھی شائع کر دی گئی ہے۔ حالیہ برس کے دوران کمپنی کے فضائی آلودگی کو کنٹرول کرنے کے لئے سکر بر نصب کئے ہیں۔

27. وہسل بلونگ پالیسی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے تحت، IIIIL سالمیت، اخلاقی اقدار اور جواب دہی کے اعلیٰ معیار کو حاصل کرنے کے لئے پر عزم ہے۔ اسی طرح سے، بورڈ آف ڈائریکٹرز نے کمپنی کی وہسل بلونگ پالیسی منظوری کی ہے جسے کمپنی کی ویب سائٹ پر شائع کر دیا گیا ہے جو افسران اور ملازمین کو اپنے تحفظات سے آگاہ کرنے کے قابل بناتی ہے جس کو ضروری اصلاحی اقدامات کے ذریعے درست کیا جاتا ہے۔

28. اظہار

ہمارے بہترین عمل کے مطابق، ڈائریکٹرز (رپورٹ کے پیٹرن آف شیئر ہولڈنگ میں درج ڈائریکٹرز کے علاوہ) چیف ایگزیکٹو/مینیجنگ ڈائریکٹر، CFO، کمپنی سیکریٹری، کمپنی آڈیٹرز، ان کے جیون ساتھی اور ان کے کم سن بچے مالیاتی سال 2025-26 کے دوران کمپنی کے شیئرز کی ٹریڈنگ میں شامل نہیں ہوئے۔

CEO / ڈائریکٹر

19. ضابطہ اخلاق

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کی پیروی میں IIL کاروبار کرنے میں بہترین اخلاقی معیارات پر عمل کرتا ہے۔ اسی طرح سے بورڈ آف ڈائریکٹرز نے کمپنی کے ضابطہ اخلاق کی منظوری دی ہے جسے کمپنی کی ویب سائٹ پر شائع کر دیا گیا ہے۔

20. لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کو جاری کیا ہے جو سابقہ ضوابط کی ترمیمی شکل ہے۔ بورڈ آف ڈائریکٹرز ترمیمی ضابطہ سے بخوبی آگاہ ہے جو 25 ستمبر 2019ء سے لاگو کیا گیا ہے اور اس کی تعمیل کی یقینی بنانے کے لئے تمام ضروری اقدامات کئے گئے ہیں۔ ضابطے کی تعمیل کے طور پر ہم مندرجہ ذیل کی توثیق کرتے ہیں:

- انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بھرپور عکاسی کرتی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور جائز فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ معیارات کا مالیاتی اسٹیٹمنٹس کی تیاری میں بھرپور اطلاق کیا گیا ہے اور اس میں موجود کسی بھی سقم کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔
- یہاں داخلی نظم و ضبط کا مربوط نظام موجود ہے جس کی موثر نگرانی و اطلاق کیا جاتا ہے۔
- کاروبار جاری رکھنے کی کمپنی کی صلاحیت میں کوئی شق موجود نہیں۔

21. کمپنی کے کنٹرول اور رپورٹنگ سسٹم کی نمایاں خصوصیات

کمپنی کمپنیز ایکٹ 2017ء اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے معیارات کی تعمیل کرتی ہے۔ اس پر عمل درآمد کے لئے بورڈ کمپنی میں مجموعی کارپوریٹ گورننس ہدایات کے اطلاق کی ذمہ دار ہے۔ جس میں انتظامیہ کی تجاویز پر منظور شدہ اسٹریٹجک ہدایت، سرمایے کے اصراف کی منظوری و نگرانی، سینئر انتظامیہ کی بھرتی، برخاستگی اور برقرار رکھنے کی پالیسی، انتظامیہ کے اہداف کے حصول کی نگرانی اور انٹرئل کنٹرول اور مینجمنٹ انفارمیشن سسٹم کی سالمیت کو یقینی بنانا شامل ہے۔ بورڈ مالیاتی و دیگر رپورٹنگ کی منظوری کے لئے بھی ذمہ دار ہے۔

22. کمپنی افسران کے ساتھ تعلقات

انتظامیہ اور مزدوروں کے درمیان دوستانہ تعلقات ہیں جو باہمی احترام اور بھروسے پر مبنی ہیں۔ محفوظ اور قابل عمل ماحول فراہم کرنے کی خاطر عملے کی فلاح کے لئے خاطر خواہ سرمایہ کاری کی جاتی ہے۔

14. بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز کی زیر سرپرستی کام کے لئے مندرجہ ذیل کمیٹی قائم کی گئی ہے:

a. آڈٹ کمیٹی

نام	عہدہ
مسٹر محمد مبشر اقبال	چیرمین (آزاد ڈائریکٹر)
مسٹر عمران خان	کمیٹی سیکریٹری
مسٹر خرم جمیل	رکن (آزاد ڈائریکٹر)
مسٹر طیب علی	رکن (نان-ایگزیکٹو ڈائریکٹر)
مس ثوبہ ارشاد	رکن (نان-ایگزیکٹو ڈائریکٹر)

سال بھر میں آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔

15. بورڈ آف ڈائریکٹرز کا مشاہیرہ

منظور شدہ پالیسی کے تحت بورڈ اجلاس میں شرکت کرنے والے ڈائریکٹرز کو کوئی فیس ادا نہیں کی گئی۔ تفصیلات مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں دی گئی ہیں۔

16. CFO کی قابلیت اور انٹرنل آڈٹ کا سربراہ

چیف فنانسٹیل آفیسر اور انٹرنل آڈٹ کا سربراہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء ضروری قابلیت اور تجربے کا حامل ہوتا ہے

17. بورڈ اراکین کی تربیت

کمپنی اپنے بورڈ اراکین کی پیشہ ورانہ ترقی میں بھرپور دلچسپی رکھتی ہے اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے تحت ان کے لئے ضروری تربیت کا اہتمام کرتی ہے۔ لسٹڈ کمپنیز کے بورڈ کے لئے درکار تعلیمی قابلیت اور تجربہ کے حامل پانچ اراکین بورڈ میں شامل ہیں لہذا وہ ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ ہیں۔ اور ضوابط میں درج مقررہ وقت میں منظوری حاصل کی جائے گی۔ تین ڈائریکٹرز حسب ضرورت ٹریننگ پروگرام مکمل کر چکے ہیں۔

18. بورڈ کی جانب سے ویژن، مشن اور کاروباری حکمت عملی کی منظوری

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کی پیروی میں بورڈ آف ڈائریکٹرز کمپنی کے ویژن، مشن اور کاروباری حکمت عملی کا بغور جائزہ لیا ہے۔ یہ IIIIL کے نظریہ کی جامع عکاسی کرتا ہے۔ ہم یقینی بناتے ہیں کہ ہمارا ویژن اور مشن ہماری مجموعی کاروباری حکمت عملی کی سمت کا تعین کرتا ہے۔ مکمل ادارہ طے شدہ مقاصد کے ذریعے جڑا ہوا ہے جو ہمارے روزمرہ کے امور کی بابت فیصلہ سازی کا معیار قائم کرتا ہے۔

(a) شیئر ہولڈنگ پیٹرن

لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضابطہ 2019ء اور کمپنیز ایکٹ 2017ء کے تحت 30 جون 2026ء تک کمپنی کی شیئر ہولڈنگ کا پیٹرن رپوٹ ہذا کے ساتھ منسلک ہے۔

(b) شیئر ہولڈرز کی معلومات

آپریشنز، نمو اور کمپنی کے امور کی صورتحال سے متعلق شیئر ہولڈرز کو آگاہ کرنے کے لئے انتظامیہ تمام ضروری معلومات بشمول عبوری و حتمی نتائج پاکستان اسٹاک ایکسچینج کو فوری طرح پر جمع کراتی ہے۔ سہ ماہی، نصف سالہ اور سالانہ مالیاتی اسٹیٹمنٹس کو تمام متعلقہ اداروں کو مقررہ وقت میں باضابطہ پھیلا یا جاتا ہے۔ اسی طرح سے، لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء اور کمپنیز ایکٹ میں بیان کردہ وقت میں نوٹس اور منافع منقسمہ کے اعلانات سے متعلق تمام اسٹیک ہولڈرز اور ریگولیٹرز کو آگاہ کیا جاتا ہے۔ جنہیں کمپنی کی ویب سائٹ پر فوری طور پر شائع کیا جاتا ہے۔

9. ہیومن ریسورس کمیٹی

کمیٹی تین اراکین بشمول چیئر مین پر مشتمل ہے۔ دو اراکین نان ایگزیکٹو ڈائریکٹرز جب کہ چیئر مین خود مختار ڈائریکٹر ہے۔ سال بھر میں، کمیٹی کے دو اجلاس منعقد ہوئے۔

10. چیئر مین کے فرائض

بورڈ آف ڈائریکٹرز کی سرپرستی کرتا ہے اور گروپ کی نمائندگی کرتا ہے اور بورڈ اور اسٹیک ہولڈرز کی جانب سے گروپ کا نگران ہوتا ہے۔ بورڈ کو مکمل فعال رکھنے کا ذمہ دار ہوتا ہے۔ وہ مجموعی طور پر بورڈ کو باختیار بناتا ہے تاکہ کمپنی کی حکمت عملی اور مجموعی مقاصد کے تعین اور ترقی میں تعمیر کردار ادا کر سکے۔

11. بورڈ کی ترکیب

بورڈ دو آزاد، دو ایگزیکٹو (بشمول چیئر مین اور CEO/MD) اور تین نان ایگزیکٹو ڈائریکٹرز (بشمول دو خواتین ڈائریکٹرز) پر مشتمل ہے۔ اراکین کو متنوع علم، تجربہ اور مہارت ہمارے بورڈ کی موثر کارکردگی میں اہم کردار ادا کرتا ہے۔ بورڈ ہر قسم کے شیئر ہولڈرز کے مفادات کے تحفظ کی ضمانت دیتا ہے۔

12. بورڈ کی کارکردگی کا جائزہ

لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کی پیروی میں بورڈ آف ڈائریکٹرز نے بورڈ کی کارکردگی کا تعین کرنے کے لئے ایک جامع طریقہ کار وضع و منظور کیا ہے۔ ہیومن ریسورس کمیٹی بورڈ اور اس کی کمیٹیوں کی کارکردگی کے جائزہ کے لئے رسمی طریقہ عمل اپنائے گا۔

13. بورڈ آف ڈائریکٹرز کے اجلاس

کمپنی کی مالیاتی اسٹیٹمنٹس کو اپنانے، نظر ثانی کرنے اور منظور کرنے کے لئے ہر سہ ماہی میں بورڈ اجلاس منعقد کیا جاتا ہے۔ جس میں کاروباری منصوبے کو اپنانا اور اس پر نظر ثانی کرنا بھی شامل ہے۔ مذکورہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔

3. عمومی

اتفاق آئرن انڈسٹریز (IIIL) کے ڈائریکٹرز 30 جون 2026ء کو اختتام پذیر سال کے لئے کمپنی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ سالانہ رپورٹ بمعہ آڈیٹرز کی رپورٹ ازارہ مسرت پیش کرتے ہیں۔

4. مالیاتی اسٹیٹمنٹس پیش کرنا

انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بالکل درست اور منصفانہ عکاسی کرتی ہیں۔

5. اکاؤنٹنگ پالیسیاں

مالیاتی اسٹیٹمنٹس کی تیاری میں معقول اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور جائز فیصلوں کی بنیاد پر لگائے جاتے ہیں۔

6. کھاتوں کی کتابیں

کھاتوں کی مناسب کتابیں کمپنیز ایکٹ 2017ء کے متعلقہ قواعد کے عین مطابق تیار کی گئی ہیں۔ مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی جانب سے اپنائے گئے بین الاقوامی اکاؤنٹنگ معیارات (IAS) اور بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (IFRS) کی تعمیل کے کو یقینی بنایا گیا ہے۔

7. داخلی نظم و ضبط

یہ یقینی بنانے کے لئے انٹرئل کنٹرول سسٹم وضع کیا گیا ہے کہ کمپنی پالیسیوں، منصوبوں اور قوانین کی تعمیل، وسائل کا مناسب استعمال، مالیاتی و انتظامی معلومات کی دستیابی اور سالمیت کے علاوہ اہداف کی تکمیل کرے۔ IIIL کا انٹرئل کنٹرول سسٹم جامع ہے جس کا موثر انداز میں اطلاق کیا گیا ہے اور باقاعدگی سے اس کی نگرانی کی جاتی ہے۔ کمپنی کاروباری یونٹ کے کنٹرول طریقہ ہارے پر بھرپور توجہ دیتی ہے تاکہ کارپوریٹ پالیسیوں پر عمل درآمد کیا جاسکے اور حسب ضرورت ان پالیسیوں میں تصحیح و ترمیم کی جاسکے۔

8. کارپوریٹ گورننس کی بہترین عمل داری

IIIL بطور ماڈل کارپوریٹ ادارہ، بہترین کاروباری و اخلاقی عمل داری کی پیروی کے ذریعے کامل نتائج حاصل کرتی ہے کمپنیز آرڈیننس 2017ء میں درج کارپوریٹ گورننس کی بہترین عملداری کا من وعن اطلاق اور نفاذ کیا گیا ہے۔ کمپنی کی تمام مرحلہ وار مالیاتی اسٹیٹمنٹس ڈائریکٹرز کو دی گئیں جنہیں چیف ایگزیکٹو آفیسر اور چیف فنانشیل آفیسر نے اشاعت سے قبل منظوری کے لئے باقاعدہ تسلیم کیا۔ نصف سالہ جائزہ اور سہ ماہی غیر پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ ڈائریکٹرز کی جائزہ رپورٹ شائع کی گئیں اور شیئر ہولڈرز اور ریگولیٹرز کو بھیجی گئیں۔

رہا جس کے نتیجے میں دستاویزی اور ٹیکس دہندہ کمپنیوں کو نمایاں خسارے کا سامنا کرنا پڑا۔

بین الاقوامی محاذ پر رواں برس کے دوسرے نصف حصے میں ایران اور امریکہ اور اسرائیل کے اتحادیوں کے مابین جنگ کی صورتحال حاوی رہی جس نے آبنائے ہرمز سے گزرنے والی صنعتی خصوصاً اسٹیل کے شعبہ کی سپلائی لائن بری طرح متاثر کیا۔ ملک میں درآمدی سکریپ کی سپلائی لائن میں اس تعطل نے شعبہ اسٹیل کے آپریشنز کو بری طرح متاثر کیا جس کے نتیجے میں پیداواری استعداد کے مکمل استعمال میں کمی واقع ہوئی اور ہماری کمپنی سمیت دیگر اسٹیل مینوفیکچرنگ کمپنیاں کو بھاری نقصان کا سامنا کرنا پڑا۔

مزید برآں، رواں برس کے دوران، ٹیکسوں کے بھاری بوجھ اور خام مال اور بجلی کی قیمتوں میں اضافہ کے باعث کمپنی کو کاروبار کرنے کی انتہائی بلند لاگت کا سامنا کرنا پڑا۔ کاروبار کرنے کی انتہائی بلند لاگت ملک میں اسٹیل کی مصنوعات کی قیمتوں میں متواتر اضافے کا سب سے بڑا پہلو ہے جس کے باعث عوام کی بڑی تعداد کے لئے قیمتیں ناقابل برداشت ہو گئیں۔ لہذا، تعمیراتی سرگرمیاں اسٹیل مصنوعات کی بڑھتی ہوئی قیمتوں اور ملک بھر میں مہنگائی میں اضافہ کے باعث سستی روی کا شکار رہیں جس کے نتیجے میں اسٹیل مصنوعات کی طلب میں کمی واقع ہوئی۔ نتیجتاً، سیلز کے انتہائی کم حجم کے باعث رواں برس کمپنی کو نمایاں خسارہ برداشت کرنا پڑا۔

مزید برآں، اسٹیل مصنوعات کی کم طلب پر اثر انداز ہونے والے بڑے عوامل میں سے ایک IMF کے ساتھ جاری پروگرام کے تناظر میں وفاقی حکومت کی جانب سے عوامی منصوبوں پر اخراجات میں نمایاں کمی بھی ہے۔ رواں برس، حکومت نے پبلک سیکٹر ڈیولپمنٹ پلان (PSDP) کے تحت کوئی نیا اور بڑا پروجیکٹ شروع نہیں کیا ہے جب کہ بجٹ کی مجبوریوں/بجٹ میں کمی کے باعث جاری منصوبوں پر پیش رفت بہت سست ہے۔

خسارے کو کم ترین سطح پر رکھنے کے لئے کمپنی نے مذکورہ بالا چیلنجز سے نبرد آزما ہونے کے لئے ہر ممکن اقدامات کئے ہیں۔ اس اسباب نظامیہ اور عملے نے موجودہ مشکل معاشی منظر نامے میں بھرپور کوشش کی ہے۔ اور ہم امید کرتے ہیں کہ حالات میں بتدریج تبدیلی واقع ہوگی۔

1. منافع منقسمہ

بورڈ نے 30 جون 2026ء کو اختتام پذیر سال کے لئے نقد منافع منقسمہ یا بونس حصص کا اعلان نہیں کیا ہے۔

2. چیف ایگزیکٹو آفیسر (CEO)/مینیجنگ ڈائریکٹر (MD) کے فرائض

CEO/MD کمپنی کی طویل مدتی حکمت عملی پر عمل درآمد کرنے کے ذمہ دار ہیں تاکہ حصص داران کو زیادہ سے زیادہ منافع دیا جاسکے۔ کمپنی کے قلیل و طویل مدتی مقاصد/منصوبوں کو مکمل کرنے کے لئے CEO/MD معمول کے فیصلے کرنے کے ذمہ دار ہیں۔ وہ بورڈ اور کمپنی انتظامیہ کے درمیان براہ راست رابطہ کا واحد ذریعہ ہے۔ وہ کمپنی کی جانب سے شیئرز ہولڈرز، ملازمین، سرکاری افسران، دیگر اسٹیک ہولڈرز اور عوام کے ساتھ رابطہ سازی بھی کرتا ہے۔ CEO/MD بطور ڈائریکٹر، فیصلہ ساز اور لیڈر بھی کام کرتا ہے۔ بطور رابطہ ساز کردار بیرونی دنیا سے رابطہ اور ادارے اور ملازمین کی مینجمنٹ بھی شامل ہے۔ بطور رابطہ ساز پالیسی اور حکمت عملی سے متعلق اعلیٰ سطحی فیصلے کرنا بھی شامل ہے۔ کمپنی کے لیڈر کی حیثیت سے وہ ملازمین کی حوصلہ افزائی کرتا ہے اور ان میں کام کرنا کا جذبہ بیدار رکھتا ہے۔

ڈائریکٹرز کی رپورٹ:

مالیاتی نتائج:

مذکورہ برس کے لئے اہم مالیاتی نتائج حسب ذیل ہیں:

سال ختمہ 30 جون، 2025ء	سال ختمہ 30 جون، 2026ء	
ملین روپوں میں		
(664.961)	(291.221)	(نقصان)/نفع بمعہ ٹیکس
6.981	(30.763)	ٹیکسیشن
378	(1.754)	دیگر جامع آمدنی
29.995	(259.81)	غیر تخصیص شدہ منافع
646	29.995	ابتدائی قائم آمدنی
29.995	(259.81)	تخصیص کے بعد دستیاب کل بیلنس
29.995	(259.81)	تخصیصات: *
(4.56)	(2.23)	فی حصص آمدنی - بنیادی تحلیل (روپے)

(حصہ اول)

ڈائریکٹرز کی رپورٹ

30 جون 2026ء کو اختتام پذیر مالیاتی سال کے دوران کمپنی کی کارکردگی پر ڈائریکٹرز سالانہ رپورٹ کا عمومی جائزہ پیش کرتے ہیں۔

زیر جائزہ سال انتہائی مشکل سال ثابت ہوا اور متعدد اندرونی و بیرونی عوامل کے باعث مشکلات کے بھنور میں پھنسا رہا۔ اندرونی مشکلات میں سیاسی و معاشی ابتری، ٹیکسیشن میں تیز اور ہوشربا اضافہ، بلند شرح سود اور بجلی کی زیادہ قیمتیں شامل ہیں۔ یہ تمام عوامل اسٹیل مصنوعات کی قیمتوں میں اضافہ کا باعث بنے جس کے نتیجے میں اسٹیل کے شعبہ میں تیار/جزوی تیار پروڈکٹس کی طلب میں تفاوت پیدا ہوئی۔ ملک میں جزوی تیار اسٹیل پروڈکٹس کی سمگلنگ اس شعبہ کے لئے ایک اور کڑوا سچ

Form of Proxy /E-Voting

Ittefaq Iron Industries Limited

40-B-II, Gulberg-III, Lahore. Tel: 042-35765021-26 Fax: 042-35759546

Option 1

Appointing other person as Proxy

I/We _____ of _____, being member(s) of Ittefaq Iron Industries Limited, holder of _____ Ordinary Share(s) as per Registered Folio/CDC Account No. _____ hereby appoint Mr. _____ Folio / CDC Account No. _____ (if member) of _____ or failing him, Mr. _____ Folio / CDC Account No. _____ (if member) of _____, as my / our Proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the 21st Annual General Meeting of the Company to be held on October 26, 2026 and at any adjournment thereof.

Signed under my / our hand(s) this _____ day of _____ 2026.

Option 2

E-voting as per the Companies (E-Voting) Regulations, 2016

I/We _____ of _____, being member(s) of Ittefaq Iron Industries Limited, holder of _____ Ordinary Share(s) as per Registered Folio/CDC Account No. _____ hereby opt for e-voting through intermediary and hereby consent the appointment of Execution Officer _____ as Proxy and will exercise e-voting as per the Companies (e-voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is _____. Please send login details, password and electronic signature through email.

Signature of Proxy

Signature of Member
(Signatures should agree with specimen signature registered with the Company)

Signed in the presence of:

Signature of witnesses _____

Name : _____

Address: _____

CNIC No. _____

Signature of witnesses _____

Name : _____

Address: _____

CNIC No. _____

NOTES FOR APPOINTING PROXY:

This instrument appointing a proxy under option 1 shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation either under the common seal or under the hand of an official or attorney so authorized.

The instrument appointing a proxy under option 1 and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office of the Company not less than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of a proxy shall not be treated as valid.

The instrument of e-voting under option 2 shall be deposited in advance in writing at least ten days before holding of general meeting at the registered office of the company at 40-B-II, Gulberg-III, Lahore or through e-mail: info@ittefaqsteel.com.

The Company will arrange for e-voting if the company receives demand for poll from at least five members or by any member or members having not less than one tenth of the voting power.

FORM FOR VIDEO CONFERENCE FACILITY

I/We _____ of _____, being member(s) of Ittefaq Iron Industries Limited, holder of _____ Share(s) as per Registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of member(s)

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The Company Secretary

ITTEFAQ IRON INDUSTRIES LIMITED

40-B-II, Gulberg-III, Lahore

Tel: 042-35765021-26

پراکسی/ای وونگ فارم اتفاق آئرن انڈسٹریز لمیٹڈ

40۔ بی۔ II، گلبرگ III، لاہور۔ ٹیلی فون: 26-042-35765021 فیکس: 042-35759546

اختیار۔ Option-1

کسی دوسرے شخص کو بطور نمائندہ (پراکسی) مقرر کرنے کے لیے

میں/ہم _____ ساکن _____ بطور نمبر (ز) _____
اتفاق آئرن انڈسٹریز لمیٹڈ حامل _____ عام حصص، رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر _____ محترم
_____ فولیو/سی ڈی سی اکاؤنٹ نمبر (اگر نمبر ہو) ساکن _____ یا ان کے حاضرنہ
ہونے کی صورت میں محترم _____ فولیو/سی ڈی سی اکاؤنٹ نمبر _____ (اگر نمبر ہو)
ساکن _____ کو اپنے/ہمارے ایماء پر کمپنی کے 26 اکتوبر 2026ء کو ہونے والے 21 ویں سالانہ
اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کرنے کے لیے یا کسی بھی التوا کی صورت میں اپنا/ہمارا نمائندہ (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

اختیار۔ Option-2

کمپنیز (ای وونگ) قوانین 2016ء کے مطابق کسی دوسرے شخص کو بطور نمائندہ (پراکسی) مقرر کرنے کیلئے

میں/ہم _____ ساکن _____ بطور نمبر (ز) _____
اتفاق آئرن انڈسٹریز لمیٹڈ حامل _____ عام حصص، رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر _____ انٹرمیڈی کے ذریعے ای
وونگ کا اختیار دیتا/دیتے ہیں اور اس کے ذریعے Executive Officer (_____ کی بطور نمائندہ پراکسی) کی تقرری کی منظوری
دیتا ہوں/دیتے ہیں۔ مزید یہ کہ میں/کمپنیز (ای وونگ) قوانین 2016ء کے مطابق ای وونگ کا استقبال کروں گا/کریں گے اور اسکے ذریعے قراردادوں کے انتخاب کا مطالبہ کرتا ہوں/کرتے ہیں۔

پانچ روپے کے رسیدی ٹکٹ پر نمبر کے دستخط

نمائندہ (پراکسی) کے دستخط

گواہان۔

_____ (1) دستخط	_____ (2) دستخط
_____ نام	_____ نام
_____ پتہ	_____ پتہ
_____ شناختی کارڈ نمبر	_____ شناختی کارڈ نمبر
_____ پاسپورٹ نمبر	_____ پاسپورٹ نمبر

نمائندہ (پراکسی) کی تقرری سے متعلق نکات:

اختیار۔ 1 (option) کے تحت مقرر کردہ نمائندہ (پراکسی) کی دستاویز تحریری طور پر مقرر کرنے والے کے ہاتھ سے لکھی گئی ہو یا اس کے اختیار کے تحت مقرر کردہ وکیل کی طرف ہونی چاہیے۔ اگر مقرر کردہ کمپنی ہے تو نمائندہ کی دستاویز کمپنی کی عام مہر (Common Seal) کے ساتھ مجاز افسر یا ان کے مقرر کردہ وکیل کی طرف ہونی چاہیے۔

اختیار۔ 1 (option) کے تحت ہر لحاظ سے مکمل اور دستخط شدہ (پراکسی) کی تقرری دستاویز عام اجلاس کے وقت سے کم از کم 48 گھنٹے قبل موصول ہو جانی چاہیے۔ بصورت دیگر پراکسی کی دستاویز درست تصور نہیں ہوگی۔

اختیار۔ 2 (option) کے تحت ای وونگ کی دستاویز عام اجلاس کے دن سے کم از کم دس یوم قبل کمپنی کے رجسٹرڈ آفس واقع 40۔ بی۔ II، گلبرگ III، لاہور میں جمع کرا دی جائے یا ای میل کے ذریعے info@ittefaqsteel.com پر بھیجی جائے۔

اگر کمپنی کو کم از کم پانچ اراکین یا کسی ایک کن یا اراکین جن کی وونگ کی طاقت دس فیصد سے کم نہ ہو، کی طرف سے انتخاب کی درخواست موصول ہوگی تو کمپنی ای وونگ کا بندوبست کرے گی۔

ویڈیو کانفرنس کی سہولت کیلئے فارم

کسی دوسرے شخص کو بطور نمائندہ (پراکسی) مقرر کرنے کیلئے میں/ہم _____ ساکن _____ بطور
ممبر (ز) اتفاق آئرن انڈسٹریز لمیٹڈ حامل _____ عام حصص، رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر ویڈیو کانفرنس کی
سہولت بمقام _____ چاہیں گے۔

رکن کے دستخط

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The Company Secretary

ITTEFAQ IRON INDUSTRIES LIMITED

40-B-II, Gulberg-III, Lahore

Tel: 042-35765021-26



Head Office: 40-B II Gulberg III, Lahore (Pakistan)
Phone: +92-42-35765021-26 Email: info@ittefaqsteel.com