ITTEFAQ IRON INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026 (UNAUDITED)

EQUITY AND LIABILITIES	Note	Unaudited 30 / Sep/ 2026 Rupees	Audited 30 / Jun / 2026 Rupees
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		889,678,359	897,336,067
		1,664,186,284	**1,671,843,992**
General reserves			
Un-appropriated profit /(Loss)		(317,457,864)	(259,809,682)
		3,106,491,275	**3,171,797,165**
Non-current liabilities			
Long-term finances	10	176,339,000	176,239,000
Deferred taxation		-	-
Deferred liabilities		293,492,370	285,189,998
		469,831,370	**461,428,998**
Current liabilities			
Trade and other payables		512,690,539	698,677,362
Mark-up accrued on borrowings		72,003,520	78,055,628
Short-term borrowings	11	1,038,205,142	1,026,442,775
Current portion of long-term liabilities		35,600,119	42,592,000
		1,658,499,320	**1,845,767,765**
Contingencies and commitments	12	-	-
		5,234,821,965	**5,478,993,928**
ASSETS			
Non-current assets			
Property, plant and equipment	14	2,093,621,194	2,127,109,470
Long-term deposits		20,026,226	20,026,226
		2,113,647,420	**2,147,135,696**
Current assets			
Stores,Spares&Loose tools		241,699,554	248,204,424
Stock-in-trade		981,451,138	1,158,319,754
Trade debts		1,206,580,113	1,263,528,463
Loans and advances		33,482,220	20,565,240
Trade deposits and prepayments		134,480,595	146,495,164
Tax refunds due from government		494,943,534	464,285,094
Cash and bank balances		28,537,391	30,460,093
		3,121,174,545	**3,331,858,232**
		5,234,821,965	**5,478,993,928**

The annexed notes from 1 to 17 form an integral part of these financial statements.

Chief Executive Officer | Director | Chief Financial Officer

ITTEFAQ IRON INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2026 (UNAUDITED)

	30 / Sep/ 2026 Rupees	30 / Sep/ 2025 Rupees
Revenue from contracts with customers	475,208,743	478,745,972
Cost of sales	500,249,443	520,540,545
Gross (loss) / Profit	**(25,040,700)**	**(41,794,573)**
Other operating income	146,865	13,213
Distribution and selling cost	4,835,619	4,855,625
Administrative and general expenses	22,441,456	25,991,181
Other operating cost	-	-
Finance cost	7,194,871	8,157,895
	34,471,946	**39,004,701**
(Loss) / Profit before levies and taxation	(59,365,781)	(80,786,062)
Levies	(5,940,109)	(5,984,325)
(Loss) / Profit before taxation	**(65,305,890)**	**(86,770,386)**
Taxation	-	-
(Loss) / Profit after taxation	**(65,305,890)**	**(86,770,386)**
OTHER COMPREHENSIVE INCOME		
Other comprehensive income - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(65,305,890)**	**(86,770,386)**
Earnings per share (basic and diluted)	**(0.45)**	**(0.60)**

The annexed notes from 1 to 17 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

ITTEFAQ IRON INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (UNAUDITED)

	Share capital	Reserves			Director's loan's	Total equity
		Capital		Revenue		
		Share premium	Surplus on revaluation of operating asset	Un-appropriated profit		
	---------- Rupees ----------					
Balance as at 01 July 2025	1,443,433,640	774,507,925	931,268,740	29,995,345	316,329,215	3,495,534,865
Loss after taxation for the year	-	-	-	(321,983,149)	-	(321,983,149)
Other comprehensive income						
Employee retirement benefits						
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**
Loss after taxation for the year				(65,305,890)		
Other comprehensive income						
Employee retirement benefits						
Remeasurements of benefit plan (net of tax)						
Transfer from revaluation surplus (net of deferred tax)			(7,657,708)	7,657,708		
Balance as at 30 September 2026	**1,443,433,640**	**774,507,925**	**889,678,359**	**(317,457,864)**	**316,329,215**	**3,171,797,165**

The annexed notes from 1 to 17 form an integral part of these financial statements.

Chief Executive Officer	Director	Chief Financial Officer

ITTEFAQ IRON INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2026 (UNAUDITED)

	30-Sep-26 RUPEES	30 / Sep/ 2025 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	30,818,036	23,118,320
Income taxes paid	(24,718,331)	(32,508,750)
Employee benefits paid	(1,609,878)	(1,609,878)
Finance cost paid	(6,345,772)	(9,367,895)
Net cash (used in) / generated from operating activities	**(1,855,945)**	**(20,368,204)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work-in-progress	(1,182,550)	-
Net cash (used in) / generated from investing activities	**(3,038,495)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Re-payment of Loan Bop	(8,790,630)	(16,358,453)
Proceeds from short-term borrowings (net)	11,762,367	1,236,066
Net cash (used in) / generated from financing activities	**2,971,737**	**(15,122,387)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,922,702)	(35,490,591)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	30,460,093	59,134,428
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**28,537,391**	**23,643,837**

The annexed notes from 1 to 17 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

ITTEFAQ IRON INDUSTRIES LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2026 (UNAUDITED)

1 STATUS AND ACTIVITES

Ittefaq Iron Industries Limited ("the Company") was incorporated on 13 April 2007 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 20 February 2004. On 5 January 2017 the Company is converted into an unquoted public company. The Company was listed on Pakistan Stock Exchange on 3 July 2017.
The principal business of the Company is the manufacturing of iron bars, girders and related products.
The registered office of the Company is situated at 40 B / II, Gulberg III, M. M. Alam Road, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended June 30, 2026.

3 BASIS OF PREPARATION

The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2026, whereas comparative unconsolidated condensed interim statement of profit or loss and comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the unconsolidated condensed interim financial statements for the three months ended September 30, 2026.

4 BASIS OF MEASUREMENT

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

5 FUNCTIONAL AND PRESENTATION CURRENCY

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

6 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2026.

6.1 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2026. However, these do not have any significant impact on the Company's financial reporting, therefore, have not been detailed in these condensed interim financial statements.

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

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2026. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these condensed interim financial statements.

		Un-Audited 30-Sep-2026 Rupees	Audited 30-Jun-2026 Rupees
7	**SHARE CAPITAL**		
	Authorized capital		
	300,000,000 (2025: 300,000,000) Ordinary shares of Rs. 10 each	**3,000,000,000**	3,000,000,000
	Issued, subscribed and paid-up share capital		
	121,750,000 (2025: 121,750,000) Ordinary shares of Rs. 10 each fully paid in cash	**1,217,500,000**	1,217,500,000
	9,471,240 (2025: 9,471,240) Ordinary shares of Rs. 10 each for consideration other than cash	**94,712,400**	94,712,400
	13,122,124 (2025: 13,122,124) Ordinary shares of Rs. 10 each issued as bonus shares	**131,221,240**	131,221,240
		1,443,433,640	1,443,433,640
8	**LOAN FROM DIRECTORS/SPONSORS**		
	At the beginning of the year	**316,329,215**	316,329,215
	Add: Addition during the year	**-**	-
	Less: Repayment during the year	**-**	-
	At the end of the year	**316,329,215**	316,329,215

8.1 It is interest free loan from directors amounting to Rs. 316.329 million (2026: 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.

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.

9	**CAPITAL RESERVES**		
	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 only for the purpose specified in section 81 of the Companies Act, 2017.

10	**LONG-TERM FINANCES**		
	Bank of Punjab Limited-FATR/FIM	**121,390,595**	125,338,000
	Bank of Punjab Limited-CF	**90,548,524**	93,493,000
		211,939,119	218,831,000
	Soneri Bank Limited-DF	**-**	-
	Less: Current Portion of Long term Loans	**(35,600,119)**	(42,492,000)
		176,339,000	176,339,000
11	**SHORT TERM BORROWINGS**		
	Cash finances:		
	- National Bank of Pakistan	**166,945,609**	166,945,609
		166,945,609	166,945,609
	FATR / FIM:		
	- National Bank of Pakistan	**694,989,535**	694,989,535
	- Soneri Bank Limited	**126,374,177**	164,122,122
		821,363,712	859,111,657
	RF		
	- Soneri Bank Limited	**49,895,821**	385,509
		1,038,205,142	1,026,442,775

12 CONTINGENCIES AND COMMITMENTS

12.1 ***Contingencies***

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

i) The Company had filed a suit bearing # COS 217367/2018 before the High Court against NBP's claims of certain facilities of letters of credit.

ii) The Company with other claimants filed a suit bearing # COS 18377/2019 before High Court for recovery of Rs. 942.50 million on account of damages. The said petition is pending adjudication.

iii) The Company had filed a suit before Banking Court IV, Lahore against NBP's attempt to include the name of the Company on 'electronic credit information bureau' ('E-CIB') of State Bank of Pakistan. The said court had allowed an interim relief to the Company by issuing a stay order. The matter is pending adjudication.

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

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

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

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

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

12.2	***Commitments***		
	Irrevocable letters of credit/contracts	**18,909,920**	58,300,550
13	**LEVIES AND TAXATION**		
	Taxation		
	Current taxation		
	For the year	**5,940,109**	30,045,860
	Deferred taxation		
	For the year	**-**	-
	Levies		
	Minimum tax		
	Current year	**5,940,109**	30,045,860
	Prior year	**-**	-
		5,940,109	30,045,860
		5,940,109	**30,045,860**
14	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating fixed assets	**2,092,438,644**	2,127,109,470
	Capital work-in-progress	**1,182,550**	-
		2,093,621,194	2,127,109,470
14.1	**Operating fixed assets**		
	Balance at the beginning of the period-WDV	**2,127,109,470**	2,280,346,493
	Add: Addition during the period	**-**	1,523,600
	Add: Transfer from CWIP	**-**	-
	Less: Disposal during the year	**-**	(2,031,779)
	Less: Depreciation during the period	**(34,670,826)**	(152,728,844)
	Balance at the end of the period	**2,092,438,644**	2,127,109,470
14.2	**Capital work-in-progress**		
	Balance at the beginning of the period	**-**	-
	Add: Addition during the period	**-**	-
	Transfer to operating assets		
	Building on freehold land	**-**	-
	Plant and machinery	**1,182,550**	-
	Electric installation and equipment	**-**	-
		1,182,550	-
	Balance at the end of the period	**1,182,550**	-

14.3 Depreciation is charged on reducing balance basis.

15 TRANSACTIONS WITH RELATED PARTIES

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

Related Party	*Basis of relationship*	*Nature of transaction*	**Un-Audited 30-Sep-2026**	Audited 30-Jun-2026
			Rupees	
Chief executive	Shareholder	Remuneration	**3,331,195**	13,324,779
Directors	Shareholders	Remuneration	**2,012,123**	8,048,491
Executives	Related parties	Remuneration	**4,434,151**	17,736,604
			9,777,469	39,109,874

16 CORRESPONDING FIGURES

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

17 AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on October 29,2026.

Chief Executive Officer **Director** **Chief Financial Officer**