international™
industries
built on trust

revitalizing legacy, reclaiming leadership

annual report 2025

ASC AMIR S. CHINOY GROUP

annual report 2025

About
The Theme

“Revitalizing legacy, reclaiming leadership” marks the introduction of International Industries Limited’s evolved identity, a fresh expression of who we are today and where we are headed tomorrow. It reflects a vision refined for the future and values strengthened to guide every decision, every innovation, and every connection.

This renewal is rooted in our heritage yet driven by progress. It embraces sustainability, integrity, customer focus, collaboration, innovation and diversity, the principles that defines the way we lead and the future we aim to shape.

Our identity has evolved, but our purpose remains the same. We continue to build on our strengths, shaping opportunities that create lasting value for people, businesses and the environment while setting the stage for a stronger tomorrow.

About
The Report

We are pleased to present our Annual Report for the year ended June 30, 2025. The objective of this report is to provide all stakeholders with a transparent and balanced appraisal of the material events and challenges that the business faced during the year under review. This report should be read in conjunction with the full financial statements.

Scope and Limitation of This Report

This annual report is for the period from July 1, 2024, to June 30, 2025 and provides an account of the Company's operational, financial, social, economic, and environmental performance as well as corporate governance.

Annual Financial Statements

These financial statements are also available on our website (www.iil.com.pk) and provide a detailed insight into the financial position of the Company for the period under review.

Forward-Looking Statements

This report contains certain 'forward-looking statements' which are related to the future. These statements include known and unknown risks and opportunities, uncertainties, and important factors that could turn out to be materially different from current expectations following the publication of these results. These statements are as of the date of this document. The Company undertakes no obligation to update publicly or release any provi-sions pertaining to these forward-looking statements.

Feedback

We value the feedback of our stakeholders and use it to continuously improve our reporting and to ensure that we are sharing information about matters relevant to them. Feedback is welcome at investors@iil.com.pk

KEY PERFORMANCE HIGHLIGHTS

(RS.)
306.92
BREAK-UP VALUE (WITH REVALUATION AND MARKET VALUE OF INVESTMENT)

(RS. IN MILLION)
25,096
SALES REVENUE

%
12.5
GROSS PROFIT RATIO

%
5.49
RETURN ON CAPITAL EMPLOYED

(RS. IN MILLION)
1,565
PROFIT BEFORE TAX

%
4.40
NET PROFIT MARGIN

%
11.18
EBITDA MARGIN TO SALES

(TIMES)
1.43
CURRENT RATIO

(RS.)
4.00
DIVIDEND PER SHARE

(RS.)
8.37
EARNING PER SHARE (BASIC & DILUTED)

(TIMES)
0.52
GEARING RATIO

(RS. IN MILLION)
29,919
TOTAL ASSETS

(RS. IN MILLION)
411
CAPITAL EXPENDITURE

(RS. IN MILLION)
19,659
SHAREHOLDERS' EQUITY

(TIMES)
21.14
PRICE EARNING RATIO

(RS.)
177.01
SHARE PRICE

Summary of Contents

TABLE OF CONTENTS

SECTION

1.0 ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

SECTION

2.0 STRATEGY AND RESOURCE ALLOCATION

SECTION

3.0 RISKS AND OPPORTUNITIES

SECTION

4.0 SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

SECTION

5.0 STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

SECTION

6.0 ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

SECTION

7.0 IT GOVERNANCE AND CYBERSECURITY

SECTION

8.0 FUTURE OUTLOOK

SECTION

9.0 ANALYSIS OF THE FINANCIAL INFORMATION

SECTION

10.0 SHAREHOLDERS' INFORMATION

77th ANNUAL GENERAL MEETING

Beach Luxury Hotel, Karachi
and via Video Conferencing

Friday, September 26, 2025
at 9:00 am

international™
industries
built on trust

SECTION 1.0

Organizational Overview and External Environment

international™
industries

built on trust

Reintroducing
Who we are

A deeper look at our identity, legacy, and evolving environment, setting the foundation for the future.


international industries™
انٹرنیشنل انڈسٹریز

Why the change?

Our world is moving faster. Technologies are advancing, industries are shifting, and expectations are higher than ever.

It was time to refresh how we show up — to reflect the scale of our impact, the diversity of our products, and the ambition of our future. We wanted a brand identity that honors our history yet speaks confidently to the opportunities ahead.

The new identity

Our new identity is built around our foundation of trust, expressed in a way that's modern, confident, and adaptable to every touchpoint — from the shop floor to the global stage.

Our Logo

Bold, modern, and unmistakable— a work of art. The refreshed logo is a combination of the new international industries wordmark, and a symbol depicting the two "i" of the brand name coming together to form the inside and outside of a pipe – the product on which our legacy stands. This circular symbol is representative of the relationship of the company with its stakeholders: creating lasting connections, and is also a forward looking portal into the future.

international™
industries
built on trust

Our Colors

Our new palette — Forest Green, Lime Green, and Olive Green — represents growth, sustainability, and energy. These colors also reflect our deep commitment to environmental stewardship and a greener future.

Forest Green | Lime Green | Olive Green

Our Typeface

We've adopted Halcom, a modern sans-serif typeface that's clean, approachable, and highly legible across print and digital. It embodies the clarity and confidence we bring to our work.

Halcom	*Halcom Italic*
Halcom Book	*Halcom Book Italic*
Halcom Light	*Halcom Light Italic*
Halcom Bold	***Halcom Bold Italic***
Halcom Black	***Halcom Black Italic***

What this means for you

Whether you are our customer, partner, or employee, you'll see the change in the way we present ourselves, communicate, and engage with you. From refreshed packaging and signages to upgraded digital experiences, the International Industries brand is ready for the next chapter.

This is International Industries like you've never seen before — but with the same heart and commitment you've always known.

Built on trust. Moving towards tomorrow.

We hope you'll join us in celebrating this milestone as we continue to connect, create, and build the future together.

A Bold
New Face

Vision

"Building dreams together."

Substantiating the Vision

BUILDING	DREAMS	TOGETHER
a nod to our industry	inspirational	partnering with customers
denotes growth	future-focused	engaging all stakeholders
signifies positive action	fosters ideas, ambition & innovation	promoting collaboration & inclusion

At International Industries, our vision is more than words — it is the foundation of everything we aspire to achieve.

- **Building:** A nod to our industry, "building" ref ects not just the products we manufacture but the progress, growth, and positive action we enable for our customers, partners, and communities.
- **Dreams:** We see dreams as the fuel for innovation, ambition, and a future-focused outlook. Our vision embraces ideas that inspire transformation and create long-term value.
- **Together:** Collaboration lies at the heart of our success. Whether it's partnering with customers, empowering employees, or engaging communities, we believe that only by working together can we shape a sustainable and prosperous future.

This vision means that we are committed to partnering with all stakeholders to turn dreams into reality— through every pipe, every project, and every promise. To people, to progress, and to the planet.

وژن

خوابوں کی تعمیر، اشتراک کے ساتھ.

وژن کے اجزاء

تعمیر	خواب	اشتراک
ہماری صنعت کی طرف اشارہ	متاثر کن، پرجوش	صارفین کے ساتھ
ترقی کا سفر	مستقبل پر مرکوز	تمام شراکت داران کی شمولیت
مثبت طرز عمل اجاگر کرنا	خیالات ، امید اور جدت کا فروغ	اشتراک اور شمولیت کی ترغیب

انٹرنیشنل انڈسٹریز میں، ہمارا وژن محض الفاظ نہیں بلکہ وہ بنیاد ہے جس پر ہماری تمام خواہشات اور مقاصد استوار ہیں۔

- تعمیر: یہ صرف ہماری صنعت کا اشارہ نہیں بلکہ اس ترقی، بڑھوتری اور مثبت عمل کی علامت ہے جو ہم اپنے صارفین، شراکت داروں اور کمیونٹیز کے لیے ممکن بناتے ہیں۔ ہماری مصنوعات صرف ڈھانچے تعمیر نہیں کرتیں بلکہ ترقی کی راہیں بھی ہموار کرتی ہیں۔
- خواب: خواب ہمارے لیے جدت، جذبہ اور مستقبل کی سوچ کا ایندھن ہیں۔ ہمارا وژن ان خیالات کو اپناتا ہے جو تبدیلی کو متاثر کرتے ہیں اور طویل المدتی قدر تخلیق کرتے ہیں۔
- اشتراک: اشتراک ہماری کامیابی کی بنیاد ہے۔ چاہے صارفین کے ساتھ شراکت ہو، ملازمین کو بااختیار بنانا ہو یا کمیونٹیز کے ساتھ روابط، ہمارا یقین ہے کہ پائیدار اور خوشحال مستقبل صرف مل کر ہی تشکیل دیا جا سکتا ہے۔

یہ وژن اس عزم کی عکاسی کرتا ہے کہ ہم تمام اسٹیک ہولڈرز کے ساتھ مل کر خوابوں کو حقیقت میں بدلنے کے لیے پرعزم ہیں—ہر پائپ، ہر منصوبے اور ہر وعدے کے ذریعے۔ یہ وژن انسانیت، ترقی اور کرۂ ارض کے نام ہے۔

Mission

To make the world a more liveable place by relentlessly pursuing excellence and innovation to exceed stakeholder expectations.

Substantiating the Mission

LIVEABLE

- Access to resources
- Safety
- Wellness
- Natural environment
- Affordability
- Amenities
- Connectivity
- Culture
- Sustainability

EXCELLENCE

- High-quality products and services
- Customer focus
- Operational efficiency
- Strong leadership and culture
- Employee engagement
- Ethical conduct
- Integrity

INNOVATION

- Focus on value creation
- Emphasis on new ideas, products, and services
- Process improvement
- Creating new value for customers
- Differentiate from competitors
- Adapt to change

STAKEHOLDER

- Customers
- Shareholders
- Employees
- Suppliers
- Creditors
- Local community and environment
- Regulatory bodies

Our mission is both ambitious and purposeful — it ref ects how International Industries approaches business, responsibility, and growth.

- **Liveable:** We define a li eable world as one where safety, access to resources, affordability, connectivity, wellness, and sustainability are enhanced. Our products and practices contribute directly to building such environments for our customers and communities.
- **Excellence:** Excellence is the standard we live by — from delivering the highest-quality products and operational efficiency o ensuring ethical conduct, integrity, and customer-centricity in everything we do.
- **Innovation:** We are future-focused, constantly seeking new ideas, solutions, and technologies that differentiate us.
- **Stakeholders:** We are focused in adding value for our stakeholders, and keeping a close connection with all our stakeholders.

Our mission extends to all stakeholders — customers, shareholders, employees, suppliers, communities, regulators, and beyond. By relentlessly pursuing excellence and innovation, we aim to exceed expectations, foster trust, and create lasting impact.

مشن

اعلی ترین مہارت اور جدت کے تسلسل کے ذریعے دنیا کو زیادہ قابل سکونت جگہ بنانا تاکہ شراکت داروں کی توقعات سے بڑھ کرنتائج حاصل کرسکیں.

Substantiating the Mission

قابل سکونت

- وسائل تک رسائی
- تحفظ
- تندرستی
- قدرتی ماحول
- مضبوط
- سہولتیں
- رابطے
- منظم ماحول

مہارت

- اعلیٰ معیار کی مصنوعات اور خدمات
- صارف پر توجہ
- عمل کی استعداد
- مضبوط قیادت اور منظم ماحول
- ملازمین کی شمولیت
- اخلاقی طرز عمل
- دیانتداری

جدت

- اقدار کی تشکیل پر توجہ
- نئے خیالات، مصنوعات اور خدمات پر توجہ
- طریقہ ءکار میں بہتری
- صارفین کیلئے نئی اقدار کی تخلیق
- مسابقتی اداروں سے مختلف
- تبدیلی کو اپنانا

شراکت داران

- صارف
- شراکت دار
- ملازمین
- فراہم کنندگان
- مالیاتی ادارے
- قانون وضوابط کے ادارے
- مقامی رہائشی افراد اورماحول

ہمارا مشن بیک وقت بلند حوصلہ اور بامقصد ہے—یہ اس بات کی عکاسی کرتا ہے کہ انٹرنیشنل انڈسٹریز کاروبار، ذمہ داری اور ترقی کو کس انداز سے دیکھتی ہے۔

- قابلِ سکونت: ہم ایک ایسی دنیا کو قابلِ سکونت سمجھتے ہیں جہاں تحفظ، وسائل تک رسائی، استطاعت، ربط، فلاح و بہبود اور پائیداری بہتر سے بہتر ہوں۔ ہماری مصنوعات اور طریقۂ کار ایسے ہی ماحول کی تعمیر میں براہِ راست کردار ادا کرتے ہیں جو ہمارے صارفین اور کمیونٹیز کے لیے سازگار ہوں۔
- مہارت: مہارت ہمارا معیار ہے—چاہے وہ اعلیٰ معیار کی مصنوعات فراہم کرنا ہو، عملی کارکردگی میں بہتری لانا ہو یا ہر قدم پر اخلاقی اقدار، دیانت اور صارفین کو مرکز میں رکھنا۔
- جدت: ہم مستقبل کی سوچ رکھتے ہیں اور ہمیشہ نئی سوچ، نئے حل اور نئی ٹیکنالوجیز تلاش کرتے ہیں جو ہمیں دوسروں سے ممتاز کریں۔
- شراکت داران: ہم اپنے تمام شراکت داران کے لیے قدر میں اضافہ کرنے اور ان کے ساتھ قریبی تعلق قائم رکھنے پر فوکس رکھتے ہیں۔

ہمارا مشن تمام شراکت داران تک پھیلا ہوا ہے—چاہے وہ صارفین ہوں، حصص یافتگان، ملازمین، سپلائرز، کمیونٹیز یا ریگولیٹرز۔ مہارت اور جدت کو مستقل بنیادوں پر اپناتے ہوئے ہمارا مقصد توقعات سے بڑھ کر کارکردگی دکھانا، اعتماد کو فروغ دینا اور دیرپا اثرات پیدا کرنا ہے۔

Values

At International Industries, our values are more than words—they are the principles that define how we think, act, and lead. Aligned under the acronym SICCID, these six values embody how we SUCCEED as individuals and as an organization.

Customer Focus
We commit to our customers.

We stand firm on a foundation of care.

Collaboration
We commit to collaboration.

We grow stronger by working better together.

Integrity
We commit to integrity.

We earn trust through consistent truth.

Innovation
We commit to innovation.

We shape tomorrow through bold ideas.

Sustainability
We commit to sustainability.

We create a future that lasts for all.

Diversity
We commit to diversity.

We build unity through many perspectives.

اقدار

انٹرنیشنل انڈسٹریز میں ہماری اقدار محض الفاظ نہیں بلکہ
وہ اصول ہیں جو ہمارے سوچنے، عمل کرنے اور قیادت کرنے
کے مخفف کے تحت "SICCID" کے انداز کو متعین کرتے ہیں.
منظم یہ چھ اقدار اس بات کی نمائندگی کرتی ہیں کہ ہم
کامیاب (SUCCEED) بطور فرد اور بطور ادارہ کس طرح
ہوتے ہیں.

تعاون

باہمی تعاوم کیلئے پرعزم۔

ہم باہمی تعاون سے بہتر کارکردگی کے ذریعے مزید مضبوط بنتے ہیں۔

صارف پر توجہ

صارف سے عہد کیلئے پرعزم۔

ہم خیال رکھنے کی بنیاد پر مضبوطی سے جڑے ہیں۔

جدت

جدت کیلئے پرعزم۔

ہم جری خیالات کے ساتھ کل کی تشکیل کرتے ہیں۔

دیانتداری

دیانتداری کیلئے پرعزم۔

ہم مسلسل سچ کے ذریعے اعتماد حاصل کرتے ہیں۔

تنوع

تنوع کیلئے پرعزم۔

ہم مختلف زاویہء نگاہ کے ذریعے اتحاد قائم کرتے ہیں۔

پائیداری

پائیداری کیلئے پرعزم۔

ہم سب کیلئے پائیدار مستقبل تخلیق کرتے ہیں۔

Company Profile

International Industries is a premier manufacturer of steel and polymer pipes, tubes, and fittings, recognized globally for its commitment to innovation, quality, and sustainability. As Pakistan's market leader and a notable player on the international stage, the Company has a proud legacy of driving industrial growth since its establishment in 1948.

Publicly listed on the Pakistan Stock Exchange, the Company is supported by a substantial equity of PKR 19.6 billion (USD 69 million) and generates annual revenue of PKR 25 billion (USD 88 million). The company has consistently ranked among Pakistan's Top 25 Companies for 17 consecutive years, reflecting its strong financial performance and industry leadership

The Company is a core member of the **Amir S. Chinoy (ASC) Group,** a conglomerate known for its ethical practices, industrial excellence, and innovation. The ASC Group also includes:

- **International Steels Limited (ISL):** Pakistan's largest producer of cold-rolled, galvanized, and color-coated steel coils and sheets, with an annual manufacturing capacity 1 million tons and annual revenues of PKR 62 billion (USD 218 million).
- **Pakistan Cables Limited (PCL):** The nation's largest manufacturer of electrical cables, wires, copper rods, PVC compounds, and aluminium sections, a household brand with annual revenues of PKR 29 billion (USD 102 million).
- **Chinoy Engineering & Construction (Pvt) Limited (CECL):** A pivotal entity in the ASC Group's strategic versification into construction and engineering, providing value-added revenue streams an enhancing downstream integration.

Expanding its global footprint, the Company operates through key subsidiaries:

- **IIL Australia Pty Limited:** IIL's wholly-owned Australian subsidiary represents the Group's interests in the Asia-Pacific region, with annual revenues of AUD 8 million (USD 5.2 million)
- **IIL Americas Inc.:** Based in Toronto, this subsidiary focuses on the North American market, generating annual revenues of CAD 4.3 million (USD 3.1 million).
- **INIL Europe Limited:** Based in Ireland, this subsidiary focuses on the European market.

In addition to these global subsidiaries, the Company also operates a Pakistan-based subsidiary, **IIL Trading Pvt. Limited**. IIL Trading is a premium trading company representing globally renowned brands such as Milwaukee, Fischer, Mapei, and Brenntag.

International Industries' products have reached over 60 countries across six continents, enabling the company to earn the prestigious **FPCCI Export Performance Award** for 24 consecutive years. This accolade underscores the Company's unwavering commitment to excellence in international markets.

Our dedication to excellence is further reflected in the numerous awards and certifications the Company has garnered, including the **Corporate Excellence Award, Environment Excellence Award**, and OHSE Award. The Company is certified to international standards such as ISO 9001, ISO 14001, ISO 45001, API 5L, PSQCA, UL, and CE. Notably, International Industries was the first Pakistani company to achieve ISO 45001 certification from Lloyds Register Quality Assurance (LRQA)

As a responsible corporate citizen, the Company actively contributes to community development and upholds ESG best practices. We are proud to champion the **UN Sustainable Development Goal (SDG) 7**—Affordable and Clean Energy for All—by transitioning a significant portion of our energy needs to renewable sources.

Our industry leadership is further strengthened through memberships in esteemed associations such as the International Tube Association (ITA), Galvanizers Association**s of Australia (GAA), Australian Wire Industry Association (AWIA),** and **Canadian Fence Association (CFA)**. Additionally, the Company's accreditation as an **Australian Trusted Trader (ATT)** and by the **Australia Border Force (ABF)** highlights our dedication to international standards and integrity.

For more information on the Company's legacy of innovation and reliability, please visit www.iil.com.pk.

Key Achievements FY 2024-25

1. **Gold Recognition Award at the 5th Women Empowerment and Gender Equality Awards 2025,** organized by the Employers' Federation of Pakistan (EFP).
2. **Top 25 Companies Award** by the Pakistan Stock Exchange (PSX).
3. **Certificate of Excellence** by the Management Association of Pakistan (MAP).
4. **Certificate of Merit for the Best Corporate Report** by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).
5. **Risk-Based Fire Safety Award** from the Fire Protection Association of Pakistan
6. **18th Best Practices Award in Occupational Safety and Health (OSH)** by the Employer Federation of Pakistan award.

Company Information

Chairman
(Non-Executive)
Mr. Kamal A. Chinoy

Independent Directors
Mr. Asif Jooma
Mr. Haider Rashid
Mr. Jehangir Shah
Mr. Mansur Khan

Non-Executive Directors
Mr. Mustapha A. Chinoy
Mrs. Selina R. Khan
Mr. Shoaib Mir

Chief Executive Officer
Mr. Yousuf H. Mirza

Chief Financial Officer
Mr. Salman Najeeb

Company Secretary & Head of Legal Affairs
Mr. Mohammad Irfan Bhatti

Chief Internal Auditor
Mr. Muhammad Atif Khan

External Auditors
M/s A.F. Ferguson & Co.

Bankers
Allied Bank Limited
Askari Bank Limited
Bank AL Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
Meezan Bank Limited
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Legal Advisor
KMS Law Associates

National Tax Number
0710735-8

Sales Tax Registration Number
02-04-7306-001-82

Registered Office
101, Beaumont Plaza, 10, Beaumont Road,
Karachi – 75530, Pakistan
Telephone: +9221-35680045-54
UAN: 021-111-019-019
E-mail: investors@iil.com.pk
Website: www.iil.com.pk

Lahore Office
Chinoy House, 6, Bank Square,
Lahore - 54000, Pakistan
Telephone: +9242-37229752-55
UAN:+9242-111-019-019
E-mail: lahore@iil.com.pk

Rawalpindi Office
2nd Floor, Khyber Heights, Rafi
Commercial, Bahria Town Phase 8
Rawalpindi, Pakistan

Multan Office
1592, 2nd Floor, Quaid-e-Azam
Shopping Centre No. 1,
Multan Cantt., Multan, Pakistan
Telephone: +9261-4583332

Peshawar Office
Office No.1 & 2, First Floor, Hurmaz Plaza,
Opp. Airport Main University Road,
Peshawar, Pakistan
Telephone: +9291-5845068

IIL Australia Pty Limited
101-103, Abbot Road, Hallam,
Victoria 3803, Australia
Website: www.iilaustralia.com

IIL Americas Inc.
Suite 210 - 5800 Ambler Drive,
Mississauga, ON L4W4J4, Canada
Website: www.iilamericas.com

INIL Europe Limited
Ground Floor, 71 Lower Baggot Street,
Dublin 2, Co. Dublin,
D02 P593
Ireland
Website: www.iileurope.com

IILTrading Pvt. Limited
101, Beaumont Plaza, 10, Beaumont Road,
Karachi – 75530, Pakistan
UAN: 021-111-020-020
E-mail: info.trading@iil.com.pk
Website: www.iil.com.pk/en/page/iil-trading

Factory 1
LX 15-16, Landhi Industrial Area,
Karachi – 75120, Pakistan
Telephone: +9221-35080451-55
E-mail: factory@iil.com.pk

Factory 2
Survey # 405 & 406, Rehri Road, Landhi,
Karachi –75160, Pakistan
Telephone: +9221-35017026-28,
35017030

Factory 3
22 KM, Sheikhupura Road,
Lahore, Pakistan
Telephone: +9242-37190491-3

IILTrading Display Outlets

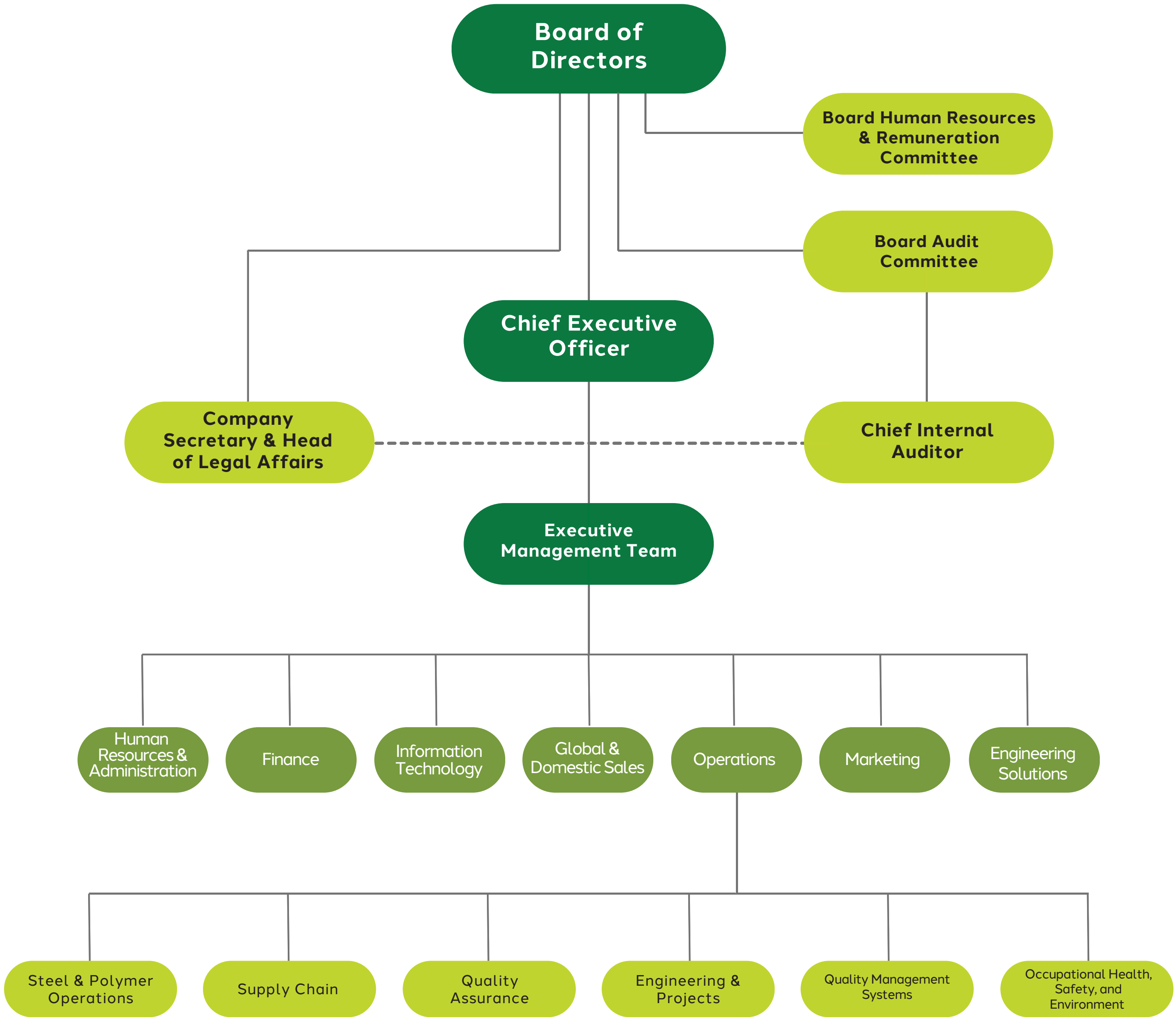
Karachi:
91 – C, 24th Commercial Street,
DHA Phase II Ext.,
Karachi, Pakistan

Lahore:
BWB 192, Broadway Commercial,
DHA Phase 8,
Lahore, Pakistan

Islamabad:
Plot No. 9, Street No. 01, Ibrahim Tower,
Business Park, Gulberg Greens,
Islamabad, Paksitan

Investor Relations Contact
Shares Registrar
CDC Share Registrar Services Limited
CDC House, 99-B, Block "B", S.M.C.H.S,
Shahrah-e-Faisal, Karachi, Pakistan
Telephone: +92-080023275
FAX: +9221-34326053
E-mail: info@cdcsrsl.com
Website: www.cdcsrsl.com

Organization Chart



Business at a Glance

Principal Business Activities

International Industries is engaged in the manufacture, marketing, and sale of steel pipes and tubes, stainless steel tubes, and polymer pipes and fittings

The Company's Engineering Solutions business segment provides innovative products & services to meet industry needs
i.e., scaffolding (tube & clamp, ringlock, and frames & brace), shoring, formwork solutions, renewable energy, agri solutions, and material handling solutions.

Key Markets

The Company is the market leader in Pakistan with sales across the nation. Its domestic operations are geographically divided into 20 territories representing the country's largest urban centers.

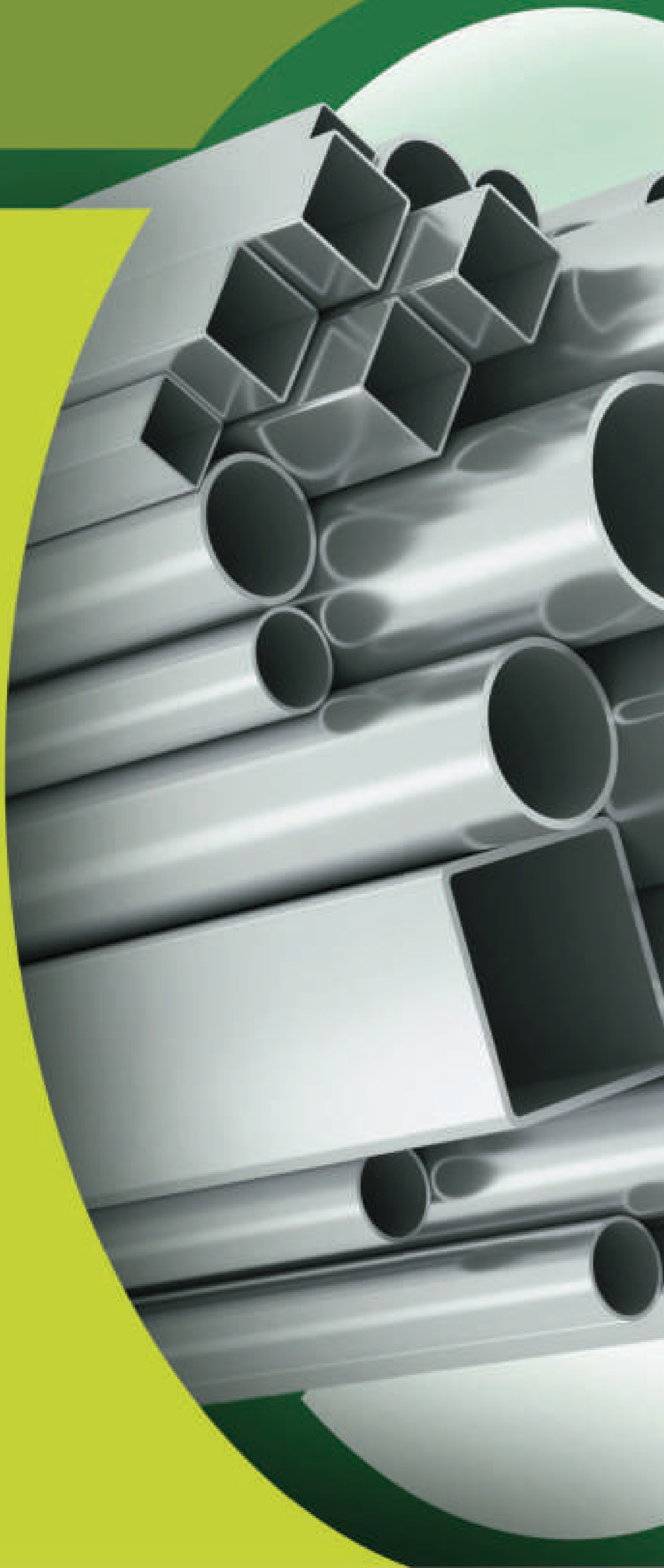
Additionally, the Company is also Pakistan's largest exporter of pipes and tubes with a widespread export footprint spanning 60 countries across 6 continents.

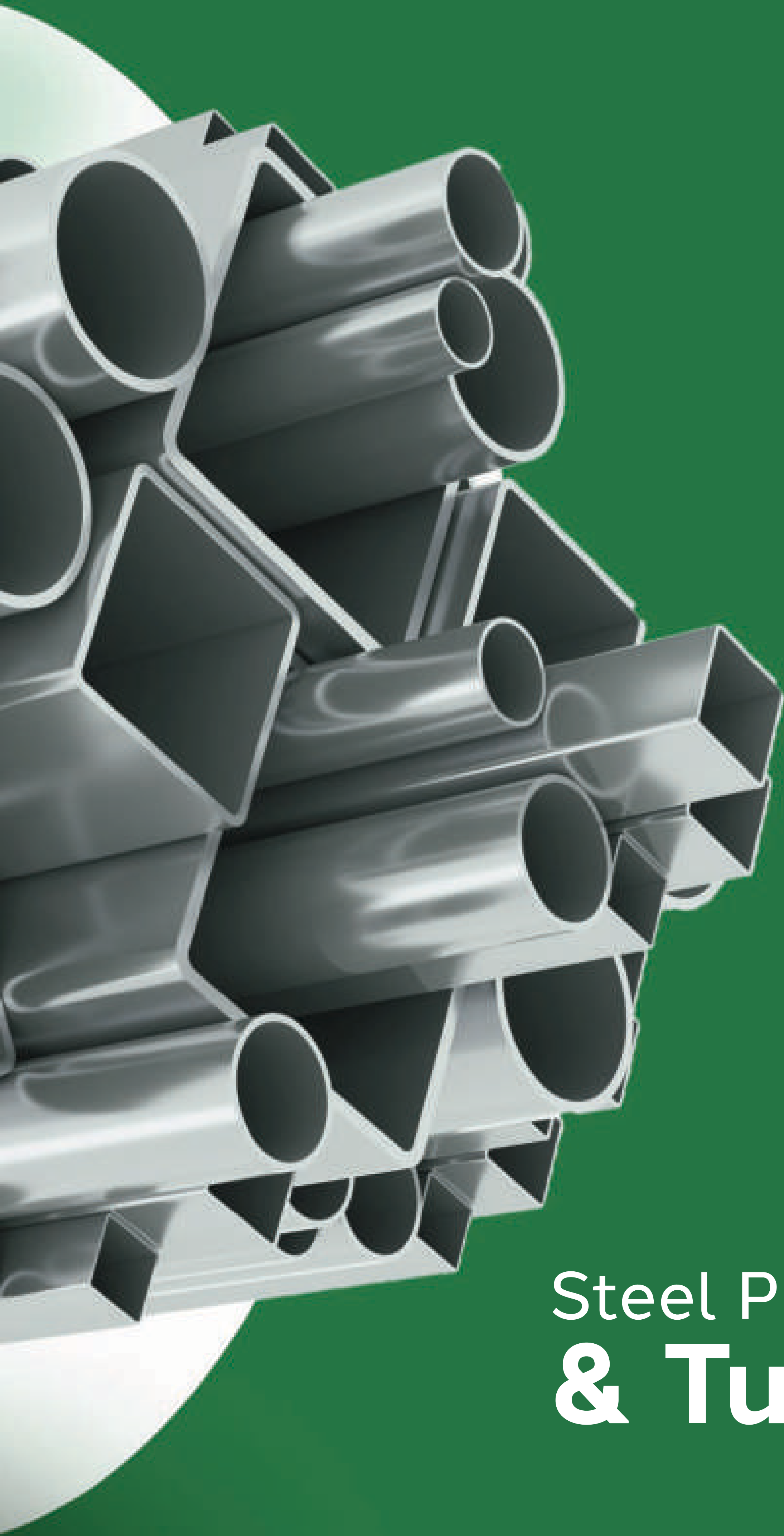
The Company's key export markets are Australia, North America, Europe, the United Kingdom, Southeast Asia, and the Middle East.

Key Products & Services

International Industries is widely recognized as Pakistan's leading brand of pipes and tubes across various business segments. These comprise of:

1. Steel Pipes & Tubes
2. Stainless Steel Tubes
3. Polymer Pipes & Fittings
4. Engineering Solutions





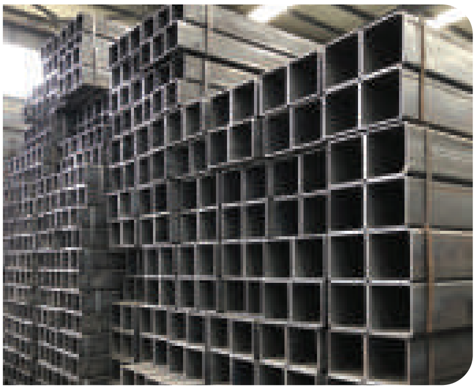
Steel Pipes **& Tubes**

Steel Pipes & Tubes

Galvanized Iron (GI) Pipes
GI pipes are corrosion and rust-resistant pipes that are ideal for the transmission of potable water, natural gas, oil, and other fluids. They are also used in fencing, hand pumps, low-cost shelters, and general fabrication.

They are certified to European Conformity Standards (CE) and are manufactured in accordance with the highest applicable international standards (BS EN 10255: 2004, ASTM A53, ASTM A795, EN39, SLS829:2009, AS 1074, AS 4792).

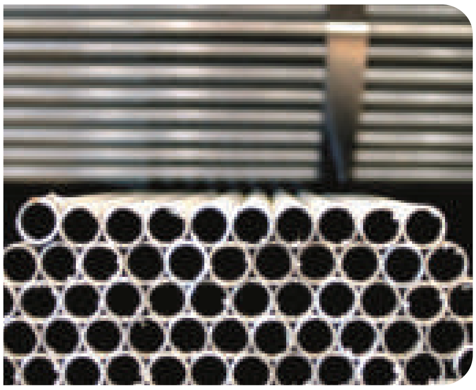
They are available in nominal diameters from 15mm (1/2”) to 200mm (8”) and in thicknesses ranging from 1.60mm to 5.40mm.



Hollow Structural Sections (HSS) , MS & Black Pipes
These pipes is ideal for the construction of buildings, bridges, pedestrian walkways, stadiums, and many other structures.

They are made in accordance with the highest applicable international quality standards (BS EN 10219, ASTM A53, A500 & A252).

They are available in round, square and rectangle shapes with thicknesses ranging from 1.65mm to 12.70mm.



Cold Rolled (CR) Steel Tubes
CR steel tubes are predominantly used in the automotive, motorcycle, bicycle, and transformer industries and in the manufacturing of fans, furniture, tents, and other mechanical and general engineering items.

They are certified to European Conformity Standards (CE) and are manufactured in accordance with the highest applicable international standards (BS 1717: 1983, BS EN 10305-3: 2010, BSEN 10305-5: 2010 and EN 10296-1:2003).

They are available in round, square, rectangle, oval, and elliptical shapes in various sizes with thicknesses ranging from 0.60mm to 2.00mm.

Scaffolding Pipes
Our high-strength scaffolding pipes can be applied for scaffolding use in all types of construction projects.

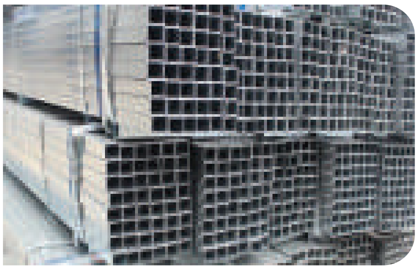
They are manufactured in accordance with BS EN 39:2001 which is the highest applicable international quality standard for such pipes.

They are available in galvanized and black forms with an outer diameter of 48.30mm in Types 2, 3, and 4.

Firefighting Pipes
firefightin pipes are ideal for specialized water transmission (high pressure, chemical liquids, extreme temperature steam, water, and gas).

They are certified by European Conformity Standards (CE) and Underwriters Laboratories (UL) and are manufactured in accordance with the highest applicable international standards (ASTM A53 Sch. 40 Grade A and B and ASTM A795).

They are available in nominal diameters of 1/2" to 12" with thicknesses ranging from 2.77mm to 10.31mm.



Pre-Galvanized (PG) Tubes
PG tubes have a variety of uses in general fabrication including fence framework and are manufactured in accordance with BS EN10305-3 standard.

They are available in round, square, and rectangle shapes and thicknesses ranging from 0.80mm to 1.50mm.

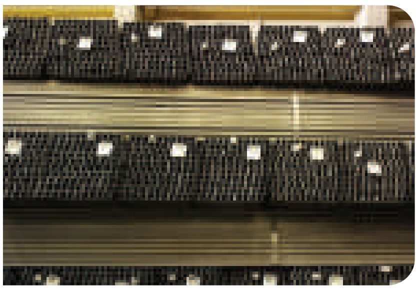
HRS Tubes
HRS tubes are ideal for straight use and are most commonly used in the fabrication of gates, grills, railings, light bedsteads, and other furniture.

They are available in various thicknesses ranging from 0.90mm to 1.80mm.

API (American Petroleum Institute) Line Pipes
II API Line pipes are used in the distribution of natural gas and petroleum.

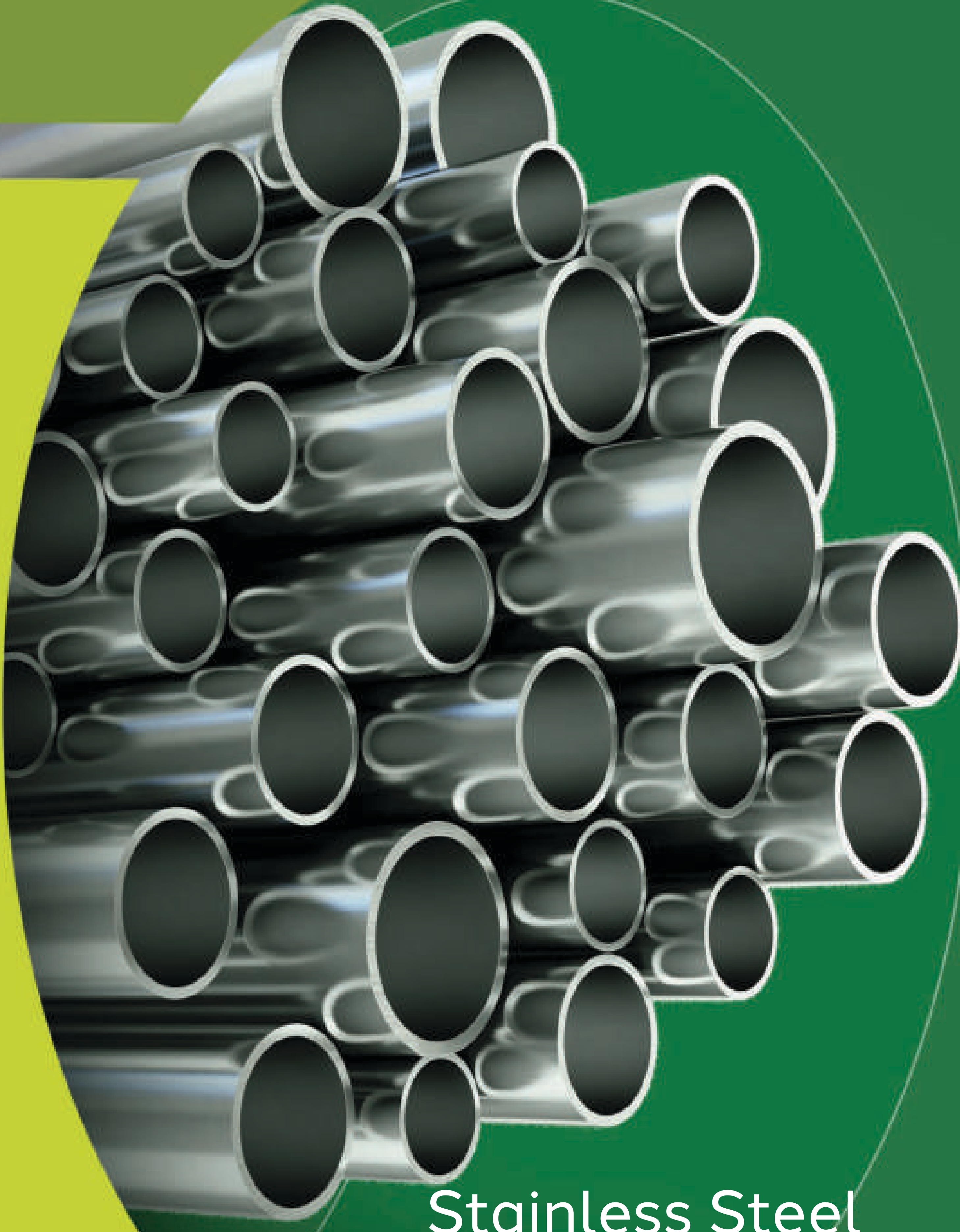
They are available in PSL1 and PSL2 specifications made in accordance with API Monogram and API Specification under license 5L-0391 and 5L-1104.

They are available in diameters ranging from 3/4" to 12 3/4" with lengths ranging from 6.00m to 12.20m.



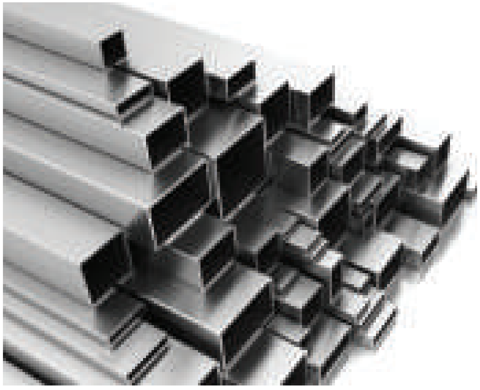
L-T-Z-D Profiles
L-T-Z-D profiles are used in the fabrication of doors, windows, gates, and railings.

These profiles are available in various sizes with thicknesses ranging from 0.70mm to 1.20mm.



Stainless Steel **Tubes**

Stainless Steel Tubes



Cosmo (SS Grade 300 Series)
Cosmo tubes are rust-resistant,premium inless-steel tubes that can be used in a variety of ornamental applications.

Cosmo tubes are made in accordance with ASTM A240 & A554 and JIS G-4305 standards. They are available in round, square, and rectangular shapes in various sizes with thicknesses ranging from 0.80mm to 1.50mm. These tubes are available in bright, satin/euro, and hairline surface finishes

Econic (SS Grade 200 Series)
Econic tubes are economical-grade stainless steel tubes that can be used in indoor applications and non-coastal environments.

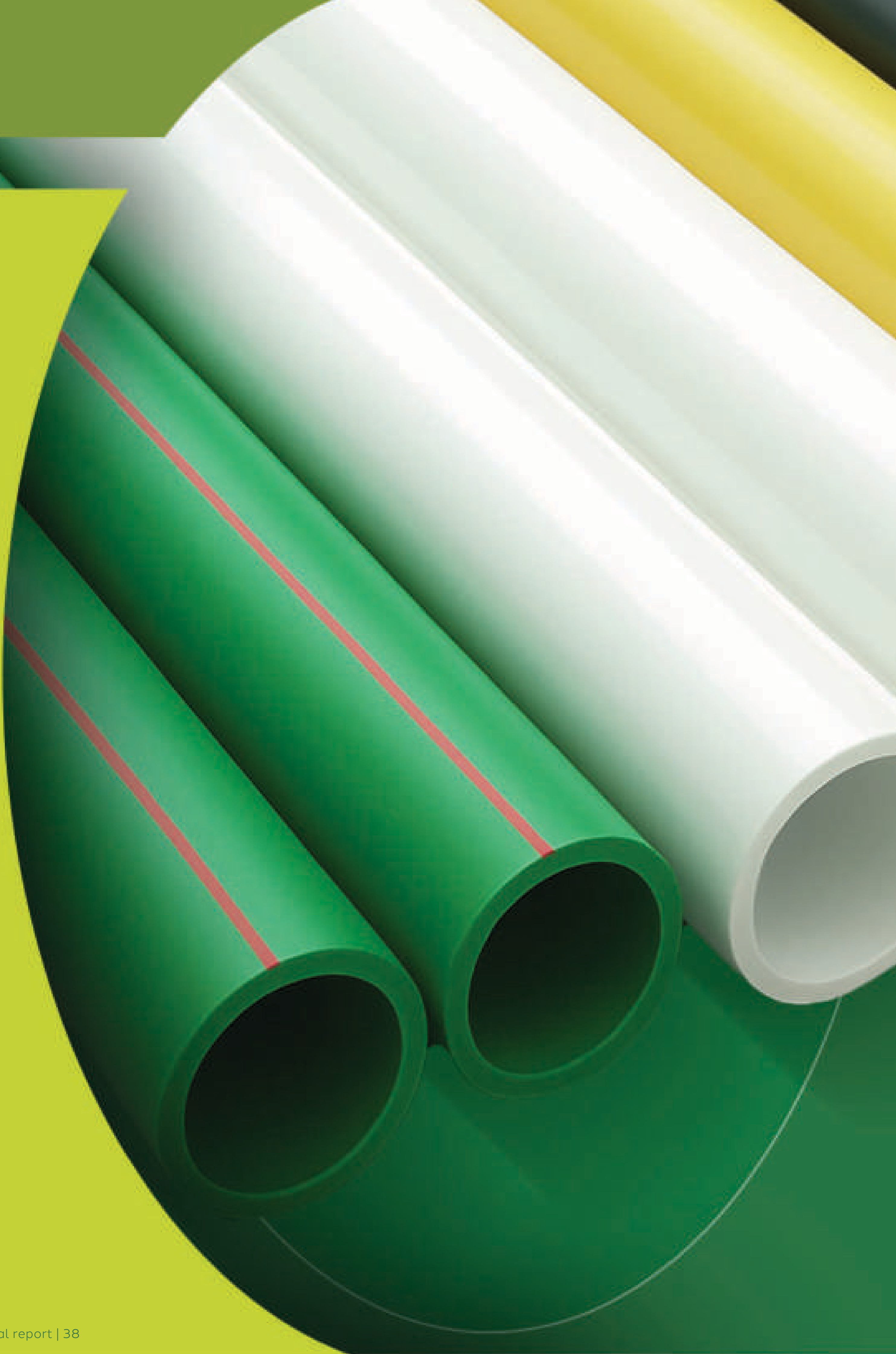
Econic tubes are made in accordance with ASTM A240 and A554, JIS G-4305 standards.

They are available in round, square, and rectangular shapes in various sizes with thicknesses ranging from 0.80mm to 1.50mm. These tubes are available in bright, satin/euro, and hairline surface finishes

Forza (SS Grade 400 Series)
Forza tubes are manufactured for use in automotive exhausts, trims, frames, and mufflers as well as home hot water systems

Forza tubes are manufactured in accordance with ASTM A240 and A554 standards.

They are available in diameters ranging from 12.00mm to 63.50mm with thicknesses ranging from 0.80mm to 1.50mm.



Polymer Pipes
& Fittings

Polymer Pipes & Fittings

PPRC Pipes & Fittings
PPRC pipes and fittings are ideal for the transmission of hot and cold water in all residential, commercial, and industrial settings.

PPRC pipes and fittings are manufactured in accordance with the highest applicable international quality standards (DIN 16962, DIN 8077, DIN 8078) and are PSQCA-certified PPRC pipes and fittings

These pipes are available in PN-16, PN-20, and PN-25 standards with diameters ranging from 20mm to 110mm and thicknesses ranging from 2.80mm to 18.30mm, making the PPRC range the widest range of PPRC pipes in Pakistan.

UPVC Pipes & Fittings
UPVC Pipes & Fittings are excellent at fulfilling the needs of customers for sewerage, soil, waste, and vent systems and are manufactured on state-of-the-art automatic machinery with standardized raw material formulations.

They are available in Medium Grades M, G1, G2, G3, SDR, and Pressure Class with diameters ranging from 2 inches to 8 inches and thicknesses ranging from 1.60mm to 5.00mm.

MDPE Gas Pipes
MDPE gas pipes are used for the distribution of natural gas, Liquefied Petroleum Gas (LPG), and other gaseous fuels

MDPE gas pipes are made in accordance with the highest applicable international quality standards (BGC/PS/PL2: Part 1, ISO 4437 and ASTM D-2513).

They are available in PE-80, PE-100, and SDR 7-17.6, with diameters ranging from 20.00mm to 250.00mm and thicknesses ranging from 1.00mm to 22.70mm.

HDPE Water Pipes

HDPE water pipes are used in municipal and industrial applications and provide a safe and corrosion-free piping system for transporting potable water and other liquids.

HDPE water pipes are made in accordance with the highest applicable quality standards (DIN 8074/75, ISO 4427) and are PSQCA certified

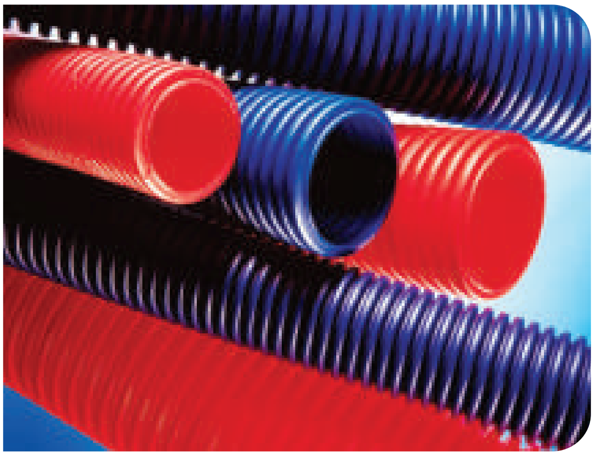
They are available in Grade-80 (PN 08), Grade-100 (PN 08, PN 10, PN 12.5, PN 16, and PN 20) with diameters ranging from 20.00mm to 1600.00mm and thicknesses ranging from 1.90mm to 94.10mm. At 1600.00mm in diameter, the Company manufactures the largest HDPE pipe in Pakistan.

HDPE Duct Pipes

HDPE duct pipes are used to provide a ducting sheath for fiber optic and telecom cables.

HDPE duct pipes are made in accordance with the highest applicable international quality standards (ASTM D638, ISO 1183, ASTM F-2160, ISO 2505, Bell Core GR-456).

They are available in diameters ranging from 12.00mm to 250.00mm with thicknesses ranging from 1.90mm to 27.90mm.



HDPE CorruDuct Pipes

HDPE CorruDuct pipes are corrugated structural wall ducts with the advantages of lightweight and high flexibility. They are used to provide a ducting sheath for fiber optic and telecom cables.

HDPE CorruDuct pipes are made in accordance with the highest applicable international quality standards (ASTM D638, ISO 1183, ASTM F-2160, ISO 2505, Bell Core GR-456). These pipes are available in diameters ranging from 20.00mm to 50.00mm with thicknesses ranging from 0.40mm to

Engineering **Solutions**

Engineering Solutions

Construction Solutions

Comprehensive construction support with expertise in modular scaffolding, shoring systems, and formwork tailored for safe and efficient project delivery. Our offerings include complete Pre-Engineered Metal Building (PEMB) structures, covering the entire scope from design to execution, along with integrated MEP solutions. We are also excelling in light pole manufacturing, delivering outstanding results across both local and international markets.

Renewable Energy

We provide robust and reliable renewable energy structures designed to meet international standards and withstand demanding environments. Our solutions support solar and wind projects, delivering durability, efficiency, and long-term value. By enabling businesses to lower energy costs and reduce their environmental footprint, we contribute to the broader goal of sustainable development and clean energy adoption in Pakistan. With a focus on innovation and quality, our Renewable Energy solutions are helping shape a greener and more resilient future.

Agri Solutions

Our Agri Solutions are tailored to meet the evolving needs of Pakistan's growing corporate farming sector. Leveraging modern engineering practices, we offer advanced irrigation, storage, and structural solutions that enhance productivity, improve operational efficiency, and support sustainable agricultural growth. By bringing innovation and reliability to farming infrastructure, we help agribusinesses scale up operations while maintaining quality and environmental responsibility.

Material Handling Solutions

Our Material Handling Solutions are designed to optimize the movement, storage, and flow of goods across diverse industries. From warehousing to logistics, we provide engineered systems that improve efficiency, reduce costs, and enhance workplace safety. Backed by our technical expertise and industry knowledge, these solutions ensure businesses can manage their supply chains with greater reliability and resilience, ultimately supporting growth in an increasingly competitive environment.

IIL Trading Pvt. Limited

IIL Trading Pvt. Limited

The Company has established a new subsidiary, IIL Trading Pvt. Limited, which acts as a business development hub to introduce and represent reputable overseas industrial brands in Pakistan. Through this subsidiary, the Company is representing the following brands for distribution of their products throughout Pakistan:

1) Fischer – Over 14,000 products including electrical fixings, nylon and steel fixings, chemical fixings, b and accessories, construction chemicals, machine accessories, fire protection, and screws
2) Brenntag - Oil & Gas specialty chemicals.
3) Milwaukee - Power Tools, Accessories, Hand Tools, Storage, and related Spare Parts.
4) Mapei – Chemical products for the building industry.

Global Brands

fischer | Milwaukee | BRENNTAG | MAPEI

Legislative and Regulatory Environment

International Industries operates within a complex legislative and regulatory environment. Understanding and compling with these regulations is the core for maintaining operational integrity, legal compliance, and competitive advantage. Below is an overview of the key legislative and regulatory aspects with which we comply:

1. Industry-Specific Regulations

- **Steel Industry Regulations:**

  - **Environmental Compliance:** Regulations governing emissions, waste management, and environmental impact are stringent. Compliance with standards such as the Environmental Protection Agency (EPA) guidelines and local environmental regulations is mandatory.

  - **Safety Standards:** The steel industry is subject to occupational health and safety regulations to ensure worker safety. Compliance with standards set by organizations such as OSHAS (Occupational Safety and Health Administration Systems) is required.

- **Trade Regulations:**

  - Import/Export Controls: Regulations governing the import and export of steel products, including tariffs, trade agreements, and customs procedures, affect cross-border trade. Adherence to international trade agreements and local customs laws is essential.
  - Product Standards: Compliance with international standards for quality, such as those set by BSEN, ASTM, API, ISO and others, is necessary to meet market expectations.

2. Corporate Governance and Compliance

- **Corporate Law:**

  - Companies Act Compliance: Adherence to corporate governance standards as defined by the Companie Act, which governs company registration, management, and reporting requirements.
  - Disclosure and Transparency: Requirements for financial reporting, audit processes, and corporat disclo sures are enforced to ensure transparency and protect shareholder interests.
- **Ethical Practices:**
  - Anti-Corruption Laws: Compliance with anti-corruption and anti-bribery laws to prevent unethical practices and ensure fair dealings.
  - Data Protection: Adherence to data protection regulations such as the General Data Protection Regulation (GDPR) or local data privacy laws to safeguard customer and employee information.

3. Environmental and Sustainability Regulations

- **Environmental Protection:**

  - Pollution Control: Regulations related to air and water pollution control, including limits on emissions and discharge, is followed.
  - Waste Management: Compliance with waste disposal and recycling regulations to manage industrial by-products and reduce environmental impact.

- **Sustainability Reporting:**
  - ESG Requirements: Reporting obligations related to environmental, social, and governance (ESG) factors to demonstrate sustainability and ethical practices.

4. Labor and Employment Laws

- **Labor Standards:**
  - Employment Rights: Compliance with local labor laws concerning wages, working conditions, and employee rights.
  - Health and Safety: Adherence to occupational health and safety regulations to ensure a safe working environment.

- **Union Regulations:**
  - Collective Bargaining: Compliance with laws related to employee unions, collective bargaining agreements, and labor disputes.

5. Financial Regulations

- **Fiscal:**
  - Corporate Tax Compliance: Adherence to corporate tax laws, including the filing of tax returns and payment of taxes in accordance with FBR.

Navigating the legislative and regulatory environment is critical for the Company's operations. Compliance with industry-specific regulations, corporate governance standards, environmental laws, labor and employment rules, and financial regulations ensures legal adherence and supports sustainable business practices. Staying informed and proactive in addressing regulatory changes is essential for maintaining operational efficiency and achieving long-term success.

Amir S. Chinoy Group

The Amir S. Chinoy Group (ASC Group) has been at the forefront of Pakistan's industrial development since the founding of the country 78 years ago. Our founder, Mr. Amir S. Chinoy, a pioneer of industrialization in Pakistan, laid the foundation of the ASC Group by setting up manufacturing concerns in heavy chemicals (Pak Chemicals Ltd, 1951), steel, and galvanized pipes (International Industries Limited, 1948) and electrical wires and cables (Pakistan Cables Limited, 1953). His commercial interests also extended to trading, electrical contracting, and the representation of major European and international companies in South Asia. As a flag bearer of determination and innovation, the group later invested in a green field project for the manufacture of Cold Rolled, Galvanized and Colour Coated steel coils and sheet (International Steels Limited, 2007).

Today, the ASC group is one of the leading industrial groups in Pakistan with proven expertise in manufacturing, trading, and industrial services. The member companies enjoy a credible export pedigree with combined export revenues of Rs. 15 billion. ASC Group's growing global footprint is further represented by an on-ground presence in Australia, Canada, and Europe through its wholly owned subsidiaries IIL Australia Pty. Ltd., IIL Americas Inc., and INIL Europe Ltd., which collectively contribute Rs. 2.3 billion in export revenues. In addition, the Group operates IIL Trading Pvt. Ltd. in Pakistan, a premium trading company representing globally renowned brands such as Milwaukee, Fischer, Mapei, and Brenntag. In Pakistan, the ASC group has an extensive distribution network through 2,600 outlets in 500 cities and towns across the country. Recently, in 2024, Chinoy Engineering and Construction (Pvt.) Ltd. (CECL), an associate company of International Industries Limited, Pakistan Cables Limited and International Steels Limited, was established to explore business opportunities in construction projects. CECL successfully entered into a contract with the Reko Diq Mining Company to design and construct a Permanent Accommodation Camp at Reko Diq Copper Gold Mines, Baluchistan.

The broad range of products manufactured by the Group companies includes:

- Cold Rolled Steel
- Galvanized Steel
- Colour Coated Steel
- Steel Pipes (CR, HR, Galvanized, Stainless Steel)
- Polymer Pipes (UPVC, PPRC, PE)
- Hollow Structural Sections (Steel)
- Scaffolding Systems and Formwork
- Flat Steel Sheets, Profiles & Purlins
- Electric Wires & Cables (LV & MV)
- Electric Overhead Conductors of Aluminium & Copper
- Special Cables, Solar Cables
- PVC Compound
- Copper Rod
- Aluminum Rod
- Wiring Accessories

Member companies of the ASC group have attached international equity partners of repute, which have further enriched their technical expertise and best practices. Leading equity partners associated with member companies include:

- British Insulated Callender's Cable (BICC), UK.
- Doogood, Australia.
- General Cables, USA.
- JFE Steel Corporation, Japan.
- Sumitomo Corporation, Japan.
- International Finance Corporation (IFC), USA.

Group Highlights

116
PKR in Billion Sales Turnover

72
PKR in Billion Market Capitalisation

26
PKR in Billion Contribution to National Exchequer

15
PKR in Billion Export Sales

374,000
(Metric Tons) Total Metals Produced

72
Years of Production

2,100+
Number of Employees

60
Number of Export Destinations (including USA, Canada, Europe)

500
Geographical Footprint in Pakistan (Cities & Towns)

2,600
Number of Dealers/Distributors

*As on FY ending 30th June 2025

Member Companies

ASC AMIR S. CHINOY GROUP

International Industries	Pakistan Cables	International Steels Limited	Chinoy Engineering & Construction (Private) Limited
Incorporated in 1948 Listed on PSX since 1984 Credit Rating AA/A-1	Incorporated in 1953 Listed on PSX since 1955 Credit Rating A/A-1	Incorporated in 2007 Listed on PSX since 2011 Credit Rating A+/A-1	Incorporated in 2024
Product Lines: Steel Pipes and Tubes Polymer Pipes and Fittings Stainless Steel Tubes Engineering Solutions	**Product Lines:** Wires and Cables Conductors, Aluminium Rods, Wiring Accessories Copper Rod PVC Compounds	**Product Lines:** Cold Rolled Steel Hot Dip Galvanized Steel Color Coated Steel	**Services:** Contracting services in the construction and engineering industry
25 PKR Billion Turnover (2024 - 2025)	**29** PKR Billion Turnover (2024 - 2025)	**62** PKR Billion Turnover (2024 - 2025)	

international™ industries
built on trust

PAKISTAN CABLES
TRUSTED NOT TO COMPROMISE

ISL International Steels Limited
Shaping Tomorrow

CHINOY
ENGINEERING & CONSTRUCTION (PRIVATE) LIMITED

Highlights of the ASC Group member companies' events

ASC Group Participates in Saudi Build Expo 2024

ASC Group companies participated in the Saudi Build, expo to explore the region's largest building and infrastructure market at the 34th International Trade Exhibition for Construction Materials and Building Technologies held at Riyadh International Convention & Exhibition Center during November 4-7, 2024.

ASC Group Participates in IAPEX Lahore 2024

ASC Group companies participated in IAPEX Lahore, held at the Lahore Expo Centre from November 1 to 3, 2024, showcasing their commitment to innovation and industry leadership. Pakistan Cables featured its Wiring Accessories portfolio, International Industries displayed its comprehensive range of steel tubes and pipes and International Steels presented its latest galvanized and cold-rolled steel products. The exhibition provided a valuable platform to engage with industry stakeholders, strengthen brand visibility, and reinforce group's position as a leader in Pakistan's industrial landscape.

ASC Group Participates in Pakistan Minerals Investment Forum 2025

ASC Group participated in the Pakistan Minerals Investment Forum 2025, a premier platform showcasing the country's potential in the minerals and mining sector. Among the Group's highlights was CECL (Copper & Energy Company Limited), a sister company, which drew signifi ant attention for its growing role in Pakistan's resource development landscape.

The event offered a valuable opportunity to present the Group's vision, explore strategic partnerships, and reinforce our commitment to contributing to the nation's industrial and energy advancement.

ASC Group Marks Pinktober

ASC Group organized a Breast Cancer Awareness event, featuring special guests, Dr. Bushra Maham Amin from Shaukat Khanum Hospital, cancer survivor Aysha Jamil, and former First Lady Begum Samina Arif Alvi. The informative session helped the attendees learn more about the symptoms, prevention, and treatment of breast cancer.

2nd Amir Sultan Chinoy Women's Tapeball Cricket Tournament 2024

The 2nd Amir Sultan Chinoy Women's Tape-ball Cricket Tournament, held in December 2024, was a signifi ant milestone in the ASC Group's commitment to promoting diversity, equity, inclusion, and collaboration across its member companies. The tournament featured 42 enthusiastic women participants, with Tectonic Titans (International Industries), Electric Eagles (PCL), and Steel Strikers (ISL) teams embodying the spirit of sportsmanship and empowerment. Tectonic Titans (International Industries) claimed the championship title in an electrifying fi al, capping of a successful two-day event that celebrated unity and progress on and off the fie d.

ASCF Sports Collaboration

Under a multi-year sponsorship agreement by the Amir S. Chinoy Foundation, the ASC Group is proud to support Sana and Saif Bahader — two exceptionally talented squash athletes who continue to break barriers.

Despite being classifie as Persons with Disabilities (PWDs), their unwavering determination and remarkable skill embody the spirit of Pakistan's resilient youth. This collaboration ref ects our commitment to inclusivity and aims to elevate their talent — and Pakistan's squash legacy — onto the global stage.

ASCF Supports Water Filteration Plant in Dharasar Umarkot

ASCF in collaboration with Zaman Foundation installed a water fi tration plant in Dharasar village, Umar Koth, to provide access to clean drinking water access to the local community. Dharasar is a remote desert village located 65km from Umarkot, home to over 600 residents across 350+ households. The predominantly Hindu Community faces limited infrastructure and essential services access.

Emerge Incubation Centre Completed Cohort III

Emerge completed its COHORT III pitch deck round in which 30 highly promising incubates were meticulously selected, setting the stage for a dynamic and competitive cohort. Emerge is Pakistan's fi st TVET based incubation centre for the underprivileged youth, set up by the Amir Sultan Chinoy Foundation in collaboration with the Hunar Foundation with the intent to promote entrepreneurial skills among them.

Our
Presence

Domestic Presence

International Industries has established itself as a cornerstone of Pakistan's industrial landscape, with a significant domestic presence that spans the length and breadth of the country. The Company's commitment to quality, innovation, and customer satisfaction is deeply embedded in its operations, ensuring that it serves the local market with the same dedication that has earned it international acclaim.

Headquarters and Production Facilities:
The Company's corporate headquarters are strategically located in Karachi, the commercial and industrial hub of Pakistan. From this central location, we oversee and manage our extensive operations across the country, ensuring that our strategic vision is effectively implemented at every level of the organization.

The Company's manufacturing strength is anchored by three state-of-the-art production facilities, two of which are located in Karachi and a third in Sheikhupura. These facilities are equipped with the latest technology and adhere to the highest international standards of production. This allows the Company to meet the diverse needs of its domestic market while maintaining the quality and reliability that customers have come to expect from the Company. The strategic placement of these facilities enables the Company to efficiently manage production and logistics, ensuring the timely delivery of its products to customers across the country.

Regional Offices:
To provide comprehensive coverage and support to its customers, the Company has established regional offices in all major urban centers of Pakistan. These offices serve as vital points of contact for the clients, offering localized support and ensuring that the Company remains closely connected to the needs of the market. The regional offices are located in:

- Karachi: Serving as both the corporate headquarters and a key regional hub, the Karachi office plays a pivotal role in managing the operations across the southern region of Pakistan.
- Lahore: As the heart of Pakistan's economic and cultural activity, the Lahore office caters to the central region, providing essential support to industries and businesses throughout Punjab.
- Islamabad: The office in Islamabad enables the Company to efficiently serve the northern region, including the twin city of Rawalpindi and the surrounding areas.
- Peshawar: Located in the northwest, the Peshawar office allows the Company to maintain a strong presence in Khyber Pakhtunkhwa, supporting the region's growing industrial and construction sectors.
- Multan: The Multan office serves the southern Punjab region, providing tailored solutions and support to the agricultural and industrial sectors that are the backbone of the local economy.

IILTrading Display Centres:
IILTrading, a newly established subsidiary of International Industries Limited, serves as a dedicated business development hub to introduce and represent globally renowned industrial brands in Pakistan. With a growing domestic footprint, IILTrading is actively distributing a diverse portfolio of premium products, including Fischer's extensive range of fixings and construction solutions, Brenntag's specialty chemicals for the oil and gas sector, Milwaukee's professional-grade power tools and accessories, and Mapei's chemical products for the building industry. To support its outreach and customer engagement across the country, IILTrading has established display outlets in **Karachi, Lahore, and Islamabad**, ensuring nationwide accessibility and fostering stronger connections with industrial and commercial customers.

Distribution and Retail Network:
International Industries' extensive distribution and retail network is a testament to its commitment to ensuring that the products are readily available to customers across Pakistan. With over 1,500 customers, the network serves more than 200 cities and towns nationwide, effectively covering both urban and rural areas. The Company's distribution system is meticulously organized into 5 regions and 20 territories, allowing it to manage its operations efficiently and deliver its products with precision

This robust network not only ensures the widespread availability of the products but also supports the customers by providing them with the resources and assistance they need to succeed. The network's reach extends to every corner of the country, making International Industries a trusted and reliable partner for businesses and industries throughout Pakistan.

Global Presence

At International Industries, the commitment to excellence and innovation has allowed it to establish a truly global presence, reflecting its foresight in being a world-class manufacturer and supplier of steel and polymer pipes, tubes, and fittings. Th Company's products are trusted in over 60 countries across 6 continents, making the Company a significant player on the international stage.

Expanding Our Global Footprint

Over 1 Million Tons of Exports to Date:
The journey towards becoming a globally renowned player is marked by the milestone of exporting over 1 million tons of products worldwide. This achievement underscores the Company's ability to meet therigorous demands of international markets, where quality, reliability, and consistency are paramount.

Presence in Key Markets:
As a truly international company, International Industries has strategically established on-ground operations in several key markets, including Australia, Canada, Ireland, and Sri Lanka. These locations serve as critical hubs for our operations, enabling us to respond swiftly to the needs of our customers and ensure the timely delivery of our products.

Australia: IIL Australia Pty Limited is a wholly owned subsidiary in Melbourne, Australia, plays a vital role in epresenting the Group's interests across the Asia-Pacific region. This presence allows the Company to tap into one of the world's most dynamic markets, characterized by a high demand for quality infrastructure and industrial products.

Canada: IIL Americas Inc. is a wholly owned subsidiary in Toronto, Canada, serves as the cornerstone of ou operations in North America. This strategic positioning allows the Company to cater to the complex and diverse needs of the North American market, offering customized solutions that meet the highest standards of quality and performance.

Ireland: INIL Europe Limited is a wholly owned subsidiary in Dublin, Ireland, which plays a vital role in representing the Group's interest in the European Market.

Sri Lanka: The Company's operations in Sri Lanka enable the Company to strengthen our presence in South Asia, providing us with a platform to serve emerging markets with significant growth potential

Preferred Supplier in Global Markets

Proven Quality:
The Company's reputation for producing high-quality products that meet international standards has been a key driver of our global success. Our adherence to stringent quality controls and certifications, such as ISO 9001, ISO 14001, ISO 45001, API 5L, PSQCA, UL, and CE, ensures that our products are trusted by customers worldwide, whether in advanced economies or emerging markets.

Strong Supply Chain:
The robust supply chain capabilities enable the Company to efficiently manage the complexities of global logistics, ensuring that the products reach customers on time, every time. By leveraging state-of-the-art technology and strategic partnerships with leading logistics providers, the Company maintains a seamless flow of products across borders, adapting to the unique requirements of each market.

Dedicated Customer Service:

At International Industries, customer satisfaction is at the core of its operations. The dedicated customer service teams are equipped with the knowledge and expertise to provide personalized support, ensuring that the clients receive the best possible solutions tailored to their specific needs. This commitment to customer service has earned us the loyalty and trust of clients around the world, positioning the Company as a preferred supplier in both advanced and conventional export markets.

Recognition and Accolades

Export Performance Awards:
The Company's excellence in international trade has been recognized with the prestigious FPCCI Export Performance Award for 24 consecutive years. This accolade is a testament to the Company's unwavering commitment to delivering superior products and services to its global clientele.

Strategic Global Partnerships:
The Company's memberships in esteemed associations such as the International Tube Association (ITA), the Galvanizers Associations of Australia (GAA), the Australian Wire Industry Association (AWIA), and the Canadian Fence Association (CFA) further enhance the global standing. These affiliations enable the Company to stay at the forefront of industry trends and best practices, ensuring that the Company continues to meet the evolving needs of its customers worldwide.

The Company's global presence is a cornerstone of its success, allowing the Company to connect with customers around the world and deliver the high-quality products and services they expect. As the Company continues to grow and expand, these subsidiaries will play a crucial role in its strategy to enhance the Company's global footprint, strengthen customer relationships, and drive long-term value for the Company's stakeholders. The Company is committed to pursuing new opportunities, embracing innovation, and maintaining its name in the global steel manufacturing industry.

Milestones

Since its inception in 1948, International Industries has journeyed through decades of transformation, growth, and innovation, marked by definin milestones that ref ect our resilience and forward vision. From our earliest foundations to becoming a diversified, globally recognized industrial leader, each achievement captures our relentless pursuit of excellence, commitment to stakeholders, and readiness to embrace change. The following milestones stand as testaments to our enduring legacy and our determination to shape a stronger, more sustainable future.

1948
Established as Sir Sultan Chinoy & Company

1949
Incorporated as International Industries Limited and sponsored Pak Chemicals Limited

1953
Pakistan Cables Limited formed in a joint venture with BICC UK

1984
Converted to a public limited company and ...... on the Karachi Stock Exchange

1992
Turnover crossed Rs. 1 Billion

2007

Commenced project to produce Cold Rolled & Galvanized Steel Flat Products which later was Hive-downed as ISL

2013

Turnover crossed Rs. 20 billion.

2014

IIL Australia Pty Limited formed

2020

IIL Americas Inc. formed

2025

Launch of refreshed brand identity and new vision, mission, and values

Completion of 4 MW solar project at our Factories across Pakistan

Formation of INIL Europe Limited and IILTrading Pvt Limited

built on trust

Awards and Accolades

The Company is proud to have received numerous awards and accolades from renowned institutions over the years.

Year	Awards and Accolades
2025	**Gold Recognition Award at the 5th Women Empowerment and Gender Equality Awards 2025, organized by the Employers' Federation of Pakistan (EFP).** Top 25 Companies Award by the Pakistan Stock Exchange (PSX). Certificate of Excellence by the Management Association of Pakistan (MAP) Certificate of Merit for the Best Corporate Report by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP). Risk Based Fire Safety Award from Fire Protection Association of Pakistan 18th Best Practices Award in Occupational Safety and Health (OSH) by Employer Federation of Pakistan award
2024	Employer of the Year Award (Gold Recognition in the National Category) by the Employers Federation of Pakistan (EFP). Top 25 Companies Award by the Pakistan Stock Exchange (PSX). Certificate of Excellence by the Management Association of Pakistan (MAP) CSR Awards 2024 in the 'Green Energy' Category by the National Forum for Environment & Health NFEH). OHSE Best Practices Award by the Employers Federation of Pakistan (EFP). Risk-Based Fire Safety Excellence Award 2023 by the Fire Protection Association of Pakistan (FPAP). Supplier Excellence Awards 2023 (Silver Award in the Innovation Champion Category) by K-Electric Best Export Performance Award for Export of Engineering Products - Mechanical by the Federation of Pakistan Chamber of Commerce and Industry (FPCCI) Certificate of Merit for the Best Corporate Report by the Institute of Chartered Accountants of Pak stan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).
2023	Certificate of Excellence by the Management Association of Pakistan in the Engineering category Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI
2022	Top 25 Companies Award by PSX Award for the Best Corporate Report 2021 by ICAP and ICMAP Certificate of Merit for the Best Sustainability Report 2021 by ICAP and ICMAP Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Certificat of Excellence at 37th Corporate Excellence Awards by MAP
2021	Top 25 Companies Award by PSX Award for the Best Corporate Report 2020 by ICAP and ICMAP Certificate of Merit for the Best Sustainability Report 2020 by ICAP and ICMAP Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI
2020	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Award for 2nd best stall at IAPEX Karachi 2019 Award for the Best Corporate Report 2019 by ICAP and ICMAP
2019	Top 25 Companies of Pakistan Award by PSX Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Award for the Best Corporate Report 2018 by ICAP and ICMAP Living the Global Compact Business Sustainability Award 2018
2018	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI City of Casey Best Business Award - Melbourne, Australia
2017	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Employ-ers' Federation of Pakistan OHSE Award Best Corporate and Sustainability Report Award jointly by ICAP and ICMAP Award for 2nd best stall IAPEX Karachi 2017
2016	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Employ-ers' Federation of Pakistan OHSE Award
2015	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Annual Environment Excellence Award by National Forum for Environmental Health (NFEH) Best Corporate and Sustainability Report by ICAP and ICMAP Employers' Federation of Pakistan OHSE Award Top 25 Companies of Pakistan Award by KSE Prime Minister's Export and Innovation Award

Year	Awards and Accolades
2014	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI
2013	Best Corporate and Sustainability Report Award by ICAP and ICMAP MAP 'Corporate Excellence Award' for the Industrial Metals and Mining Sector Award for 2nd best stall IAPEX Karachi 2013
2012	Top 25 Companies Award by KSE Best Presented Accounts South Asian Federation of Accountants Award for the year 2011 Best Corporate and Sustainability Report Award by ICAP and ICMAP (2nd overall for 2011). Best Corporate and Sustainability Report Award by ICAP and ICMAP (1st position in Engineering Sector) for 2011 Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Environment Excellence Award for 2011 from National Forum for Environment & Health.
2011	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Annual Environment Excellence Award by National Forum for Environmental Health (NFEH) Talent Triangle Award by Sidat Hyder Morshed Associates Good HR Practices Award by Sidat Hyder Morshed Associates Best Corporate and Sustainability Report Award by ICAP and ICMAP
2010	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Annual Environment Excellence Award by National Forum for Environmental Health (NFEH)
2009	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI CSR National Excellence Award by Help International Welfare Trust (HIWT) Annual Environment Excellence Award by the National Forum for Environmental Health (NFEH)
2008	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE Best Presented Accounts by South Asian Federation of Accountants (SAFA) Annual Environment Excellence Award by the National Forum for Environmental Health (NFEH)
2007	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2006	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE Best Corporate and Sustainability Report Award by ICAP and ICMAP
2005	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2004	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2003	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2002	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2001	Best Export Performance Trophy for Export of Engineering Products - Mechanical by FPCCI Top 25 Companies of Pakistan Award by KSE
2000	Merit Trophy for Export of Non-Traditional Items (Galvanized Steel Pipes) Top 25 Companies of Pakistan Award by KSE

Gold Recognition Award at the 5th Women Empowerment and Gender Equality Awards 2025, organized by the Employers' Federation of Pakistan (EFP).

Top 25 Companies Award
by the Pakistan Stock Exchange (PSX)

Certifi ate of Excellence
by the Management Association of Pakistan (MAP)

18th Best Practices Award in Occupational Safety and Health (OSH) by
Employer Federation of Pakistan award

Certifi ate of Merit for the Best Corporate Report by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

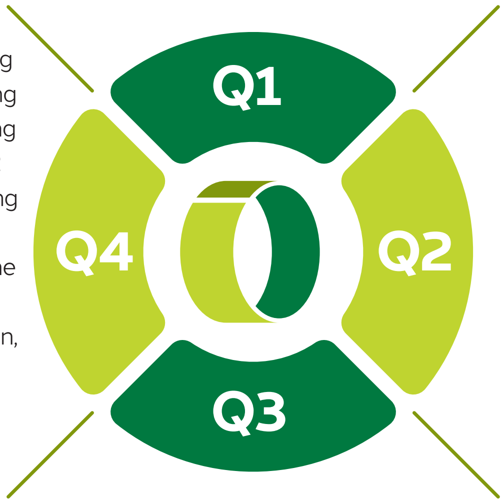
Risk-Based Fire Safety Excellence Award
by the Fire Protection Association of Pakistan (FPAP)

Significant Events

Significant Events

Quarter 1

- 371st Board of Directors Meeting
- Extraordinary General Meeting 2024
- 372nd Board of Directors Meeting
- 373rd Board of Directors Meeting
- 76th Annual General Meeting
- Corporate Briefing Session
- Digitalization of Performance Management System
- Launch of Women in Science & Engineering Program (WISE)
- Employee Engagement Survey
- Long Service Awards
- Brand Audit Research
- Pakistan Plumbing and Firefighting Expo 2024
- Pak-Industria Exhibition 2024



Quarter 2

- 374th Board of Directors Meeting
- Code of Conduct / Anti-Harassment Training
- Learning Needs Analysis Exercise
- 2nd ASC Group Women's Cricket Tournament
- Digital Media Campaigns
- Print Ads Campaign
- Pakistan Auto Show 2024
- IAPEX 2024
- Saudi Build 2024
- Build Asia 2024
- NESPAK Symposium 2024

Quarter 3

- 375th Board of Directors Meeting
- 376th Board of Directors Meeting
- HR for Line Managers Training
- Employee of the Year Award Ceremony
- Art Champs – Poster Competition
- Women's Day Celebration
- Dealer Engagement Events
- Plumber and Fabricator Engagement Events

Quarter 4

- 377th Board of Directors Meeting
- 378th Board of Directors Meeting
- 379th Board of Directors Meeting
- WISE Recruitment Drive Batch 2
- SMART Objective Setting Training
- Annual Performance Review
- Corporate website search-engine optimization
- Finalization of new Vision, Mission, Values, and Corporate Brand Identity

Certifications

STANDARD	DESCRIPTION	CERTIFIED BY	SINCE	LICENSE #
ISO 9001	Quality Management System	Lloyds Register Quality Assurance (United Kingdom)	1997	ISO 9001 – 0049981
ISO 14001	Environment Management System		2000	ISO 14001 – 0049980
ISO 45001	Occupational Health & Safety Management Systems		2000	ISO 45001 – 0049979
API Specification Q1 ® & 5L	FACTORY-1 Manufacturer of Line Pipe Plain End as PSL 1	American Petroleum Institute - API (United States)	2000	5L-0391
	FACTORY-2 Manufacturer of Line Pipe Plain End as PSL 1 & PSL 2		2016	5L-1104
BS EN 10255, BS EN10266	CE Mark for Hot Dip Galvanized ERW Carbon Steel Pipes	CNC Services (Germany)	2011	CNC/EEC/4112/11
BS EN 10296-1, BS EN 10305-5 & BS 1717	CE Mark for ERW Tubes from Cold Rolled Carbon Steel		2011	CNC/EEC/4113/11
BS EN 10219, BS EN 39, BS EN 10240, ASTM A-500, ASTM A-252, ASTM A-53, AS/NZS 1163 AS/NZS 4792	CE Mark for Cold-Formed Welded Structural Hollow Sections (HSS)		2018	CNC/EEC/4525/18
UL-852 ASTM 795	UL Certification (ERW & Galvanized Pipes for Fire Sprinkler System)	Underwriter Laboratories UL (United States)	2017	EX27362
UL-852 (UAE)	UL UAE Certification (Metallic Sprinkler Pipe For Fire Protection Service)	Underwriter Laboratories UL (United States)	2017	VIZY - EX27362
PS:4533-34	License for the use of Pakistan Standard Mark for PPRC Pipe - FACTORY-3	Pakistan Standards Quality Control Authority (PSQCA)	2018	CML/N/1287/2018
DIN 16962	License for the use of Pakistan Standard Mark for PPRC Fittings - FACTORY-3		2018	CML/N/1288/2018
PS:3580	Polyethylene Pipe for Water Supply "MEGAFLO" Brand		2015	CSDC/L-170/2015 (R)
ASTM A53	MS Pipe (Mild Steel Pipe) - FACTORY-1		2017	CSDC/L-205/2017 (R)
ASTM A53	MS Pipe (Mild Steel Pipe) - FACTORY-2		2017	CSDC/L-206/2017 (R)
SLSI	Sri Lanka Standards Institution	SLSI	2020	II/CME/72/RM-02

Code of Conduct

The Code of Conduct is applicable to the Board of Directors as well as all the employees of the Company and employees of local and overseas wholly-owned subsidiaries. Salient features of the Code of Conduct are as follows:

A. Business Ethics

i. The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings, showing respect for the interest of all stakeholders including its shareholders, employees, customers, suppliers, and society at large.

ii. The Company is dedicated to providing a safe and non-discriminatory working environment for all employees.

iii. The Company does not support any political party or contribute funds to groups whose activities promote political interests.

iv. The Company is committed to providing products that consistently offer value in terms of price and quality and are safe for their intended use to satisfy customer needs and expectations.

v. The Board of Directors and the management are committed to ensuring that the Company is a responsible corporate citizen and that business is carried out in a sustainable manner.

vi. The Company's operations shall be carried out with minimum adverse effects on the environment and produce quality products in a healthy and safe working environment.

vii. The Company as a responsible corporate citizen shall play its part in the betterment of society in the health and education sectors as a part of its Corporate Social Responsibility.

B. **Anti-harassment, Diversity, Equity, Inclusion and Belonging**

i. The Company is committed to providing an environment that is free from all forms of harassment, intimidation, bullying, ragging, discrimination, or exploitation. Each employee is responsible for fostering mutual respect and dignity and for refraining from conduct that violates this.

ii. The Company is dedicated to fostering a diverse, equitable, inclusive, and supportive environment where all individuals are valued and respected. Our focus is on principles of Equal Opportunity Employer and fostering an inclusive workplace that reflects gender diversity and equality.

C. **Conflicts of Interest**

i. Every employee should conduct his/her personal and business affairs in a manner such that neither a conflict nor the appearance of a conflict, arises between those interests and the interests of the Company.

ii. An employee should avoid any situation in which he or she, or a family member, might profit personally (either directly or indirectly) from the Company's facilities, its products, or relationships with its vendors or customers.

iii. An employee should not permit himself/herself (or members of his/her family) to be obligated (other than in the course of normal banking relationships) to any organization or individual with whom the Company has a business relationship. However, business lunches, dinners or social invitations, nominal giveaways, and attendance at conferences and seminars would not be considered a violation of this Code.

iv. In case an employee is offered or receives something of value that he/she believes may be questionable under this Code, he/ she should disclose the matter.

v. Conflicts of interest shall be avoided and promptly disclosed where they exist and guidance should be sought from supervisors.

D. Accounting Records, Controls and Statements

i. All books, records, accounts, and statements should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations and should be maintained accurately.

ii. Employees are expected to sign only documents or records which they believe to be accurate and truthful.

E. Environment

i. The Company is committed to carrying its business in an environmentally sound and sustainable manner and promoting the preservation and sustainability of the environment.

ii. All employees are required to adhere strictly to all applicable environmental laws and regulations that impact the Company's operations.

F. Regulatory Compliance

i. The Company is committed to making prompt public disclosure of 'material information' as prescribed by the Pakistan Stock Exchange Regulations if required.

ii. Where an employee is privy to information that is generally referred to as 'material inside information', the same must be held in strict confidence by the employee involved until it is publicly released or is no longer considered as 'material inside information'.

iii. Employees shall abide by applicable competition laws and shall not enter into understandings, arrangements or agreements with competitors that have the effect of fixing or controlling prices, dividing and allocating markets or territories or boycotting suppliers or customers.

G. Personal Conduct

i. All employees should conduct themselves with the highest degree of integrity and professionalism in the workplace or any other location while on company business.

ii. Employees shall be careful while dealing with personal or business associates and not disclose, divulge, or provide any information regarding the Company to anyone except where the same is used as a part of his/her official obligations and as required for official purposes and shall abide by the Closed Period announced by the Company from time to time and also sign a Non- Disclosure Agreement if the need arises.

iii. Employees should avoid any kind of bribery, extortion, and all other forms of corruption.

iv. Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.

v. Any legally prohibited or controlled substances, if found in the possession of any employee, will be confiscated and, where appropriate, turned over to the authorities.

vi. Employees must ensure no instances of personal deliveries using the company's resources, tax number and/or business name.

H. Miscellaneous

i. Employees are required to comply with this Code of Conduct and are personally responsible for doing so. Employees must comply with any rules set out in this Code of Conduct. Breach of any principles within the Code may result in disciplinary action and a serious breach, such as if any employee is found to be in wanton abuse of the Code and their action can cause reputational risk or damage or financial loss to the Company, may amount to gross misconduct, which may result in dismissal. Further, the Company reserves the right to seek redress and damages from such individuals.

ii. Employees at all levels will be required to certify annually that they understand the Code and that they are in full compliance with it. The Board monitors the findings of this certification on an annual basis.

iii. The Company has in place a confidential 'Whistleblowing Policy' as a mechanism and process to encourage the reporting of any non-compliance with the Code of Conduct.

iv. Employees agree that all right, title and interest in and to all work product resulting from the course of his/her employment with the Company, whether generated or produced by him/her or others or under his/her supervision, whether for the Company and/or for any affiliate or associate of the Company, including, without limiting the generality of the foregoing, all ideas, designs, concepts, information, data, inventions, improvements, works, discoveries, know-how and all intellectual property, including but not limited to patent, copyright, trade secrets and other related rights, belong to the Company and/or the affiliate or associate, as the case may be, exclusively and shall be the exclusive property of the Company and/or the affiliate or associate, as the case may be, and may be used by the Company and/or the affiliate or associate, as the case may be, at any time without any obligation to pay the employee any compensation whatsoever, and to the extent that ownership of such work product may not automatically vest in the Company and/or the affiliate or associate, as the case may be, by operation of law or otherwise, the employee hereby assign, and upon the future creation thereof shall assign, all right, title and interest in and to the work product to the Company and/or the affiliate or associate, as the case may be, and may be used by the Company and/or the affiliate or associate, as the case may be, at any time without any obligation to pay him/her any compensation whatsoever, and to the extent that ownership of such work product may not automatically vest in the Company and/or the affiliate or associate, as the case may be, by operation of law or otherwise, the employee hereby assign, and upon the future creation thereof shall assign, all right, title and interest in and to the work product to the Company and/or the affiliate or associate, as the case may be, without any obligation on the part of the Company and/or the affiliate or associate, as the case may be, to pay him/her any compensation whatsoever, and the employee shall not use the same for any purpose other than for the benefit of the Company and/or the affiliate or associate, as the case may be, nor will he/she pass it on to any other person or institution other than to those approved by the Board of Directors of the Company, and the employee will not take the same with him/her when the employee cease to be an employee of the Company for any reason whatsoever, and the employee shall take all steps and shall execute all such documents as may be necessary or reasonably required by the Company, at the expense of the Company, to procure and ensure that the Company and/or the affiliate or associate, as the case may be, obtains and retains complete and exclusive legal title to any such invention or improvement, and the employee shall assist the Company and/or the affiliate or associate, as the case may be, in obtaining, securing and enforcing the abovementioned intellectual property rights as is needed by the Company and/or the affiliate or associate, as the case may be.

v. Employee shall not, for a period of three (3) years after separation from the Company, engage directly or indirectly, either as proprietor, stockholder, partner, officer, employee, or otherwise, in any business within Pakistan, which manufactures, produces, distributes or sells products or provides services similar to those manufactured, produced, distributed, sold or provided by the Company and/or any affiliate or associate of the Company.

Position of International Industries within the Value Chain

The Company plays a central role in the steel and polymer pipe industries, serving as a leading manufacturer and global player. Positioned strategically within the value chain, the Company connects with upstream suppliers and downstream customers to drive industrial growth and deliver high-quality products.

Here is an overview of the Company's position and its interactions within the value chain:

1. **Upstream Value Chain**

Raw Material Suppliers:

- Steel and Polymer Raw Materials: The Company sources essential raw materials, including steel coils and polymers, from leading suppliers globally. These materials are crucial for the production of steel and polymer pipes, tubes, and fittings
- Logistics and Transportation Partners: The Company engage with logistics providers to ensure timely and efficient transportation of raw materials to its manufacturing facilities, optimizing supply chain operations and minimizing delays.

  Research and Development Partners:
- Innovation Collaborators: The Company partner with research institutions and technology providers to drive innovation in product development and process optimization. This collaboration supports its commitment to quality and sustainability.

2. **Core Operations**

Manufacturing and Production:

- Steel and Stainless Steel Pipes and Tubes: The Company operates state-of-the-art manufacturing facilities where we produce ERW steel and stainless steel pipes & tubes. The facilities are equipped with advanced technology to ensure precision and quality in the products.

- Polymer Pipes and Fittings: The Company also manufacture polymer-based pipes and fittings, leveraging its expertise to meet diverse market needs and enhance product offerings.

Quality Assurance and Certification:

- Standards Compliance: The Company maintains rigorous quality control measures and adheres to international standards, including ISO 9001, ISO 14001, ISO 45001, API 5L, and CE certifications. These certifications underscore the Company's commitment to excellence and safety

3. Downstream Value Chain

Logistics:

- Transportation Partners: The Company engage with logistics providers to ensure timely and efficient transportation of finished goods to its distribution partners, optimizing supply chain operations and minimizing delays.

Distribution Channels:

- Distributors and Wholesalers: The Company collaborates with distributors, dealers and wholesalers to expand our market reach and ensure the availability of its products across different regions. The extensive distribution network supports efficient delivery to various market segments
- Retail and Trade Partners: The Company works with retail and trade partners to serve end-users in construction, manufacturing, and other industries, ensuring that our products meet specific application requirements.

End-Users:

- Construction and Infrastructure: The products are integral to construction projects and infrastructure development. The Company supply to major construction firms, developers, and contractors, contributing to significant industrial and urban development
- Manufacturing Sector: The Company's steel and polymer products are utilized by manufacturers in diverse sectors, including automotive, machinery, and consumer goods, adding value through high-performance materials.

Global Presence and Market Expansion:

- International Subsidiaries: The Company's global footprint includes subsidiaries such as IIL Australia Pty Limited, IIL Americas Inc. and INIL Europe Limited, which serve regional markets in Asia-Pacific, North America, and Europe respectively. This international presence enhances the Company's ability to cater to global customer needs and expand market share.

Value-Added Services:

- Technical Support: The Company provides technical support and consulting services to assist customers in optimizing product use and addressing specific requirements
- After-Sales Service: The Company's after-sales services ensure ongoing customer satisfaction and support, reinforcing its commitment to quality and reliability.
- Engineering Solutions: The Engineering Solutions division offers clients end-to-end construction and engineering turn-key solutions from conceptualization to finishing and delivery, making use of the Company's core products and adding value by collaborating with partners outside of the company.

Sustainability and ESG Initiatives:

- Renewable Energy: The Company actively invests in renewable energy sources and adheres to ESG best practices, supporting the UN Sustainable Development Goal (SDG) 7—Affordable and Clean Energy for All.

STEEPLE Analysis

- High Population Growth Rate
- Shrinking Middle Class & Reduced Purchasing Power
- Increasing Demand for Affordable Housing
- Social Polarization and the Rise of Intolerance

- ESG Imperatives and Reporting as an Integral Part of Business
- Moral Obligations to Environmental Stewardship
- Renewable/Alternate Energy is an Imperative
- Scarcity of Water and Gas
- Global Demand for 'Green Steel'
- Drive Towards Net Zero Emission
- Growing Importance of UN SDGs
- Carbon Border Adjustment Mechanism (CBAM)
- Climate change and natural disasters

- VUCA World: Volatility, Uncertainty, Complexity, and Ambiguity
- Stabilizing National Political Landscape
- Shifting balance of powers in South Asia
- Implications of Security Challenges in the Region
- Growth of Multiple Centers of Global Power
- Global and Regional Geopolitical Developments
- Growing Chinese Inf uence

- Persistent market irregularities, including tax evasion, under-invoicing, and other unfair trade practices.
- Proliferation of substandard pipe products that undermine industry standards and pose risks to end-users.
- A deeply entrenched culture of corruption and regulatory circumvention, including by international competitors.

- Industry 4.0 and the Growing Role of Artificial Intelligence (AI)
- Digital Marketing Growth
- Low-Cost Industrial Equipment
- Growth in Fintech, E-Commerce, and Alternate Energy Sectors
- Growth in Communication Infrastructure
- Modernization of Trade

- Macroeconomic Stabilization Underway
- Inf ation Cooling and Credit Rating Upgrade
- IMF Program and Structural Reform Momentum
- Current Account Surplus and Remittance Inf ows
- Near-Term Economic Outlook Still Challenged
- Debt Servicing and Fiscal Pressures

- Legislative Volatility
- Anti-Dumping Rules and International Trade Measures
- Slow Judicial Process/Rule of Law Issues
- Inadequate Legal Protection of Assets
- Poorly Implemented Labor Laws
- Taxation Reforms & Digital Enforcement

SOCIAL

- **High Population Growth Rate:**
  Pakistan's high population growth rate creates a growing demand for infrastructure, housing, and utilities, which can drive demand for the Company's products, particularly in the steel and polymer sectors. This demographic trend offers long-term growth opportunities.

- **Shrinking Middle Class & Reduced Purchasing Power:**
  Modest recovery in per capita income as inflation cools, though affordability pressures remain particularly in the housing and construction sectors. The Company may need to focus on cost-efficient products to maintain market share in this environment.

- **Increasing Demand for Affordable Housing:**
  As urbanization accelerates, there is a rising demand for affordable housing solutions. The Company can capitalize on this by supplying cost-effective, durable materials that cater to this market segment.

- **Social Polarization and the Rise of Intolerance:**
  Social instability and polarization can impact consumer confidence and economic stability, potentially disrupting business operations and market conditions. The Company needs to be aware of these social dynamics and their potential impacts on the business environment.

TECHNOLOGICAL

- **Industry 4.0 and the Growing Role of Artificial Intelligence (AI):**
  The adoption of Industry 4.0 and AI technologies presents an opportunity for the Company to enhance manufacturing efficiency, reduce costs, and improve product quality through automation and data-driven decision-making.

- **Digital Marketing Growth:**
  The shift towards digital marketing allows the Company to reach a broader audience, engage customers more effectively, and enhance brand visibility, especially in advanced markets where digital engagement is critical.

- **Low-Cost Industrial Equipment:**
  The availability of low-cost industrial equipment enables the Company to upgrade its manufacturing capabilities without significant capital expenditure, improving competitiveness in both domestic and international markets.

- **Growth in Fintech, E-Commerce, and Alternative Energy Sectors:**
  The expansion of these sectors provides new business opportunities for the Company, particularly in supplying specialized steel and polymer products for fintech infrastructure, e-commerce facilities, and renewable energy projects.

- **Growth in Communication Infrastructure:**
  As the communication infrastructure develops, the Company can benefit by

  supplying materials for telecommunication towers, data centers, and other related projects, further expanding its market reach.
- **Modernization of Trade:**
  The modernization of trade, including digital trade platforms and enhanced logistics, offers the Company opportunities to streamline its export processes, reduce lead times, and improve customer satisfaction in global markets.

ECONOMIC

- **Macroeconomic Stabilization Underway**
  Pakistan's economy has shown noteworthy stabilization in FY 2024–25. Real GDP growth reached 2.7%, up from 2.4% the previous year, supported by easing inflation and renewed business confidence. The recovery is supported by lower interest rates, fiscal consolidation, and an improving current account position.

- **Inflation Cooling and Credit Rating Upgrade**
  Inflation dropped sharply, averaging around 4.6%–4.7% in FY 2024–25, compared to highs exceeding 30%–38% previously. This improvement led to better credit sentiment, including S&P's upgrade of Pakistan's rating from "CCC+" to "B-/Stable".

- **IMF Program and Structural Reform Momentum**
  Continued economic outcomes reflect the impact of the $7 billion IMF Extended Fund Facility (EFF) and the government's "Uraan Pakistan" transformation plan. These efforts have enhanced macroeconomic resilience and laid the groundwork for inclusive, sustainable growth.

- **Current Account Surplus and Remittance Inflows**
  Pakistan recorded a current account surplus of US $1.9 billion between July and April, improving external liquidity. Elevated remittance inflows and cautious external financing have added further stability to reserve

- **Near-Term Economic Outlook Still Challenged**
  While stabilization is evident, growth projections remain modest. Authorities have set an aspirational 4.2% GDP target for FY 2025–26, but challenges such as reduced agricultural output and weak industrial performance suggest recovery remains fragile.

- **Debt Servicing and Fiscal Pressures**
  Despite stabilization gains, debt servicing remains a fiscal strain — with external obligations totaling over US $23 billion (PKR 6.55 trillion) due in FY 2025–26. Nearly half of Pakistan's federal budget is consumed by interest payments.

ENVIRONMENTAL

- **ESG Imperatives and Reporting as an Integral Part of Business:**
  Environmental, Social, and Governance (ESG) factors are increasingly critical for investors and customers. The Company is committed to enhancing its ESG performance and reporting, aligning with global best practices to attract investment and maintain customer trust.

- **Moral Obligations to Environmental Stewardship:**
  As a responsible corporate entity, the Company is committed to minimizing its

  environmental impact through sustainable practices, including reducing emissions, conserving resources, and promoting recycling.

- **Renewable/Alternative Energy is an Imperative:**
  The Company is expanding its use of renewable energy sources to power its operations, aligning with global trends and reducing its reliance on fossil fuels. This transition supports both environmental goals and energy security.

- **Scarcity of Water and Gas:**
  Limited availability of water and gas resources can disrupt production. The Company is exploring alternative sources and investing in water and energy conservation technologies to ensure operational continuity.

- **Global Demand for 'Green Steel':**
  As demand for environmentally friendly products grows, the Company is positioning itself as a leader in green steel production, tapping into new markets and meeting the evolving expectations of consumers and regulators.

- **Drive Towards Net Zero Emission:**
  The Company is committed to achieving net-zero emissions by implementing comprehensive strategies that include energy efficiency, renewable energy adoption, and carbon offset initiatives

- **Growing Importance of UN SDGs:**
  The United Nations Sustainable Development Goals (SDGs) are increasingly shaping corporate strategies. The Company is aligning its operations with relevant SDGs, particularly those related to clean energy, sustainable industrialization, and climate action.

- **Carbon Border Adjustment Mechanism (CBAM):** EU's CBAM poses a direct challenge for steel exports, demanding a shift towards lower-carbon production methods.

- **Climate Change and Natural Disasters:** Floods, heatwaves, and water scarcity in Pakistan create operational risks, highlighting the importance of climate adaptation strategies.

POLITICAL

- **VUCA World: Volatility, Uncertainty, Complexity, and Ambiguity:**
  In a VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) environment, the Company is maintaining agility in its strategic planning, ensuring the company can quickly adapt to changing political and economic landscapes.

- **Stabilizing National Political Landscape:**
  Pakistan's improving relations with IMF, Gulf, and China-backed investments are stabilizing policy outlook."

- **Shifting balance of powers in South Asia:**
  With one of the most significant clashes between India and Pakistan taking place in May 2025 and subsequent ceasefire, the power dynamics at play in
  the region have evolved substantially resulting in logistical challenges and at the same time new doors of opportunity opening up.

- **Implications of Security Challenges in the Region:**
  Regional security challenges may impact supply chains, market access, and overall business continuity. The Company is developing contingency plans and diversifying its operations to mitigate these risks.

- **Growth of Multiple Centers of Global Power:**
  The emergence of new global power centers, such as China, presents opportunities for the Company to expand its market presence through strategic partnerships and by leveraging trade relationships with these rising powers.

- **Global and Regional Geopolitical Developments:**
  Geopolitical tensions can affect trade routes, market access, and international relations. The Company is being proactive in understanding these dynamics and adjusting its global strategy accordingly.

- **Growing Chinese Influence:**
  China's growing influence in the region, particularly through initiatives like the Belt and Road Initiative (BRI), offers the Company opportunities to participate in large-scale infrastructure projects.

LEGAL

- **Legislative Volatility:**
  Frequent changes in legislation can create an unpredictable business environment. The Company is staying agile and proactive in monitoring legal developments to ensure compliance and minimize disruptions.
- **Anti-Dumping Rules and International Trade Measures**:
  Anti-dumping regulations and intensified trade measures in global markets can affect the Company's export competitiveness. The company is developing strategies to comply with these rules and advocate for fair trade practices.
- **Slow Judicial Process/Rule of Law Issues**:
  Delays in the judicial process and weak rule of law can impact the Company's ability to enforce contracts and protect its interests. Strengthening legal teams and developing robust risk management strategies are supporting the Company in overcoming these challenges.
- **Inadequate Legal Protection of Assets:**
  Weak legal protections for intellectual property and physical assets pose a risk. The Company safeguards its assets through comprehensive legal frameworks and by enhancing security measures.
- **Poorly Implemented Labor Laws:**
  Inconsistent enforcement of labor laws may lead to operational challenges and reputational risks. The Company ensures that its labor practices not only comply with but also exceed local requirements, promoting a fair and safe workplace.

- **Taxation Reforms & Digital Enforcement:** Stricter tax net expansion and e-invoicing requirements will impact business processes and compliance costs.

ETHICAL

- **Persistent market irregularities, including tax evasion, under-invoicing, and other unfair trade practices:**
  The Company is committed to ethical business practices, ensuring full compliance with tax laws and promoting transparency in its operations.

- **Inaccurate Declarations of Imports and Under-Invoicing:**
  The Company is committed to maintaining integrity and ethical conduct, actively participating in anti-corruption initiatives, and fostering a culture of transparency.

- **A deeply entrenched culture of corruption and regulatory circumvention, including by international competitors:**
  The Company is strengthening its compliance mechanisms and advocating for fair trade practices to ensure a level playing field in global markets

The Company's Strategic Response to STEEPLE Analysis

SOCIAL

1. **High Population Growth Rate & Urbanization:**
   - Response: The Company is expanding its production capabilities and product offerings to cater to the growing demand for construction materials, particularly in the housing and infrastructure sectors. The company is also investing in marketing campaigns targeting urban developers and construction companies to strengthen its market presence.

2. **Shrinking Middle Class & Reduced Purchasing Power:**
   - Response: The Company is focusing on cost-efficient production processes to offer affordable products without compromising quality. The company is also exploring partnerships with financial institutions to provide financing options to customers, making its products more accessible

3. **Increasing Demand for Affordable Housing:**
   - Response: The Company is developing tailored product lines that cater specifically to the affordable housing sector. This includes creating standardized, cost-effective steel and polymer products that meet the needs of this market segment.

4. **Social Polarization and Rise of Intolerance:**
   - Response: The Company is promoting diversity and inclusion within its workforce and engaging in corporate social responsibility (CSR) initiatives aimed at community development. The company is also working on communication strategies that foster unity and understanding among its stakeholders.

TECHNOLOGICAL

1. **Industry 4.0 and AI Adoption:**
   - Response: The Company is looking into integrating Industry 4.0 technologies into its manufacturing processes, including AI. The company is also investing in digital transformation to enhance operational efficiency and product innovation

2. **Digital Marketing Growth:**
   - Response: The Company has and continues to expand its digital marketing efforts, using social media, online advertising, and e-commerce platforms to reach a broader audience. The company is also developing content that Highlights its innovative products and commitment to quality, targeting both domestic and international markets.

3. **Low-Cost Industrial Equipment:**
   - Response: The Company is continuously upgrading its manufacturing facilities with cost-effective, advanced machinery to improve production efficiency and maintain a competitive edge in the market

4. **Growth in Fintech, E-Commerce, and Alternate Energy Sectors:**
   - Response: The Company is continuously exploring new business opportunities in these sectors by developing specialized products such as steel solutions for infrastructure and components for renewable energy projects.

5. **Growth in Communication Infrastructure:**
   - Response: The Company is positioning itself as a key supplier for communication infrastructure projects, providing materials for telecommunication towers, data centers, and related infrastructure.

6. **Modernization of Trade:**
   - Response: The Company is leveraging trade platforms and digital tools to streamline its export processes, enhance logistics efficiency, and reduce lead times, ensuring timely delivery of products to international markets.

ECONOMIC

1. **Macroeconomic Stabilization**
   - Response: With easing inflation and GDP recovery, International Industries is carefully calibrating its growth strategy, balancing cautious capital allocation with renewed expansion opportunities.

2. **Inflation Cooling & Credit Rating Upgrade**
   - Response: Improved credit sentiment supports the company's access to financing. International Industries continues to maintain strong liquidity buffers and risk management practices to navigate global volatility.

3. **IMF Program & Reform Momentum**
   - Response: The company is aligning itself with structural reforms that encourage industrial growth, tax compliance, and governance improvements — reinforcing its reputation as a responsible corporate citizen.

4. **Current Account Surplus & Remittances**
   - Response: Favorable external balances allow International Industries to pursue export growth strategies, building on its established presence in the global market.

5. **Debt Servicing & Fiscal Pressures**
   - Response: Despite stabilization, fiscal constraints remain. International Industries is focused on operational efficiency, cost control, and export-driven growth to mitigate these macroeconomic pressures.

ENVIRONMENTAL

1. **ESG Imperatives & Green Steel**
   - Response: The company is advancing its ESG agenda, including pilot initiatives in low-carbon steel and greater adoption of renewable energy sources.

2. **Resource Scarcity**
   - Response: Water and energy conservation programs are being strengthened to ensure sustainable operations amid the growing scarcity of critical inputs.

3. **CBAM & Global Green Standards**
   - Response: Recognizing the impact of the EU's Carbon Border Adjustment Mechanism, International Industries Limited is investing in cleaner production technologies to safeguard export competitiveness.

4. **Climate-linked Disasters**
   - Response: Business continuity planning and climate adaptation strategies are being embedded across operations to reduce the risks of floods, heatwaves, and supply chain disruptions.

5. **Commitment to Net Zero & UN SDGs**
   - Response: International Industries Limited has reinforced its long-term commitment to net-zero pathways and is closely aligning with relevant SDGs to attract sustainability-driven investors.

POLITICAL

1. **VUCA World & Political Uncertainty:**
   - Response: The Company is adopting a flexible and adaptive business strategy to navigate the volatile and uncertain political environment. The company is diversifying its market presence to reduce dependence on any single region and is actively engaging with policymakers to stay i nformed on potential regulatory changes.

2. **Stabilizing National Landscape:**
    - o Response: International Industries Limited views the improved policy environment and strengthening international relations as an opportunity to advocate for pro-industry reforms and long-term stability.

3. **Shifting balance of powers in South Asia:**
    - o Response: The Company has navigated these challenges prudently and ensured continued operations beyond borders, and continues to monitor these developments to plan ahead for future possibilities.

4. **Global Power & Chinese Influence:**
    - o Response: The Company is expanding its global partnerships, particularly with emerging markets and Chinese enterprises, to leverage new opportunities. The company is also aligning its business strategies with global power shifts to ensure sustained growth and market access.

5. **Global and Regional Geopolitical Developments:**
    - o Response: The Company is closely monitoring geopolitical developments and adjusting its international strategy accordingly. The company is exploring new markets and partnerships that align with its long-term growth objectives, reducing exposure to geopolitical risks.

LEGAL

1. **Legislative Volatility:**
    - o Response: The Company has established a dedicated legal team to monitor legislative changes and ensure compliance with all relevant laws and regulations. The company is also engaging with industry associations to advocate for stable and predictable regulatory environments.

2. **Anti-Dumping Rules & Trade Measures:**
    - o Response: The Company is actively participating in trade discussions and working with government bodies to address anti-dumping concerns. The company is also diversifying its product range and markets to mitigate the impact of trade restrictions.

3. **Slow Judicial Process & Rule of Law Issues:**
    - o Response: The Company is strengthening its legal frameworks and working with reputable legal firms to navigate the slow judicial processes. The company is also investing in robust contract management systems to protect its interests.

4. **Taxation Reforms & Digital Enforcement:**
    - o Response: International Industries Limited is fully adopting digital compliance systems to meet e-invoicing and tax reporting requirements, ensuring alignment with evolving frameworks.

ETHICAL

1. Persistent market irregularities:
- o Response: The Company is committed to ethical business practices and full compliance with tax laws. The company is also advocating stricter enforcement of regulations to ensure a level playing field in the industry

2. Substandard Products:
- o Response: The Company emphasizes high-quality manufacturing standards and obtaining relevant certifications to differentiate its products from inferior alternatives. The company is also participating in anti-corruption initiatives and fostering a culture of transparency across its operations.

3. Regulatory Circumvention:
- o Response: The Company is strengthening its compliance mechanisms and working with industry bodies to address regulatory circumvention by international competitors. The company is also advocating fair trade practices to ensure a level playing field for all players

SWOT analysis

The SWOT analysis below provides a comprehensive overview of the Company's strategic position, helping the company identify areas of strength to leverage, weaknesses to address, opportunities to pursue, and threats to mitigate in order to sustain its leadership in the industry.

Internal

Strengths

- Refreshed Brand Identity
- Economies of scale and manufacturing capacity
- Strong corporate governance structure
- Reputation for leading quality products
- Strong engineering core competence
- Multiple manufacturing facilities and nationwide presence
- Diverse product range and ability to customize
- Stock availability
- Distribution channels and relationships
- Financial strength
- On-ground presence and knowledge of export markets
- Leverage of ASC group networks
- Installed renewable energy capacity
- Strong ESG approach

Weaknesses

- High labor, freight, and interest costs
- Lead time for imported raw materials
- Space constraints at older factories
- Lack of brand awareness in advanced markets
- Diversity, equity, inclusion, and belonging

External

Opportunities

- Stabilizing Economy
- Sustained growth in key market segments
- Enhanced demand for existing and new products
- Export opportunities in strategic markets
- Product and revenue diversifi ation
- Growth in alternative energy markets
- Strengthening ESG initiatives
- Growing infrastructure needs of the country

Threats

- Geopolitical challenges
- International price competition
- Mushrooming cottage industry
- Protectionism in export markets
- Free trade arrangements among regional players
- Energy availability and supply chain disruption
- Future pandemic-like events
- Climate-linked Disasters

Positive

Negative

STRENGTHS

- Refreshed Brand Identity: The unveiling of the Company's modernized brand identity strengthens stakeholder perception, reinforces trust, and positions the company as forward-looking, innovative, and aligned with global best practices — while staying rooted in its 77-year legacy.
- Economies of Scale and Manufacturing Capacity: The Company's large-scale production facilities enable cost efficiencies and the ability o meet high demand both domestically and internationally.
- Strong Corporate Governance Structure: A robust framework that ensures ethical business practices, compliance, and effective management.
- Reputation for Leading Quality Products: The Company is recognized for its high-quality products in both domestic and export markets, enhancing customer trust and brand loyalty.
- Strong Engineering Core Competence: The Company's expertise in engineering, particularly in galvanizing and specialized pipe-making, sets it apart in the industry.
- Multiple Manufacturing Facilities and Nationwide Presence: The Company operates multiple production facilities across Pakistan, providing logistical advantages and market penetration.
- Diverse Product Range and Ability to Customize: A broad portfolio allows the Company to cater to various market needs, including tailored solutions for specific cus omer requirements.
- Stock Availability: The Company's ability to meet most customer demands from stock ensures quick turnaround and customer satisfaction.
- Distribution Channel and Relationships: A well-established distribution network and strong channel relationships facilitate market reach and customer engagement.
- Financial Strength: Solid financial per ormance and backing provide stability and the capacity for investment in growth opportunities.
- On-ground Presence and Knowledge of Export Markets: The Company's strategic presence in advanced markets like Australia and North America enhances its ability to serve international clients effectively.
- Leverage of ASC Group Networks: The Company benefits rom the ASC Group's industry networks and resources, strengthening its market position.
- Installed Renewable Energy Capacity: Commitment to sustainability is demonstrated through the Company's renewable energy initiatives and captive power generation capabilities.
- Strong ESG Approach: The Company's focus on environmental, social, and governance (ESG) practices reinforces its reputation as a responsible corporate citizen.

WEAKNESSES

- High Labor, Freight, and Interest Costs: These cost factors can impact profi ability, especially in a competitive market environment.
- Lead Time for Imported Raw Materials: Dependence on imported raw materials can lead to delays and increased costs due to long procurement lead times.
- Space Constraints at Older Factories: Limited space for expansion at older manufacturing sites may restrict capacity growth and modernization efforts.
- Lack of Brand Awareness in Advanced Markets: The Company's brand recognition in some advanced markets remains limited, potentially hindering its growth potential in those regions.

- Diversity, Equity, Inclusion, and Belonging (DEIB): The company's DEIB initiatives require further development to align with global best practices and enhance workplace culture.

OPPORTUNITIES

- Stabilizing Economy: The cooling of inf ation, GDP recovery, and improved credit ratings in Pakistan create a more predictable operating environment, enabling the Company to expand investments, pursue export growth, and build stronger stakeholder confidence
- Sustained Growth in Key Market Segments: Continued demand in core segments presents opportunities for revenue growth and market share expansion.
- Enhanced Demand for Existing and New Products: Growing market needs in specific sec ors offer the potential for increased sales of both current and new product lines.
- Export Opportunities in Strategic Markets: The Company can capitalize on emerging markets and strategic regions to expand its export footprint.
- Product and Revenue Diversifi ation: Introducing new product lines and services could open up additional revenue streams and reduce dependence on existing products.
- Growth in Alternative Energy Markets: The rise of alternative energy sectors presents opportunities for the Company to supply related products, such as specialized pipes and fittings
- Strengthening ESG Initiatives: Enhanced focus on ESG practices can improve the Company's reputation, attract investment, and meet the growing demand for sustainable products.
- Growing infrastructure needs of the country: The growing population of the Country, coupled with deteriorating infrastructure through natural calamities, presents a need for infrastructure.

THREATS

- Climate-linked Disasters: Increasing frequency of f oods, heatwaves, and water scarcity poses risks to operations and supply chains, underscoring the urgency for the Company to adopt climate adaptation strategies and resilience measures.
- Geopolitical Challenges: Regional and international political tensions could disrupt supply chains, trade agreements, and market access.
- International Price Competition: Aggressive pricing by global competitors may pressure the Company's margins and market share.
- Mushrooming Cottage Industry: The rise of unregulated small-scale producers with unethical practices could erode market prices and standards.
- Protectionism in Export Markets: Increasing trade barriers and protectionist policies in target export markets could limit the Company's access and competitiveness.
- Free Trade Arrangements Among Regional Players: Competitors benefiting rom favorable trade agreements may pose a threat to the Company's market position.
- Energy Availability and Supply Chain Disruption: Energy shortages and supply chain disruptions could impact production capacity and delivery timelines.
- Future Pandemic-like Events: Potential global health crises could disrupt operations, supply chains, and market demand, similar to the impacts observed during the COVID-19 pandemic.

The Company's Strategic Response to SWOT Analysis

STRENGTHS

- Refreshed Brand Identity: Leverage its refreshed brand identity to build stronger stakeholder trust, elevate brand visibility in advanced markets, and align with modern expectations of innovation and sustainability.
- Leverage Economies of Scale and Manufacturing Capacity: The Company continues to optimize its large-scale production capabilities, investing in advanced technologies to enhance efficiency and reduce costs. This includes upgrading equipment and adopting automation to increase output while maintaining quality.
- Enhance Corporate Governance: The Company remains committed to maintaining its strong corporate governance structure by continuously improving transparency, compliance, and ethical practices. The company regularly reviews its governance policies to ensure alignment with international standards.
- Capitalize on Reputation for Quality: To further solidify its reputation, the Company focuses on stringent quality control measures across all production stages. The company also invests in research and development to innovate new products that meet emerging market demands, reinforcing its status as a preferred supplier.
- Expand Engineering Expertise: The Company is expanding its engineering capabilities by recruiting top talent and investing in training programs. The company is also exploring partnerships with leading engineering firms and a ademic institutions to stay at the forefront of industry advancements.
- Maximize Manufacturing and Distribution Network: The Company is optimizing its multiple manufacturing facilities by improving logistics and supply chain management. The company is also expanding its distribution network to penetrate deeper into untapped domestic and international markets.
- Diversify Product Range: The Company is actively exploring opportunities to introduce new products and customization options that cater to specific mar et needs. This includes developing niche products for specialized industries and enhancing existing product lines with new features.
- Strengthen Financial Position: The Company is focusing on prudent financial management, ensuring a strong balance sheet, and maintaining liquidity. The company is also exploring strategic investments and partnerships to drive growth and enhance shareholder value.
- Expand International Presence: To strengthen its on-ground presence in advanced export markets, the Company is expanding its subsidiaries and representative offices. The ompany is also increasing its participation in international trade fairs and industry associations to enhance brand visibility.
- Utilize ASC Group Synergies: The Company continues to leverage the ASC Group's networks and resources to identify new business opportunities, streamline operations, and enhance its competitive advantage. Collaborative initiatives within the group are being prioritized to create value across the board.
- Promote ESG and Renewable Energy Initiatives: The Company is accelerating its transition to renewable energy sources, aiming to reduce its carbon footprint and achieve sustainability targets. The company is also enhancing its ESG practices to align with global expectations, ensuring that it remains a leader in responsible corporate citizenship.

WEAKNESSES

- Mitigate High Labor, Freight, and Interest Costs: The Company is implementing cost-saving measures, such as optimizing its supply chain and renegotiating freight contracts. The company is also exploring automation and energy efficiency initiatives to reduce labor and operational costs
- Address Raw Material Lead Times: To mitigate the impact of long lead times for imported raw materials, the Company is diversifying its supplier base and exploring local sourcing options. The company is also increasing inventory levels for critical materials to ensure uninterrupted production.
- Overcome Space Constraints at Older Factories: The Company is assessing the feasibility of expanding or relocating certain operations to new sites with more space. The company is also exploring vertical integration and smart manufacturing solutions to maximize the use of existing space.
- Boost Brand Awareness in Advanced Markets: The Company is launching targeted marketing campaigns in advanced markets to build brand recognition. The company is also engaging with local distributors and industry influencers to strengthen its presence and credibility
- Enhance DEIB Initiatives: The Company is committed to improving its diversity, equity, inclusion, and belonging (DEIB) practices by implementing comprehensive programs that promote a diverse and inclusive workplace. This includes training, policy updates, and employee engagement initiatives. The WISE (Women in Science & Engineering) Program is a testament to this commitment.

OPPORTUNITIES

- Stabilizing Economy: Capitalize on the stabilizing economy by building stronger customer and shareholder confidence
- Capitalize on Market Growth: The Company is actively expanding its product offerings in growing market segments. The company is investing in R&D to develop innovative solutions that meet the evolving needs of these sectors, positioning itself as a market leader.
- Seize Export Opportunities: The Company is targeting strategic international markets where demand for its products is rising. The company is enhancing its export strategy by tailoring products to local market needs and strengthening partnerships with global distributors.
- Diversify Revenue Streams: To reduce reliance on core products, the Company is exploring new business opportunities, including venturing into related industries and services. This diversifi ation strategy aims to create additional revenue streams and enhance overall business resilience.
- Leverage Alternative Energy Markets: The Company is tapping into the growing alternative energy sector by developing products tailored for renewable energy projects, such as solar and wind energy infrastructure. This aligns with the company's commitment to sustainability and opens new revenue opportunities.
- Strengthen ESG Practices: The Company is deepening its focus on ESG by setting ambitious goals and implementing comprehensive sustainability initiatives. This not only enhances the company's reputation but also meets the increasing demand from customers and investors for responsible business practices.
- Growing infrastructure needs of the country: The Company is strengthening its supply chain and access to key urban and semi-urban markets through restructuring of its sales and distribution system to better serve its customers and enable infrastructure development.

THREATS

- Climate-linked Disasters: Build climate resilience by focusing on sustainable technologies, enhancing disaster preparedness, and aligning operations with low-carbon pathways to address climate-linked risks and CBAM requirements.
- Navigate Economic Uncertainty and Inf ation: The Company is adopting a f exible pricing strategy to mitigate the impact of inf ation and economic volatility. The company is also focusing on cost control measures and efficiency imp ovements to protect margins.
- Manage Geopolitical Risks: The Company is diversifying its market portfolio to reduce dependence on any single region, thereby mitigating the risks associated with geopolitical instability. The company is also staying informed about global political developments to proactively adjust its strategies.
- Counter International Price Competition: To remain competitive, the Company is focusing on product differentiation through quality, innovation, and customer service. The company is also optimizing its cost structure to offer competitive pricing without compromising on quality.
- Address the Mushrooming Cottage Industry: The Company is advocating for stricter industry regulations and standards to combat the rise of unregulated small-scale producers. The company is also differentiating its products through quality certifi ations and branding to highlight its superior value proposition.
- Mitigate Protectionism and Trade Barriers: The Company is working closely with trade bodies and government agencies to navigate trade barriers and protectionist policies. The company is also exploring free trade agreements and other avenues to enhance market access.
- Prepare for Supply Chain Disruptions: The Company is building a more resilient supply chain by diversifying suppliers, increasing inventory buffers, and investing in supply chain technology. The company is also developing contingency plans to ensure continuity in case of disruptions.
- Adapt to Future Pandemic-like Events: The Company is enhancing its business continuity plans, focusing on health and safety measures, and increasing its digital capabilities to ensure resilience in the face of potential global health crises.

Statement on Seasonality

The Company recognizes that its operations and market demand are inf uenced by seasonal factors. Understanding these seasonal trends is critical for effectively managing production schedules, inventory, and sales strategies to meet the varying needs of our diverse customer base.

Seasonal Demand Patterns

1. **Construction and Infrastructure Projects:**
   - ***Peak Seasons:*** The construction industry, which constitutes a signifi ant portion of our clientele, typically experiences heightened activity during the spring and summer months. This period sees an increase in demand for construction materials, including steel and polymer pipes, due to favorable weather conditions that facilitate building and infrastructure projects.
   - ***Off-Peak Seasons:*** Conversely, demand tends to slow down during the winter months, particularly in regions experiencing harsh weather conditions, which can delay or halt construction activities.
2. **Agricultural Sector:**
   - ***Peak Seasons:*** In regions where our products are used in irrigation and agricultural infrastructure, demand spikes during planting and harvesting seasons. These periods generally align with the spring and fall seasons.
   - ***Off-Peak Seasons:*** During off-peak agricultural periods, demand for our products in this sector decreases.
3. **International Markets:**
   - ***Geographic Variations:*** The Company's international operations, spanning over 60 countries, experience seasonal variations that align with local climate and economic cycles. For instance, in North America and Europe, construction activity peaks in the summer, while in Australia, peak demand may occur during different months due to the opposite seasonal calendar.

Strategic Response to Seasonality

To mitigate the effects of seasonality and ensure consistent service levels, the Company employs several strategic measures:

- ***Inventory Management:*** We maintain optimal inventory levels to cater to seasonal demand f uctuations, ensuring that our supply chain remains robust and responsive to peak season requirements.
- ***Production Planning:*** The Company's production schedules are adjusted to align with forecasted demand patterns, allowing the Company to ramp up production in anticipation of peak seasons and scale down during slower periods.
- ***Market Diversification:*** By diversifying our markets and expanding our global presence, we balance seasonal demand across different regions, reducing the overall impact of seasonality on our operations.
- ***Customer Engagement:*** Proactive engagement with its customers helps the Company understand its seasonal needs and plan accordingly. The Company works closely with them to ensure timely delivery and support for their projects during peak demand periods.

Seasonality is a signifi ant factor in the industries we serve, and the Company is committed to leveraging its expertise and strategic planning capabilities to navigate these f uctuations effectively. By anticipating seasonal trends and responding proactively, the Company ensures that the customers receive the highest level of service and that the operations remain efficient and esilient throughout the year.

Competitive Landscape and Market Positioning

Porter's Five Forces model

At International Industries we use a strategic framework called 'Porter's Five Forces Model' to analyze our competitive landscape and market positioning in the industry. The model is applied as follows:

1. Threat of New Entrants: Moderate

- **Barriers to Entry:**
  - ***High Capital Investment:*** Manufacturing steel and polymer products requires signifi ant capital investment in technology, machinery, and facilities, which serves as a barrier to new entrants.
  - ***Economies of Scale:*** The company benefits from economies of scale, allowing it to reduce costs and compete effectively. New entrants may struggle to achieve similar cost efficiencies
  - ***Regulatory Compliance:*** The industry is subject to stringent quality, environmental, and safety regulations, which can be challenging for new entrants to navigate.
- **Brand Reputation and Loyalty:**
  - The Company has a well-established brand and a strong reputation for quality and reliability which is now being reinforced through the new brand identity igniting renewed interest in the brand, making it difficu t for new entrants to attract customers away from the Company .

2. Bargaining Power of Suppliers: Low to Moderate

- **Supplier Concentration:**
  - The Company sources raw materials like steel, polymers, and other components from a variety of suppliers. The availability of multiple suppliers reduces the bargaining power of any single supplier.

- **Backward Integration:**
  - The size and scale of the Company enable the capability to engage in backward integration (e.g. ISL) and negotiate favorable terms with (other) suppliers, further reducing their power..
- **Criticality of Inputs:**
  - The quality and cost of raw materials are critical to the Company's product offerings, but given the competitive nature of the supply market, suppliers' power remains moderate.

3. Bargaining Power of Buyers: Moderate to High

- **Customer Concentration:**
  - The Company serves a wide range of customers, from large industrial clients to smaller businesses, both domestically and internationally. However, large clients, particularly in B2B markets, exert signifi ant inf uence over pricing and terms.
- **Product Differentiation:**
  - While the Company offers high-quality products, the basic nature of steel and polymer pipes and fittings makes them somewhat commoditized. Buyers may switch to competitors if they can secure better prices or terms, however, the trust which customers place in the Company is irreplaceable, which is a key strength of the company.
- **Importance of the Company's Products:**
  - For many of the Company's customers, its products are critical components in construction, manufacturing, and infrastructure projects. This dependence can give the Company some leverage, though buyers may still push for competitive pricing.

4. Threat of Substitutes: Low to Moderate

- **Availability of Alternatives:**
  - Substitutes for steel and polymer pipes could include materials like copper, aluminum, or alternative plastics. However, these substitutes may not always offer the same durability, cost-effectiveness, or suitability for specific appli ations.
- **Switching Costs:**
  - The costs associated with switching to substitute products may be high, particularly in industries where the Company's products are integral to long-term projects and infrastructure. This reduces the threat of substitutes.
- **Innovation and R&D:**
  - The Company's focus on innovation and quality helps in maintaining the relevance of its products, thereby mitigating the threat posed by substitutes.

5. Competitive Rivalry: High

- **Number and Strength of Competitors:**
  - The steel and polymer pipe manufacturing industry is highly competitive, with several strong players both in Pakistan and globally. This creates intense rivalry as companies vie for market share.
- **Industry Growth Rate:**
  - When the industry is growing, competition may typically be less intense as companies can expand without directly challenging each other. However, in a mature or slow-growing market, rivalry tends to increase.
- **Fixed Costs and Overcapacity:**
  - High fi ed costs in manufacturing mean that companies, including the Company, must operate at high capacity to remain profi able. This can lead to aggressive pricing strategies and increased competition.
- **Product Differentiation:**
  - Although the Company differentiates itself through quality, innovation, and sustainability, the basic nature of the products leads to price-based competition among rivals, intensifying industry rivalry.

The Company's Business Model Overview

The Company operates a robust and integrated business model designed to deliver high-quality steel, stainless steel, and polymer products and services while creating value for its stakeholders. The business model can be described using the framework of inputs, business activities, outputs, and outcomes, aligned with internationally applicable standards such as the Integrated Reporting Framework (IRF).

Inputs	Business Activities	Outputs	Outcomes
Financial Capital Manufactured Capital Intellectual Capital Human Capital Social and Relationship Capital Natural Capital	Procurement Manufacturing Research and Development (R&D) Marketing and Sales Distribution and Logistics Support Functions	Products and Services Financial Outputs Intellectual Outputs Social Outputs	Financial Outcomes Customer Outcomes Social and Environmental Outcomes Innovation Outcomes

Source: Business Model Representation in Integrated Reporting: Best Practices and Guidelines.

1. Inputs

a. Financial Capital:
- Sources: Equity from shareholders, retained earnings, and debt financing
- Use: Capital is used for operations, R&D, marketing, infrastructure development, and expansion projects.

b. Manufactured Capital:
- Facilities: State-of-the-art manufacturing plants and machinery for steel production.
- Technology: Advanced production technologies, ERP systems, and digital tools for operational efficienc .

c. Intellectual Capital:
- R&D and Innovation: Proprietary processes, product designs, patents, and technological expertise.
- Brand Value: Strong brand reputation especially in the steel industry.

d. Human Capital:
- Workforce: Skilled employees across various functions including engineering, management, and sales.
- Training and Development: Ongoing professional development and talent management programs.

e. Social and Relationship Capital:
- Partnerships: Long-standing relationships with suppliers, distributors, and customers.
- Community Engagement: Corporate social responsibility initiatives and stakeholder engagement.

f. Natural Capital:
- Raw Materials: Steel coils, stainless steel coils, zinc, polymer resin, and other essential raw materials.
- Energy: Electricity, natural gas, and water used in manufacturing processes.

2. Business Activities

a. Procurement:

- Sourcing: Acquiring raw materials and components from reliable suppliers to ensure quality and cost-efficienc .
- Supply Chain Management: Ensuring a smooth f ow of materials through effective logistics and supplier relationships.

b. Manufacturing:

- Production: Converting raw materials into finished s eel products through processes like cutting, rolling, and galvanizing, and into finished po ymer products through processes such as extruding.
- Quality Control: Implementing stringent quality checks at every stage of production to meet industry standards.

c. Research and Development (R&D):

- Innovation: Developing new products and improving existing ones to meet market demands and trends.
- Sustainability Initiatives: Researching eco-friendly production methods and materials.

d. Marketing and Sales:

- Market Analysis: Understanding market needs and customer preferences to tailor product offerings.
- Brand Management: Enhancing brand visibility through targeted marketing campaigns and customer engagement strategies.
- Sales: Direct and indirect sales channels to distribute products locally and internationally.

e. Distribution and Logistics:

- Supply Chain Management: Coordinating logistics to ensure timely delivery of products.
- Warehousing: Efficient s orage and inventory management to meet customer demand.

f. Support Functions:

- Human Resources: Talent acquisition, employee welfare, and performance management.
- IT and Digital Transformation: Leveraging digital tools and systems to streamline operations and enhance customer experience.

3. Outputs

a. Products and Services:

- Steel Pipes and Tubes: High-quality galvanized steel pipes, cold-rolled steel tubes, and other steel-based products.
- Stainless Steel Tubes: High-quality stainless-steel tubes for ornamental and industrial purposes.
- Polymer Pipes and Fittings: High-quality polymer pipes and fittings inc uding PPRC, U-PVC, HDPE, and other polymer-based products.
- Engineering Solutions: End-to-end engineering solutions utilizing primary products from conceptualization to completion and delivery.
- Industrial Products and Solutions: Globally recognized industrial chemicals, tools, and fixing solutions.

b. Financial Outputs:

- Revenue: Sales generated from domestic and international markets.
- Profi ability: Earnings ref ecting efficient ost management and high sales volume.

c. Intellectual Outputs:

- Innovations: Patented products and processes, and new product developments.

d. Social Outputs:

- Community Development: Contributions to local communities through CSR initiatives.
- Employment: Job creation and professional growth opportunities.

4. Outcomes

a. Financial Outcomes:

- Shareholder Value: Enhanced value through consistent dividends and capital appreciation.
- Sustainable Growth: Steady growth in revenue and profi ability supporting long-term business stability.

b. Customer Outcomes:

- Customer Satisfaction: High levels of customer satisfaction ref ected in repeat business and loyalty.
- Market Position: Strengthened market position as a leading steel manufacturer.

c. Social and Environmental Outcomes:

- Sustainability Impact: Reduced environmental footprint through sustainable practices and green energy investments.
- Social Contribution: Positive impact on society through employment, community initiatives, and ethical business practices.

d. Innovation Outcomes:

- Market Leadership: Recognition as an industry leader in innovation and product quality.
- Competitive Advantage: Sustainable competitive edge through continuous R&D and technological advancements.

The Company's business model is a comprehensive and integrated approach that transforms various inputs into valuable outputs and positive outcomes. This model ensures that the Company not only meets its financial goals but also fulfills its commitments to sustainability, innovation, and stakeholder engagement, thereby aligning with global standards and best practices.

SECTION 2.0

Strategy and Resource Allocation

Strategic objectives, strategies & key performance indicators

Strategic roadmap: short, medium, and long-term objectives and strategies

Resource allocation plan for strategic implementation

Capabilities and resources that provide a sustainable competitive advantage for the Company

Effects of key factors on company strategy and resource allocation

Key performance indicators (KPIs) against strategic objectives

Relevance of key performance indicators (KPIs) for future strategic alignment

Linkage of strategic objectives with vision and mission

Board's statement on signifi ant plans and decisions

Board strategy to overcome liquidity problems (if they arise) and plans to meet operational losses (if they arise)

international™
industries
built on trust

Strategic Objectives & Key Performance Indicators

The Company's primary endeavour is to ensure that our overall corporate and strategic objectives are met by playing an exemplary leadership role in the local steel & polymer industry in line with global best practices. The Company continuously strives to modernize and grow its business to ensure continued profi ability and maximize return to shareholders.

Through its comprehensive strategy encompassing six key imperatives, International Industries is focused on driving long-term growth and operational excellence.

1. Customer and Brand Focus
2. Organizational Transformation and Talent Management
3. Financial Stability
4. Operational Excellence
5. Digital Transformation
6. Business Sustainability

S.No.	Strategic Imperatives	Objectives	Strategies	KPIs	Actions Taken by the Company
1	Customer and Brand Focus	Enhance customer focus and brand visibility to strengthen market position and loyalty.	• Increase Customer Support: Implement advanced customer service platforms and train support staff to deliver superior service. • Maintain Focus on Value Proposition: Regularly review and refine alue propositions to ensure alignment with market needs. • Foster Customer-Centric Culture: Embed customer-centric practices across all levels of the organization through workshops and ongoing training. • Research and Development: Invest in R&D to innovate and improve product offerings, aligning with market trends and customer preferences. • Increase Brand Visibility: Launch targeted marketing campaigns and leverage digital platforms to enhance brand presence. • Invest in Marketing: Allocate a substantial portion of the budget to strategic marketing initiatives and brand promotion. • Quality as a Cornerstone: Maintain stringent quality control measures and continuous improvement processes.	• Customer Satisfaction Score (CSAT) • Net Promoter Score (NPS) • Brand Awareness Index • R&D Investment as a Percentage of Revenue • Marketing ROI	• The Company has enhanced its customer support by introducing a new CRM system that allows for better tracking and response to customer inquiries. • Recent marketing campaigns have increased brand visibility signifi antly, as evidenced by a rise in brand awareness metrics. • The brand identity has been updated to keep up with changing market and customer preferences, and customer focus has been added to the corporate values of the company •Customer satisfaction surveys have been formalized through dedicated third parties to ensure standardized reporting
2	Digital Transformation	Leverage digital technologies to optimize operations and enhance customer experiences.	• Implement Digital Tools: Adopt state-of-the-art ERP and CRM systems to streamline operations and improve efficienc . • Enhance Online Presence: Develop a robust digital marketing strategy and e-commerce platform to capture online market share. • Data Analytics: Utilize data analytics for better decision-making and performance monitoring.	• System Downtime and Performance Metrics • Data Utilization Efficienc	• The Company has embarked on a digital transformation journey by integrating an advanced ERP system that has improved operational efficienc .
3	Financial Stability	Achieve robust financia health through efficien asset management and revenue growth.	• Increase Inventory Turns: Optimize inventory management to reduce holding costs and improve turnover rates. • Reduce Debtor Days: Implement stringent credit control measures and enhance collections processes. • Evolve Subsidiaries' Models: Review and adapt business models of overseas subsidiaries to align with local market dynamics. • Maximize Cash Generation: Focus on improving cash f ow through better financial management an operational efficienc .	• Inventory Turnover Ratio • Days Sales Outstanding (DSO) • Revenue Growth from Overseas Subsidiaries • Cash Flow from Operations	• The Company has reduced debtor days by improving its credit control mechanisms and adopting more aggressive collection strategies. • Inventory management practices have been enhanced, leading to improved turnover rates and cost savings.

S.No.	Strategic Imperatives	Objectives	Strategies	KPIs	Actions Taken by the Company
4	Operational Excellence	Achieve superior operational performance through continuous improvement and safety culture.	• Promote Safety Culture: Implement comprehensive safety training programs and regular audits to enhance workplace safety. • Align Operational Models: Streamline business and operational processes to ensure efficiency and alignment wit strategic goals. • Data-Driven Decisions: Introduce data-driven decision-making tools and performance monitoring systems.	• Safety Incident Rate • Operational Efficienc Metrics • Process Improvement Initiatives • Data Utilization in Decision-Making	• The Company has made signifi ant strides in safety by introducing new safety protocols and training programs, resulting in a reduction in workplace incidents. • Operational processes have been optimized through lean management practices and continuous improvement initiatives.
5	Organizational Transformation and Talent Management	Build a high-performing, engaged workforce and foster a culture of inclusivity and growth.	• Invest in Talent: Recruit top talent and provide ongoing development opportunities to enhance skills and performance. • Succession Planning: Develop and implement a succession planning strategy to ensure leadership continuity. • Performance Management: Establish a transparent performance management system with clear metrics and feedback mechanisms. • Foster Inclusivity: Promote a diverse and inclusive workplace culture with ongoing initiatives and support systems.	• Employee Satisfaction and Engagement Scores • Turnover Rates of Key Talent • Succession Plan Readiness • Diversity and Inclusion Metrics	• The Company has enhanced its talent management practices by implementing new recruitment strategies and professional development programs. • The organization has introduced a comprehensive performance management system and increased its focus on diversity and inclusion initiatives. •A WISE (women in science and engineering) program has been launched successfully to foster inclusivity.
6	Business Sustainability	Ensure long-term sustainability and ethical governance while minimizing environmental impact.	• Enhance Corporate Governance: Adhere to best practices in corporate governance and ethical standards. • Invest in Green Energy: Explore and invest in renewable energy sources to reduce environmental impact and dependency on external energy supplies. • Diversify Business Areas: Expand into associated products or new business areas to mitigate risks and drive growth. • Develop Business Continuity Plans: Create and maintain robust business continuity plans to ensure resilience and operational stability.	• Sustainability Performance Metrics • Green Energy Investment Ratio • Corporate Governance Ratings • Business Continuity Plan Readiness	• The Company has committed to sustainability by investing in green energy projects and implementing more stringent corporate governance practices. • The Company has diversified it product offerings and developed a comprehensive business continuity plan to safeguard against disruptions.

Relevance of Key Performance Indicators (KPIs) for Future Strategic Alignment

The KPIs identified across the Company's strategic imperatives are well-aligned with current best practices and future trends in their respective areas. They address critical aspects such as customer satisfaction, operational efficienc , financial health, talent management, sustainability, and digital transformation. As long as these strategic objectives remain relevant to the Company's business context and external environment, the identified KPIs will continue to be essential for measuring and driving success in the future. Regular review and adjustment of these KPIs will ensure they remain aligned with evolving business priorities and market dynamics.

Relationship Between Company's Results and Management Objectives

The Company's results and its objectives, as outlined above, are very strongly aligned.

Our commitment to corporate governance standards, our employees and our shareholders is detailed in the Sustainability Section of this report as well as the financial and non-financial segment

Strategic Roadmap: Short, Medium, and Long-Term Objectives and Strategies

The Company has developed a structured approach to short-term, medium-term, and long-term strategic objectives and strategies, tailored to align with the six strategic imperatives.

S.No.	Strategic Area	Timeframe	Strategic Objectives	Strategies
1	**Customer and Brand Focus**	Short -Term	Improve customer support and satisfaction	- Implement a new CRM system
				- Train customer service teams
		Medium -Term	Enhance brand visibility and value proposition	- Launch targeted marketing campaigns
				- Increase investment in brand promotion
		Long -Term	Foster a culture of customer -centricity and innovation	- Develop a robust R&D setup
				- Continuously refine product offerings based on customer feedback
2	**Digital Transformation**	Short -Term	Begin digital transformation initiatives	- Implement ERP and CRM systems
				- Initiate digital marketing strategies
		Medium -Term	Optimize digital tools and platforms	- Integrate advanced data analytics
				- Enhance online user experience
		Long -Term	Achieve digital maturity and operational integration	- Fully integrate digital tools across all functions
				- Leverage AI and machine learning for insights
3	**Financial Stability**	Short -Term	Improve inventory management and cash flow	- Optimize inventory processes
				- Implement tighter credit controls
		Medium -Term	Increase cash generation and reduce debtor days	- Enhance cash flow management practices
				- Revise credit policies and collection processes
		Long -Term	Evolve global subsidiary business models	- Adapt and innovate business models for international markets
				- Focus on sustainable revenue streams
4	**Operational Excellence**	Short -Term	Enhance safety protocols and operational efficiency	- Conduct safety training programs
				- Streamline operational processes
		Medium -Term	Implement data -driven decision -making	- Introduce performance monitoring systems
				- Utilize data analytics for process improvements
		Long -Term	Achieve high operational performance standards	- Standardize best practices across operations
				- Foster a culture of continuous improvement
5	**Organizational Transformation and Talent Management**	Short -Term	Recruit and develop key talent	- Launch recruitment campaigns for critical roles
				- Implement initial training and development programs
		Medium -Term	Strengthen succession planning and performance management	- Develop and communicate succession plans
				- Enhance performance management systems
		Long -Term	Build a diverse and inclusive workplace	- Foster an inclusive culture through policies and practices
				- Promote cross -functional collaboration
6	**Business Sustainability**	Short -Term	Implement sustainable practices and improve governance	- Adhere to corporate governance standards
				- Initiate green energy assessments
		Medium -Term	Invest in green energy and diversify business areas	- Begin transitioning to renewable energy sources

Resource Allocation Plan for Strategic Implementation

Below is the summary of the resource allocation plan to implement the strategic objectives of across the six strategic imperatives. The table outlines the allocation of different types of capital — financial, human, manufactured, intellectual, social and relationship, and natural — over short-term, medium-term, and long-term periods.

Customer and Brand Focus

Capital Type	Short-Term (1-2 years)	Medium-Term (3-5 years)	Long-Term (6+ years)
Financial Capital	Allocate funds for customer support enhancements and initial marketing campaigns.	Increase budget for strategic partnerships and market research to expand market reach.	Continue investing in long-term brand-building initiatives and customer experience innovations.
Human Capital	Recruit and train customer service teams to improve customer support.	Expand marketing and customer support teams to handle increased market reach and customer engagement.	Develop a high-performing customer relations team focused on maintaining industry-leading customer satisfaction levels.
Manufactured Capital	Enhance CRM systems to improve customer support operations.	Invest in new customer service infrastructure and tools to support an expanding customer base.	Maintain and upgrade customer service infrastructure and technology as needed to support continuous innovation.
Intellectual Capital	Develop training programs for customer-centric culture and support.	Create advanced training modules and customer insight programs.	Establish a center of excellence for customer experience research and innovation.
Social and Relationship Capital	Initiate community engagement and brand awareness campaigns.	Strengthen partnerships with industry stakeholders and customer communities to enhance brand loyalty and trust.	Build long-term relationships with strategic partners and key customers to establish a loyal customer base.
Natural Capital	Minimal allocation.	Minimal allocation.	Incorporate eco-friendly packaging and customer education on sustainability practices.

Digital Transformation

Capital Type	Short-Term (1-2 years)	Medium-Term (3-5 years)	Long-Term (6+ years)
Financial Capital	Invest in initial digital tools, such as ERP and CRM systems.	Allocate funds for ongoing digital platform enhancements and integration across departments.	Continue funding for digital innovation projects and advanced technology adoption.
Human Capital	Hire and train IT professionals and digital transformation specialists.	Expand digital teams to manage integrated systems and support digital growth.	Develop a skilled digital workforce with expertise in cutting-edge technologies and innovation management.
Manufactured Capital	Acquire hardware and software to support digital initiatives.	Invest in high-performance IT infrastructure to enable comprehensive digital integration.	Maintain and update IT infrastructure to keep pace with technological advancements and business needs.
Intellectual Capital	Develop digital literacy and data management training programs.	Enhance digital strategy capabilities and data analytics expertise.	Establish a digital innovation hub to drive technology-led growth and operational excellence.
Social and Relationship Capital	Collaborate with technology partners to support digital initiatives.	Strengthen partnerships with tech f rms and consultants for advanced digital solutions.	Build long-term strategic alliances with leading technology providers and innovators.
Natural Capital	Minimal allocation.	Explore digital tools to enhance sustainability tracking and reporting.	Integrate digital solutions to reduce environmental footprint, such as smart energy management systems.

Financial Stability

Capital Type	Short-Term (1-2 years)	Medium-Term (3-5 years)	Long-Term (6+ years)
Financial Capital	Reallocate funds to improve cash f ow management and optimize inventory.	Increase investment in f nancial systems and processes to enhance prof tability and risk management.	Allocate capital for strategic acquisitions and diversif cation to support long-term f nancial stability.
Human Capital	Enhance f nance team capabilities with training on cash management and inventory optimization.	Build a stronger f nance team with expertise in international markets and f nancial risk management.	Develop a robust f nancial leadership team with a focus on strategic growth and sustainability.
Manufactured Capital	Optimize inventory management systems to reduce holding costs.	Invest in state-of-the-art inventory and f nancial management systems to enhance operational eff ciency.	Upgrade f nancial and inventory management infrastructure as part of long-term growth strategies.
Intellectual Capital	Provide training on f nancial analysis and inventory management for key personnel.	Develop advanced f nancial modeling and risk assessment capabilities within the organization.	Establish a f nancial center of excellence to continuously improve f nancial strategies and practices.
Social and Relationship Capital	Engage with f nancial institutions to improve credit terms and cash f ow management.	Build strong relationships with international f nancial partners to support global operations.	Maintain long-term partnerships with key f nancial institutions to secure favorable terms and support strategic growth.
Natural Capital	Minimal allocation.	Minimal allocation.	Explore green f nancing options to support sustainability initiatives and reduce environmental impact.

Operational Excellence

Capital Type	Short-Term (1-2 years)	Medium-Term (3-5 years)	Long-Term (6+ years)
Financial Capital	Allocate funds for safety training programs and process improvement initiatives.	Invest in advanced technologies and process automation to enhance operational eff ciency.	Continue funding for innovation in operations and continuous improvement projects.
Human Capital	Hire safety experts and train employees on new safety protocols.	Expand operational teams with expertise in process optimization and data-driven decision-making.	Develop a skilled workforce with a focus on lean operations and continuous improvement.
Manufactured Capital	Upgrade equipment and facilities to improve safety and operational eff ciency.	Invest in state-of-the-art machinery and process automation tools.	Regularly update and maintain high-performance equipment and technology to support operational excellence.
Intellectual Capital	Implement training programs on lean management and operational best practices.	Develop advanced operational training and knowledge-sharing platforms.	Establish an operations excellence academy to foster continuous learning and innovation.
Social and Relationship Capital	Build relationships with industry experts and consultants to support operational improvement.	Strengthen collaboration with suppliers and partners to drive supply chain eff ciency.	Develop long-term partnerships with industry leaders to benchmark and continuously improve operational practices.
Natural Capital	Implement initiatives to reduce waste and improve energy eff ciency in operations.	Invest in energy-eff cient equipment and sustainable operational practices.	Continuously enhance sustainability practices across operations to reduce environmental impact.

Organizational Transformation and Talent Management

Capital Type	Short-Term (1-2 years)	Medium-Term (3-5 years)	Long-Term (6+ years)
Financial Capital	Allocate budget for recruitment and initial training programs.	Increase investment in talent development and leadership training programs.	Continue funding for strategic talent initiatives, including diversity and inclusion programs and organizational development.
Human Capital	Hire and onboard new talent with a focus on customer support and digital expertise.	Expand teams across functions to support strategic growth, with a focus on diversity and inclusion.	Develop a strong pipeline of future leaders through comprehensive succession planning and leadership development programs.
Manufactured Capital	Invest in tools and technology to support talent development initiatives.	Upgrade HR systems and platforms to enhance performance management and employee engagement.	Maintain and update HR infrastructure to support continuous organizational growth and transformation.
Intellectual Capital	Develop onboarding and training programs to enhance employee skills and knowledge.	Create advanced leadership development programs and continuous learning opportunities.	Establish a knowledge management system to capture and share best practices and expertise across the organization.
Social and Relationship Capital	Strengthen internal communications and employee engagement initiatives.	Build partnerships with educational institutions and industry bodies to enhance talent pipelines and development opportunities.	Maintain strong relationships with key educational and industry partners to support talent development and organizational growth.
Natural Capital	Minimal allocation.	Promote sustainable practices and environmental awareness among employees.	Integrate sustainability goals into employee performance management and organizational culture initiatives.

Operational Excellence

Capital Type	Short-Term (1-2 years)	Medium-Term (3-5 years)	Long-Term (6+ years)
Financial Capital	Initiate investment in renewable energy and sustainability projects.	Increase funding for sustainability initiatives and diversif cation into associated business areas.	Continue funding for sustainability projects and strategic diversif cation to reduce environmental impact and enhance long-term resilience.
Human Capital	Hire sustainability experts and develop training programs focused on environmental stewardship.	Expand sustainability teams to lead and implement green initiatives and new business development projects.	Develop a workforce skilled in sustainability and corporate social responsibility to support long-term goals.
Manufactured Capital	Invest in sustainable manufacturing practices and green technologies.	Upgrade facilities and equipment to meet sustainability standards and reduce environmental impact.	Regularly review and upgrade manufacturing capabilities to align with evolving sustainability goals and best practices.
Intellectual Capital	Create training programs focused on sustainability and ethical business practices.	Develop advanced sustainability frameworks and ethical governance training programs.	Establish a sustainability center of excellence to drive continuous improvement and innovation in sustainable practices.
Social and Relationship Capital	Engage with stakeholders on sustainability initiatives and build community relations.	Strengthen partnerships with NGOs, community groups, and industry bodies to enhance sustainability efforts and stakeholder engagement.	Maintain strong relationships with sustainability-focused partners to support long-term environmental and social goals.
Natural Capital	Implement initial green initiatives and start investing in renewable energy sources.	Expand investment in renewable energy projects and sustainable practices across operations.	Continuously innovate and invest in green technologies and sustainable practices to reduce environmental impact and enhance long-term business resilience.

Capabilities and Resources that Provide a Sustainable Competitive Advantage for the Company

By focusing on the below holistic capabilities and resources, the Company creates a sustainable competitive advantage that drives long-term value for the company and its stakeholders.

Core Capabilities and Resources

1. ***Manufacturing Excellence:***
   - State-of-the-Art Facilities: Advanced manufacturing facilities with modern technology enhance production efficiency and p oduct quality.
   - Quality Control Systems: Robust quality management systems ensure high standards and consistent product quality, critical for maintaining market reputation.
2. ***Innovation and Research & Development (R&D):***
   - R&D Capabilities: Dedicated R&D centers focus on developing new products and improving existing ones, driving innovation and meeting market demands.
   - Technology Integration: Use of cutting-edge technology and automation in manufacturing processes to increase productivity and reduce costs.
3. ***Financial Strength:***
   - Strong Financial Position: Solid financial health and capital resources enable investment in growth opportunities, R&D, and infrastructure.
   - Effective Financial Management: Efficient financial practices support stability and f exibility in managing market f uctuations.
4. ***Skilled Workforce:***
   - Talent and Expertise: A highly skilled and experienced workforce contributes to operational excellence and innovative capabilities.
   - Training and Development: Ongoing employee training and development programs ensure that staff are well-equipped to meet evolving industry challenges.
5. ***Market Position and Brand Strength:***
   - Established Brand: The Company's well-recognized brand name with a strong market presence builds customer loyalty and drives sales.
   - Customer Relationships: The Company's strong relationships with key customers and stakeholders enhance market positioning and create long-term value.
6. ***Strategic Partnerships and Alliances:***
   - Collaborations: The Company's strategic partnerships with suppliers, distributors, and industry stakeholders enhance operational capabilities and market reach.
   - Global Network: The Company's extensive network of partners and customers supports global market expansion and diversifi ation.
7. ***Sustainability Practices:***
   - Environmental Initiatives: The Company's commitment to sustainability through energy-efficient practices, waste reduction, and green energy investments.
   - Corporate Social Responsibility (CSR): Active CSR programs that contribute to community development and environmental stewardship.
8. ***Technological Advancements:***
   - Digital Transformation: Implementation of digital tools and technologies to improve operational efficiency and da a management.
   - Innovation in Products: Development of advanced products and solutions that meet customer needs and differentiate the company from competitors.

Value Creation Through Sustainable Competitive Advantage

1. ***Enhanced Efficiency and Productivity:*** Leveraging advanced manufacturing technologies and quality control systems leads to higher production efficiency and cost savings, contributing to overall profi ability.
2. ***Market Leadership:*** Strong brand recognition and customer relationships enhance market position, driving sales and establishing the Company as a leader in its industry.
3. ***Innovation and Growth:*** Continuous investment in R&D and technological advancements fosters innovation, enabling the Company to meet evolving customer demands and explore new market opportunities.
4. ***Financial Stability:*** A strong financial position and effective financial management support strategic investments and ensure resilience against market f uctuations.
5. ***Sustainability and CSR:*** Commitment to sustainability and CSR initiatives not only enhances corporate reputation but also contributes to long-term environmental and social value.
6. ***Talent and Expertise:*** A skilled workforce and ongoing employee development programs ensure that the Company remains competitive and adaptable in a rapidly changing market.

Effects of Key Factors on Company Strategy and Resource Allocation

The Company evaluates several critical factors that impact our strategic direction and resource allocation. These factors include technological changes, sustainability reporting and challenges, innovation initiatives, and resource shortages. Here's an overview of how these factors affect our strategy and resource allocation:

S.No.	Key Factors	Effects on Company Strategy	Effects on Resource Allocation
1	Technological Changes	• Innovation Drive: Rapid technological advancements necessitate ongoing investment in research and development (R&D) to stay ahead of industry trends. We focus on adopting and integrating new technologies to enhance our product offerings and operational e ff ciency. • Digital Transformation: Technology changes drive our digital transformation strategy, including the adoption of advanced data analytics, automation, and digital tools to improve decision -making and process eff ciency.	• Capital Investment: We allocate substantial f nancial resources to technology upgrades, R&D, and digital tools. This includes investing in new manufacturing technologies and IT infrastructure. • Talent Acquisition: To support technological advancements, we invest in hiring skilled professionals with expertise in emerging technologies and digital tools. • Training and Development: We allocate resources to upskill our workforce on new technologies and systems to ensure effective implementation and utilizati on.
2	Sustainability Reporting and Challenges	• Enhanced Transparency: Sustainability reporting drives us to improve transparency and accountability in our environmental, social, and governance (ESG) practices. We incorporate sustainability goals into our overall strategic framework. • Regulatory Compliance: Addressing sustainability challenges ensures compliance with evolving regulations and standards, inf uencing our operational practices and product development strategies.	• Investment in Sustainable Practices: We allocate capital towards implementing sustainable practices, such as energy - eff cient technologies, waste reduction, and green energy investments. • Reporting and Auditing: Resources are dedicated to sustainability reporting and auditing processes to track performance, ensure compliance, and communicate our sustainability efforts to stakeholders. • Research and Innovation: We invest in R&D for sustainable product development and processes that align with our sustain ability goals.
3	Initiatives Taken by the Company in Promoting and Enabling Innovation	• Innovation Leadership: Our commitment to innovation enhances our competitive edge and drives strategic initiatives focused on developing new products and improving existing ones. We foster a culture of creativity and continuous improvement. • Strategic Partnerships: We engage in collaborations with technology providers, research institutions, and industry experts to drive innovation and access new technologies.	• R&D Funding: Signif cant f nancial resources are allocated to R&D activities to support innovation projects and new product development. • Collaboration Investments: We invest in strategic partnerships and collaborations to access external expertise and resources that facilitate innovation. • Talent and Infrastructure: Resources are allocated to building innovation capabilities, including hiring skilled personnel and developing infrastructure that supports creative processes and technology development.
4	Resource Shortages	• Operational Adjustments: Resource shortages, such as shortages in raw materials or skilled labor, require us to adjust our operational strategies. This may involve diversifying suppliers, optimizing inventory management, or adjusting production schedules . • Cost Management: Resource shortages impact cost structures, leading us to implement cost -saving measures and eff ciency improvements to mitigate f nancial impacts.	• Supply Chain Management: We allocate resources to developing resilient supply chains and sourcing strategies to address and mitigate shortages. • Investment in Alternatives: Resources are invested in alternative materials, technologies, and processes to reduce dependency on scarce resources. • Eff ciency Improvements: Financial and operational resources are directed towards process improvements and technology upgrades to enhance eff ciency and reduce resource consumption.

The interplay of technological changes, sustainability reporting, innovation initiatives, and resource shortages signifi antly inf uences the Company's strategic direction and resource allocation. By adapting to these factors, we enhance our ability to drive growth, innovation, and sustainability while effectively managing challenges and opportunities.

Key Performance Indicators (KPIs) Against Strategic Objectives

To effectively measure the achievement of strategic objectives at the Company, Key Performance Indicators (KPIs) are aligned with each of the six strategic imperatives outlined in the Company's strategic plan. Below is a set of KPIs tailored to each strategic objective:

1. Customer & Brand Focus

Objective: Enhance customer focus and brand visibility to strengthen market position and loyalty.
KPIs:

- Customer Satisfaction Score (CSAT): Measures customer satisfaction with products and services.
- Net Promoter Score (NPS): Gauges customer loyalty and the likelihood of customers recommending the Company to others.
- Brand Awareness Index: Tracks the level of brand recognition and recall in target markets.
- Market Share Growth: Measures the increase in market share in key segments.
- R&D Investment as a Percentage of Revenue: Indicates the level of investment in research and development relative to total revenue.
- First Contact Resolution Rate: Percentage of customer inquiries or issues resolved in the fi st interaction.

2. Digital Transformation

Objective: Leverage digital technologies to optimize operations and enhance customer experiences.
KPIs:

- System Downtime and Performance Metrics: Tracks the reliability and uptime of IT systems and infrastructure.
- Data Utilization Efficiency: E aluates the effectiveness of data usage in decision-making processes.
- IT Investment as a Percentage of Revenue: Measures the proportion of revenue allocated to IT and digital transformation initiatives.
- Automation Rate: Percentage of processes automated to reduce manual intervention.

3. Financial Stability

Objective: Achieve robust financial hea th through efficient ass t management and revenue growth.
KPIs:

- Revenue Growth Rate: Measures the year-over-year growth in revenue.
- Net Profit argin: Tracks the profi ability of the company after all expenses.
- Inventory Turnover Ratio: Indicates the efficiency f inventory management and turnover.
- Days Sales Outstanding (DSO): Measures the average number of days it takes to collect payment after a sale.
- Debt-to-Equity Ratio: Assesses the company’s financial everage and capital structure.
- Cash Flow from Operations: Tracks the cash generated from the company's core business operations.

4. Operational Excellence

Objective: Achieve superior operational performance through continuous improvement and a culture of safety.
KPIs:

- Safety Incident Rate (Lost Time Injury Frequency Rate - LTIFR): Measures the number of lost-time injuries per million hours worked.
- Overall Equipment Effectiveness (OEE): Assesses the efficiency and effectiveness of production equipment.
- Operational Cost Efficiency: racks the cost of operations relative to revenue.
- Process Improvement Rate: Measures the number of process improvements implemented over a specific period
- Cycle Time Reduction: Monitors the reduction in the time required to complete a production cycle or process.
- Quality Control Metrics (Defect Rate): Measures the percentage of products that fail to meet quality standards.

5. Organizational Transformation & Talent Management

Objective: Build a high-performing, engaged workforce and foster a culture of inclusivity and growth.

KPIs:

- Employee Satisfaction and Engagement Scores: Measures overall employee satisfaction and engagement levels.
- Employee Turnover Rate: Tracks the rate at which employees leave the company, especially key talent.
- Diversity and Inclusion Metrics: Monitors the representation of diverse groups within the workforce.
- Succession Plan Readiness: Evaluates the preparedness and effectiveness of succession planning efforts.
- Training Hours per Employee: Measures the average number of training hours received per employee.
- Internal Promotion Rate: The percentage of positions fil ed by internal candidates, indicating career development opportunities

6. Business Sustainability

Objective: Ensure long-term sustainability and ethical governance while minimizing environmental impact.

KPIs:

- Carbon Footprint Reduction: Measures the reduction in greenhouse gas emissions.
- Energy Consumption from Renewable Sources: Tracks the percentage of total energy consumption derived from renewable sources.
- Waste Reduction Rate: Monitors the decrease in waste production and increase in recycling rates.
- Corporate Governance Rating: Assesses adherence to best practices in corporate governance.
- Sustainability Performance Metrics (e.g., ESG Score): Evaluates the company's performance across environmental, social, and governance criteria.
- Community Engagement Index: Measures the impact of corporate social responsibility initiatives in local communities.

By implementing these KPIs, the Company effectively measures progress toward its strategic objectives, makes informed decisions, and ensures alignment with its mission and vision. These indicators provide a comprehensive view of the company's performance across various dimensions, facilitating continuous improvement and long-term success.

Relevance of Key Performance Indicators (KPIs) for Future Strategic Alignment

Based on the strategy detailed for the Company, the following are the ways in which the key performance indicators (KPIs) will continue to be relevant in the future:

1. Customer & Brand Focus

KPIs like Customer Satisfaction Score (CSAT), Net Promoter Score (NPS), Brand Awareness Index, R&D Investment as a Percentage of Revenue, and Marketing ROI are highly relevant and will remain so. These metrics directly measure customer satisfaction, brand strength, innovation efforts, and marketing effectiveness, which are crucial for maintaining competitive advantage and customer loyalty.

2. Digital Transformation

KPIs such as System Downtime and Performance Metrics, and Data Utilization Efficiency are essential in the digital age. As businesses increasingly rely on digital tools and platforms, these metrics will continue to gauge the effectiveness of digital initiatives and operational efficiencies dri en by technology.

3. Financial Stability

KPIs such as Inventory Turnover Ratio, Days Sales Outstanding (DSO), Revenue Growth from Overseas Subsidiaries, and Cash Flow from Operations are fundamental to financial health and efficienc . These metrics will remain relevant as they measure liquidity, profi ability, and operational effectiveness, which are critical for sustaining growth and managing financial risks

4. Operational Excellence

KPIs like Safety Incident Rate, Operational Efficiency Metrics, Process Improvement Initiatives, and Data Utilization in Decision-Making are pivotal for operational performance and continuous improvement. They ensure that the organization maintains high standards of safety, efficienc , and adaptability, which are timeless requirements for sustainable success.

5. Organizational Transformation & Talent Management

KPIs such as Employee Satisfaction and Engagement Scores, Turnover Rates of Key Talent, Succession Plan Readiness, and Diversity and Inclusion Metrics are vital for organizational health and resilience. These metrics ref ect the organization's ability to attract, retain, and develop talent while fostering a culture of inclusivity and growth, which will remain crucial in the future of work.

6. Business Sustainability

KPIs, including Sustainability Performance Metrics, Green Energy Investment Ratio, Corporate Governance Ratings, and Business Continuity Plan Readiness, are increasingly important as stakeholders prioritize environmental, social, and governance (ESG) factors. These metrics demonstrate the company's commitment to long-term sustainability, ethical governance, and resilience against disruptions.

The KPIs identified across the Company’s strategic imperatives are well-aligned with current best practices and future trends in their respective areas. They address critical aspects such as customer satisfaction, operational efficienc , financial health, talent management, sustainability, and digital transformation. As long as these strategic objectives remain relevant to the Company’s business context and external environment, the identified KPIs will ontinue to be essential for measuring and driving success in the future.

Linkage of Strategic Objectives with Vision and Mission

By aligning the Company's strategic objectives with its vision and mission, it becomes clear that each objective supports the company's overarching goals. This alignment ensures that the strategic initiatives effectively drive towards becoming a globally respected and innovative company while fulfilling its mission and maintaining a commitment to quality, customer focus, and sustainability.

S.No.	Strategic Area	Vision: Building Dreams Together	Mission: To make the world a more liveable place by relentlessly pursuing excellence and innovation to exceed stakeholder expectations
1	Customer and Brand Focus	• Building: Enhancing customer focus and brand visibility ref ects positive action and growth.	• Excellence: Superior customer service and uncompromising quality elevate experiences.
		• Dreams: Fulf lls aspirations by delivering trusted, quality products.	• Innovation: R&D and evolving value propositions create new value for customers.
		• Together: Strengthens collaboration with customers and stakeholders.	• Stakeholders: Enhances trust, loyalty, and satisfaction across markets.
2	Digital Transformation	• Building: Digitalization strengthens the Company's foundations through eff ciency and modern systems.	• Excellence: Digital tools streamline operations and decision-making.
		• Dreams: Unlocks future-focused possibilities through technology.	• Innovation: ERP, CRM, and analytics foster smarter, adaptive solutions.
		• Together: Improves engagement by connecting digitally with customers and partners.	• Stakeholders: Enhances accessibility, responsiveness, and service quality.
3	Financial Stability	• Building: Strong f nancial performance underpins resilience and growth.	• Excellence: Sound f nancial management maximizes cash generation and eff ciency.
		• Dreams: Enables sustained investment in new opportunities and innovation.	• Innovation: Adapting business models in subsidiaries ensures relevance.
		• Together: Provides value and security for shareholders, employees, and communities.	• Stakeholders: Delivers fair returns, stability, and conf dence in the Company's future.
4	Operational Excellence	• Building: Continuous improvement strengthens operational foundations.	• Excellence: Safety, eff ciency, and lean practices drive superior outcomes.
		• Dreams: Safe, reliable processes ensure trust and quality in every product.	• Innovation: Data-driven decision-making enhances agility and competitiveness.
		• Together: Engages the workforce in achieving shared performance goals.	• Stakeholders: Guarantees consistent quality and operational reliability.
5	Organizational Transformation & Talent Management	• Building: Cultivating talent builds organizational strength.	• Excellence: A high-performing, engaged workforce strengthens culture and results.
		• Dreams: Encourages ambition, creativity, and professional growth.	• Innovation: Fostering diversity and development unlocks new perspectives and solutions.
		• Together: Promotes inclusivity, collaboration, and belonging across the workforce.	• Stakeholders: Ensures continuity, leadership readiness, and employee well-being.
6	Business Sustainability	• Building: Sustainability anchors growth in responsibility and long-term value.	• Excellence: ESG leadership and governance elevate the Company's standing as a responsible industry leader.
		• Dreams: Supports a future-focused vision through green energy and climate action.	• Innovation: Green energy and circular practices drive sustainable progress.
		• Together: Embeds shared responsibility with communities, regulators, and global partners.	• Stakeholders: Protects the environment, communities, and long-term stakeholder value.

Board's Statement on Significant Plans and Decisions

We would like to provide an update on the plans and decisions of the Company regarding our corporate restructuring, business expansion, major capital expenditure, and operations.

1. Corporate Restructuring:

No Major Change: After a comprehensive review of our organizational structure and operational efficienc , the Board has determined that there will be no major changes to the corporate structure at this time. We remain committed to our current organizational framework, which supports our strategic goals and operational needs effectively.

2. Business Expansion:

Exploring Global Partnerships: We are committed to expanding our international footprint by exploring strategic global partnerships. This initiative aims to leverage synergies with international organizations to enhance our market reach, share technological advancements, and access new business opportunities. Through these partnerships, we intend to strengthen our global position and drive mutual growth.

Expanding the Trading Business: The Company's Trading Subsidiary maintains focus on trading opportunities, including the import and export of products, to complement our existing operations and diversify our revenue streams. The division will operate with the same commitment to quality and excellence that defines the Company, ensuring that we deliver value to our customers and stakeholders in this new domain.

3. Major Capital Expenditure:

No Major Expenditure: We will continue to manage our capital expenditures prudently, ensuring that any investment aligns with our strategic objectives and operational requirements while maintaining our financial s ability.

4. Discontinuance of Operations:

No Discontinuation: We are committed to maintaining and supporting all our existing business operations, focusing on operational excellence and continuous improvement.

Board Strategy to Overcome Liquidity Problems (If they arise) and Plans to Meet Operational Losses (If they arise)

In the event of liquidity challenges or operational losses, following would be the approach to address these issues effectively:

- **Liquidity Management:** The Company implements proactive liquidity management practices to ensure adequate cash reserves and financial f exibility. This includes optimizing working capital, closely monitoring cash f ows, and maintaining efficient inventory management. We also explore various financing options o bolster liquidity when necessary.
- **Cost Control Measures:** To manage operational losses, we focus on stringent cost control measures and operational efficiency initiatives. This involves identifying cost-saving opportunities, streamlining processes, and implementing lean management practices across our operations..
- **Revenue Enhancement:** We actively seek opportunities to enhance revenue through market penetration, market expansion, product diversifi ation, and innovation. By expanding into new markets and developing new products, we aim to increase our revenue streams and mitigate the impact of any operational losses.
- **Strategic Investments:** We strategically invest in initiatives that drive long-term growth and profi ability. This includes investing in technology, improving operational efficienc , and exploring new business areas to ensure sustained financial hea th.
- **Regular Financial Reviews:** The Company conducts regular financial reviews and scenario planning to anticipate potential challenges and develop appropriate contingency plans. This proactive approach allows us to respond swiftly to changing conditions and maintain financial s ability.

Information about Defaults in Payment of Any Debt (None)

The Company is pleased to report that there have been no defaults in the payment of any debt obligations. Our strong financial management practices and robust liquidity position ensure that we consistently meet our debt repayment schedules in a timely manner. We maintain a vigilant approach to managing our cash f ows and financial   ommitments, which helps us avoid any instances of default.

SECTION 3.0
Risks and Opportunities

- Key risks and opportunities (internal and external)
- Risk management framework
- Risk mitigation
- Key risks
- Key opportunities
- Disclosure of a risk of supply chain disruption

international™
industries
built on trust

Key Risks and Opportunities (Internal and External) Affecting Availability, Quality, and Affordability of Capital

Form of Capital	Key Risk	Key Opportunities	Time Horizon
Financial Capital	• Currency Fluctuations: impacting costs of imported raw materials and equipment. • Interest Rate Volatility: increasing borrowing expenses, straining working capital and expansion initiatives. • Economic Slowdowns: reducing demand, revenues, and cash f ow.	• Expanding Exports: entering new markets to diversify revenue and reduce reliance on domestic sales. • Technology Modernization: improving eff ciency and lowering production costs. • Government Support: leveraging tax concessions or subsidies to reduce operating expenses.	Short to Long Term
Human Capital	• Skills Shortage: limited availability of technically trained staff. • High Employee Turnover: causing knowledge loss and raising recruitment and training costs.	• Workforce Development: investing in training to enhance skills and succession readiness. • Employee Retention: initiatives to improve engagement and reduce turnover.	Short to Medium Term
Physical Capital	• Asset Wear and Tear: aging of infrastructure, machinery, and equipment reducing eff ciency. • Natural Hazards: environmental events potentially damaging facilities and disrupting operations. • Utility Disruptions: interruptions in power, water, or gas supply halting production.	• Infrastructure Upgrades: enhancing eff ciency and production capacity. • Energy Eff ciency: adopting technologies to cut utility consumption. • Strategic Expansion: locating facilities to improve logistics and market reach.	Short to Long Term
Social Capital	• Weak Community Relations: risking unrest and operational disruptions. • Labor Conf icts: strained relations or union activity causing strikes and higher costs. • CSR Demands: pressure on resources and management from social responsibility expectations.	• Community Engagement: investing in programs to strengthen local relationships. • Partnerships: collaborating with NGOs, local bodies, and government agencies to create shared value.	
Natural Capital	• Raw Material Shortages: scarcity of metals and polymers critical to production. • Regulatory Pressure: stricter environmental rules increasing costs and requiring process changes. • Climate Risks: extreme weather events disrupting operations and supply chains.	• Sustainable Resource Use: eff cient consumption, waste reduction, and recycling. • Eco-friendly Products: achieving environmental certif cations to meet growing green demand. • Increased reliance on clean energy: Use of renewable energy sources	
Intellectual Capital	• IP Misuse: theft of proprietary technology, designs, or processes undermining competitiveness. • Technological Obsolescence: rapid advancements making current products and methods outdated.	• IP Safeguards: strengthening patents and trademarks to protect innovations. • Anti-Counterfeit Measures: preventing imitation and protecting brand trust.	

Risk Management Framework Covering Principal Risks and Uncertainties Facing the Company, Risk Methodology, Risk Appetite and Risk Reporting

The Board of Directors has approved the Company's Risk Management Framework which describes the risk identifi ation and management process and provides guidelines that cover key risk areas.

Assessment of Principal Risks: The Board is provided with a detailed analysis of the major risks and opportunities affecting the Company, including those affecting the business model, future performance and financial s ability or liquidity.

Risk Architecture: The Company has a Risk Architecture in place to implement risk governance and to ensure calculated risk-taking.

Board of Directors: The Board of Directors is ultimately responsible for overseeing risk management. They ensure that risk management is integrated into all processes, review the group's risk profi e, and establish the risk management structure and procedures.

Board Audit Committee: The Board Audit Committee supports the Board by evaluating and assessing risks, associated objectives, opportunities, and mitigation strategies. It reviews regular reports from the Executive Management Committee and monitors progress on audit recommendations.

Executive Management Committee: This committee develops strategies and policies based on the company's risk appetite, risk attitude and risk exposures.

Risk Champions: Risk Champions are expected to foster a risk-aware culture within their units, set risk management performance targets, implement risk improvement recommendations and report any changes in circumstances or emerging risks.

Risk Management Function: This function maintains the Company's Risk Register, which includes entity-wide risks mapped against objectives, opportunities, and mitigation measures.

Internal Audit: The Internal Audit function operates independently to conduct ongoing reviews, ensuring compliance with the Company's Risk Methodology.

Risk Management Policy: The Board also ensures that the Company has a comprehensive Risk Management Policy to assess and define the Company's risk tolerance levels and establish mechanisms to mitigate the adverse effects of these risks on the business. Additionally, it provides company-wide risk management guidelines addressing key risk areas.

Key elements of the Risk Management Process can be summarized as below:

Risk Identification: Major functions across the Company identify risks from both internal and external environments.

Risk Assessment and Evaluation: Relevant functions, guided by Risk Management Champions, assess and evaluate risks based on likelihood and impact.

Implementation and Monitoring: Functions implement mitigation strategies and monitor their effectiveness.

Risk Review: The Board Audit Committee reviews risks, followed by the Audit Committee.

Risk Reporting: High-level risks are reported to the Board of Directors based on Committee recommendations.

Risk Updating: The Corporate Risk Register is maintained by the Executive Management function and is updated regularly based on recommendations received.

Broad Types of Risks:

The Company has an effective system in place for timely identifi ation, assessment and mitigation of various risks and uncertainties it is exposed to in the normal course of business.

Strategic Risks could signifi antly impact the organization's ability to achieve long-term goals due to changes in the business environment, competition, regulations, or internal decisions.

Commercial Risks affect revenue and financial stability, including market competition, shifts in customer preferences, supply chain disruptions, credit issues, and economic downturns.

Operational Risks are risks from failed internal processes, systems, or human errors, including fraud, technology failures, supply chain issues, and regulatory non-compliance.

Financial Risks impact financial health, such as market f uctuations, credit defaults, liquidity issues, and interest rate changes.

Compliance Risks stem from failure to adhere to laws, regulations, and policies, potentially leading to legal penalties, financial osses, and reputational damage.

Reputational Risks threaten the organization's public image and trustworthiness, including negative publicity, poor customer service, ethical violations, or product quality issues.

Specific Steps Being Taken to Mitigate or Manage Key Risks or to Create Value from Key Opportunities by Identifying the Associated Strategic Objectives, Strategies, Plans, Policies, Targets and KPIs.

Plans and Strategies for Mitigating These Risks and Potential Opportunities

As described earlier, the Company has an established and well-structured risk governance system.

Board and Its Committees: The Audit Committee monitors the Company's risk oversight, with a focus on financial exposures and regulatory compliance, and promptly escalates any signifi ant adverse developments to the Board.

The Human Resources & Remuneration Committee addresses risks related to compensation structures and succession planning, ensuring reduced corporate exposure and the availability of capable personnel for key roles.

The Strategy Committee plays a critical role in identifying and mitigating strategic and market-related risks, while also evaluating opportunities for growth and diversifi ation.

The Sustainability Committee oversees environmental, social, and governance (ESG)-related risks, ensuring that sustainability challenges—such as climate-linked disruptions, energy security, and social responsibility—are integrated into the Company's risk framework and future planning.

Policies and Procedures: Policies and procedures remain central to the company's governance of risks, covering financial, operational, and compliance matters. The Board and its committees adhere to best practices that reinforce ethics and values, while delegating authority to senior management. All major functions operate under approved and documented policies.

Control Activities: Senior management identifies potential risks and applies preventive, detective, and corrective controls to address them effectively.

Internal Audit: The Internal Audit function independently carries out objective assessments, reporting directly to the Audit Committee and providing assurance regarding the adequacy of governance, risk oversight, and compliance processes.

Key Risks

Strategic Risks

Major Business Risk/Opportunity	Sensitivity	Source of Risk/ Opportunity	Mitigating Factors / Steps to Create Value
Shifts in market dynamics for steel pipes due to innovations in composite materials, evolving standards, customer preferences, and competition.	High	External	• Expanded beyond water and gas segments by leveraging the Company's established position in plastics. • Ongoing efforts to identify and develop new markets for company products.
Advances in production technology that could make products, pricing models, or processes outdated, reducing competitiveness locally and abroad.	Medium	External	• Commitment to continuous improvement through upgrading processes and facilities. • Investment in modern machinery and technologies to remain aligned with industry shifts.

Financial Risks

Major Business Risk/Opportunity	Sensitivity	Source of Risk/ Opportunity	Mitigating Factors / Steps to Create Value
Exchange rate exposure: PKR depreciation boosts export competitiveness but increases raw material costs.	High	External	• Sourcing strategies to manage raw material costs while benef ting from export advantage. • Export revenue acts as a hedge against local market volatility and import price swings. • Continuous exploration of additional export destinations.
Customer defaults / credit risks: failure to meet obligations resulting in f nancial loss or higher costs.	Low	External	• Strict monitoring of customer credit limits. • Detailed evaluation of customer prof les before extending credit.
Rising interest rates increase borrowing costs.	Medium	Internal	• Secured preferential borrowing rates with banks. • Reduced borrowings signif cantly through multiple cost-saving measures.

Operational Risks

Major Business Risk/Opportunity	Sensitivity	Source of Risk/ Opportunity	Mitigating Factors / Steps to Create Value
Fluctuations in global steel prices cause unpredictable raw material costs, supply chain disruptions, and margin pressures.	High	External	• Dedicated Procurement team tracks steel prices, supported by diversif ed suppliers and bulk purchasing. • Oversight by a senior-level Purchase Committee to minimize volatility impact.
Shortages of energy and water within Pakistan.	High	External	• Installed in-house solar energy generation. • Ongoing evaluation of alternative energy sources.
High turnover among senior leadership.	Medium–Low	Internal	• Strong HR policies, employee engagement drives, and satisfaction surveys. • Regular training, rotation policies, and pay audits to strengthen retention.
Workplace accidents and safety hazards.	Medium	Internal	• Strong OHSE culture with senior management-led safety walks, training, and drills. • Strict safety gear enforcement and health insurance backed by OHSE Committee.
Supplier defaults.	Medium–High	External	• Long-term partnerships with reputable global suppliers aligned with company values. • Adequate stockpiles of raw materials and f nished goods. • Insurance coverage for raw materials in transit.
Information system risks: downtime from system/network failures or cyberattacks.	High	Internal / External	• Robust f rewalls and secure connections in use. • Disaster recovery and backup protocols established.

Commercial Risks

Major Business Risk/Opportunity	Sensitivity	Source of Risk/ Opportunity	Mitigating Factors / Steps to Create Value
Economic downturn reducing product demand.	Medium	External	• Diverse product portfolio and strong export footprint reduce exposure to market cycles.
Trade barriers in export markets (tariffs, anti-dumping duties) affecting sales.	Medium–High	External	• Pricing and volumes managed to avoid dumping risks. • Broad export market diversif cation to avoid reliance on single regions.
Unethical practices by competitors lowering market prices or misusing exemptions.	Medium–High	External	• The Company maintains a strong premium brand with consistent quality for 50+ years. • Economies of scale and procurement strengths ensure competitive pricing.

Compliance Risks

Major Business Risk/Opportunity	Sensitivity	Source of Risk/ Opportunity	Mitigating Factors / Steps to Create Value
Environmental risks from company operations.	Medium	Internal	• Initiatives in renewable energy, urban forestry, and waste heat recovery to reduce carbon footprint.
Workers' health and safety at factories and company sites.	Medium	Internal	• Regular training, reminders, and adherence to leading safety practices. • Frequent safety audits to ensure compliance.

Key Opportunities

Opportunity	Area of Impact	Key source of Opportunity	Strategy to materialize
Investment in renewable energy projects	Physical Capital	Reduction in energy costs with added environmental benef ts.	Ongoing investments in renewable initiatives that lower energy expenses while also helping reduce the company's carbon footprint.
Generate additional revenue from scrap sales	Physical / Financial Capital	Eff cient scrap collection and resale in the steel industry provides a strong revenue stream.	A def ned process supported by dedicated staff to collect and sell scraps competitively in the market.
Enhance delivery timelines through strategic warehousing near key markets	Physical Capital	Faster response to customer demand by reducing delivery lead time.	Establishing warehouses or storage facilities for f nished goods closer to target markets, supported by higher inventory levels and overseas stock where required.
Diversif ed and inclusive work environment	Human Capital	Improved workplace conditions and employee well-being.	Focused efforts toward gender balance, including the WISE (Women in Science & Engineering) program for young female engineers to ensure equal opportunities in technical roles.

Disclosure of a Risk of Supply Chain Disruption Due To an Environmental, Social or Governance Incident and Company's Strategy for Monitoring and Mitigating These Risks (If Any).

In steel pipe manufacturing operations, the Company encounters various risks linked to supply chain disruptions, particularly those associated with Environmental, Social, and Governance (ESG) aspects. These risks include:

1. **Environmental Risks:** arising from natural disasters, climate change, and evolving environmental regulations. Such factors can inf uence raw material availability, logistics costs, and production activities.
2. **Social Risks:** connected with labor relations, community engagement, and ethical practices across the supply chain. Events like strikes, unethical practices, or community resistance can disrupt supply and reduce efficienc .
3. **Governance Risks:** tied to compliance with laws and corporate governance standards. Regulatory updates, especially concerning environmental and social responsibilities, may affect supply chain operations and require process adjustments.

Mitigation Strategy

To manage these risks, the Company has established the following measures:

1. **Supplier Diversification:** Maintaining a broad supplier base across multiple regions to minimize dependency and reduce the effect of supplier-specific disruptions
2. **Sustainability Projects:** Investing in initiatives such as renewable energy, urban forestry, and waste heat recovery to lower carbon footprint and enhance resilience against environmental risks.
3. **Risk Monitoring and Assessment:** Carrying out regular supply chain risk evaluations, considering ESG elements, and implementing corrective measures as required.
4. **Strong Compliance Practices:** Adhering to strict compliance and governance frameworks through regular audits, compliance training, and proactive stakeholder engagement.
5. **Emergency Response and Contingency Planning:** Having emergency response frameworks, safety stock for critical materials, and alternative sourcing routes to ensure recovery from potential supply chain breakdowns.

By executing these initiatives, the Company seeks to minimize the impact of ESG-related supply chain risks while maintaining operational stability and efficienc .

SECTION 4.0

Sustainability and Corporate Social Responsibility (CSR)

Our customers

Our employees

Our communities

Occupational Health, Safety, and Environment (OHSE)

CEO’s message on sustainability

Assessing materiality

Relevance of material topics

Sustainability strategy

Board statement on adoption of best practices for corporate social responsibility (CSR)

Board statement on strategic objectives for ESG and sustainability reporting

Disclosures of company-specific sus ainability-related risks and opportunities

Disclosures about four-pillars core content

Disclosures of material information about sustainability-related risks and opportunities throughout the value chain

Disclosure of climate-related risks and opportunities

Chairman's overview on the impact of sustainable practices on financial per ormance

Environmental, Social, and Governance (ESG)

Key ESG performance indicators

Highlights of the sustainability and CSR performance

international™
industries
built on trust

Our Customers

Customer Centricity: A Commitment to Excellence

At the Company, our unwavering commitment to customer satisfaction is rooted in our core values and aligned with global standards. We recognize that our success is intrinsically linked to the trust and loyalty of our customers, and we strive to exceed their expectations through innovative products, exceptional service, and a customer-centric approach that permeates every aspect of our operations. Below, we provide a comprehensive overview of our customer-centric initiatives and achievements during the year, reflecting our dedication to maintaining the highest standards of customer care.

1. Customer Engagement and Communication

Proactive Engagement Initiatives:

The Company believes in maintaining an open dialogue with our customers to better understand their needs and expectations. This year, we conducted a series of targeted engagement activities, including:

- Fabricator and Plumber Corner Meetings: These interactive sessions allowed us to directly connect with key stakeholders, gathering valuable insights that inform our product development and service improvements.

- Retailer Events: We hosted events for our retail partners across Pakistan, offering them support, training, and resources to enhance their customer service capabilities and ensure alignment with market demands.

Feedback Mechanisms:
We have established robust feedback channels, allowing customers to share their experiences and suggestions. This feedback is systematically collected, analyzed, and acted upon, ensuring that our products and services continuously evolve to meet customer needs.

Transparent Communication:
Transparency is a cornerstone of our customer relations strategy. We ensure that customers are kept informed about product updates, pricing, and other relevant changes through clear and consistent communication across all channels.

2. Customer Satisfaction and Experience

Measuring Customer Satisfaction:
We regularly monitor customer satisfaction through surveys, direct feedback, and key performance indicators (KPIs) such as the Net Promoter Score (NPS). These metrics provide critical insights into our performance and highlight areas for improvement.

Enhancing Customer Experience:
Innovation is key to enhancing the customer experience. Every year, we showcase our latest innovations at different exhibitions, providing customers with a firsthand look at our new products and technologies. These efforts underscore our commitment to delivering solutions that not only meet but exceed customer expectations.

3. Product and Service Quality

Rigorous Quality Assurance:
Quality is at the heart of the Company's operations. We maintain strict quality control measures across our manufacturing processes, ensuring that our products meet international standards. This year, the Sri Lanka Standards Institute (SLSI) conducted an independent audit of our facilities, further validating our commitment to excellence.

Customer-Centric Product Development:
Our product development is driven by customer needs and market trends. We actively collaborate with strategic partners to ensure that our offerings are at the forefront of industry innovation and customer satisfaction.

4. Data Privacy and Security

Protecting Customer Data:
At International Industries, we prioritize the security of customer data. We have implemented advanced cybersecurity measures to safeguard personal information, ensuring compliance with global data protection regulations.

Transparency in Data Practices:
Our data privacy policies are designed to be transparent and customer-friendly, clearly outlining how customer data is collected, stored, and utilized. We are committed to upholding the highest standards of data protection.

5. Inclusivity and Accessibility

Extensive Distribution Network:
Our products are accessible to customers across Pakistan, with a distribution network that spans over 200 cities and towns. This extensive reach ensures that customers in even the most remote areas have access to our high-quality products.

Inclusive Customer Engagement:
We strive to cater to a diverse customer base, ensuring that our engagement activities and product offerings are inclusive and meet the needs of various segments within the market.

6. Ethical Marketing and Sales Practices

Commitment to Ethical Standards:
Our marketing and sales practices are guided by ethical principles, ensuring that all communication is honest, transparent, and respectful of customer rights. We adhere to fair pricing practices, providing clear and consistent information about our products and services.

Customer Advocacy:
We advocate for customer rights through straightforward policies on refunds, returns, and warranties. These practices ensure that customers can engage with our brand with confidence, knowing that their interests are protected

7. Leadership in Customer-Centric Culture

Top-Down Commitment:
Customer centricity is deeply embedded in our corporate culture, driven by our leadership team's commitment to prioritizing customer needs. Every year, our leadership's visits to key suppliers and partners underscore our focus on maintaining strong, customer-focused relationships.
Employee Empowerment:
We invest in training and development programs that empower our employees to deliver exceptional customer service. Our team is equipped with the knowledge and skills needed to address customer needs effectively and professionally.

8. Sustainability and Social Responsibility

Sustainable Product Development:
We are committed to integrating sustainability into our product development processes, ensuring that our offerings are not only high-quality but also environmentally responsible. This aligns with our broader commitment to social responsibility and ethical business practices.

Community Engagement:
Our customer engagement initiatives are closely linked to our corporate social responsibility (CSR) efforts, reflecting our dedication to making a positive impact on the communities we serve.

International Industries is committed to upholding the highest global standards of customer centricity. Through targeted engagement, continuous innovation, and a steadfast focus on quality, we ensure that our customers remain at the center of our business strategy. As we move forward, we will continue to enhance our customer relationships, striving to deliver unparalleled value and satisfaction in every interaction.

Our Employees

At International Industries, our employees are at the heart of our success. We are committed to fostering a work environment that supports growth, encourages innovation, and values diversity. Here's an overview of our approach to employee development, engagement, and inclusivity:

Strategic Direction

Collaborative Strategic Planning:

Each year, the Company holds comprehensive strategic planning sessions involving its Senior Management Team. Led by the CEO, these five-day sessions are highly interactive, allowing us to thoroughly review our strategic goals and align our direction with the company's long-term objectives. Each department presents its strategic direction and goals, which have helped in identifying the company's Six Strategic Imperatives. These sessions also encourage input from younger employees through initiatives like the "Next Gen", which is a program to engage the next generation of leaders in the organization through dialogue, discussion, and projects, ensuring fresh perspectives in our strategy.

HRM Strategy:

Our Human Resource Management (HRM) strategy is forward-looking, emphasizing adaptability and alignment with our Six Strategic Imperatives. We foster a culture of innovation, accountability, and ownership among employees, which is integral to achieving our mission. Through a robust Performance Management System and clear objectives, we empower employees to excel and contribute meaningfully to the company's success.

Talent Management

Innovative Recruitment and Inclusive Hiring:

Our HR department focuses on recruiting resources who align with our company's culture and values. We employ innovative recruitment methods and participate in job fairs at prestigious institutions like Szabist, IoBM, and IBA to attract diverse and talented candidates. Our commitment to diversity is evident in our hiring practices, which prioritize equal opportunity, resulting in increased representation of women across both our factory and head office.

HRM Strategy:

Our Human Resource Management (HRM) strategy is forward-looking, emphasizing adaptability and alignment with our Six Strategic Imperatives. We foster a culture of innovation, accountability, and ownership among employees, which is integral to achieving our mission. Through a robust Performance Management System and clear objectives, we empower employees to excel and contribute meaningfully to the company's success.

Talent Management

Innovative Recruitment and Inclusive Hiring:

Our HR department focuses on recruiting resources who align with our company's culture and values. We employ innovative recruitment methods and participate in job fairs at prestigious institutions like Szabist, IoBM, and IBA to attract diverse and talented candidates. Our commitment to diversity is evident in our hiring practices, which prioritize equal opportunity, resulting in increased representation of women across both our factory and head office.

Succession Planning:
We recognize the importance of business continuity and have implemented a comprehensive Succession Planning Procedure. This includes detailed role-specific documentation to ensure smooth transitions and manage attrition in key positions effectively.

Learning & Development

Comprehensive Training Programs:
The Company is deeply committed to the continuous development of its employees. We offer extensive Learning and Development (L&D) programs that cover a range of topics from technical skills to General Management and Health, Safety & Environment (HSE). Employees are also encouraged to attend external training programs at esteemed institutions like LUMS, IBA, PIM, and PSTD to gain broader insights and expertise.

In-House Training and Apprenticeship Programs:
Our in-house trainers provide regular technical training, reinforcing our commitment to skill development. Additionally, our approved Apprenticeship Training Program, under the Apprenticeship Act of 1961, offers hands-on experience and classroom instruction in various trades, ensuring that we build a robust pipeline of skilled workers.

Bridging Industry and Academia:
To close the gap between industry and academia, we actively engage in initiatives such as internships, Management Trainee Programs (MTOs), job fairs, and factory visits. These initiatives are designed to nurture young talent and provide them with practical industry exposure.

Diversity and Inclusion

Commitment to Equal Opportunity:
At International Industries, we are dedicated to fostering an inclusive workplace that celebrates diversity. Our policies ensure that all employment decisions are based on business needs and individual qualifications, free from discrimination or harassment.

Empowering Women and Supporting Differently Abled Employees:
Our WISE (Women in Science & Engineering) program is a unique initiative aimed at providing engineering opportunities for female graduates. We also support the employment of differently abled individuals, currently comprising approximately 2% of our workforce. Our participation in job fairs for People with Disabilities further underscores our commitment to inclusivity.

Employee Engagement

Fostering a Culture of Engagement:
We believe that engaged employees are vital to our success. Our engagement strategy includes open communication channels like town halls and “Coffee with HR” sessions, where employees can share feedback that directly influences our workplace policies.

Recognition and Rewards:
To motivate and celebrate our employees, we have a robust recognition program that includes awards for exceptional performance, long service, and safety achievements. These initiatives help foster a sense of pride and encourage continuous improvement.

Team Building and Community Events:

Building a sense of community is crucial for employee engagement. Throughout the year, we organize various team-building activities and social events, such as Independence Day celebrations, Women's Day, and employee appreciation events, which strengthen bonds and enhance collaboration among colleagues.

Performance Management

Our Performance Management Process is designed around Management by Objectives (MBO) principles, focusing on aligning individual goals with the company's strategic objectives. This system involves setting clear performance standards, facilitating meaningful discussions between managers and employees, and addressing performance issues proactively. Our new digital Performance Management System incorporates a comprehensive competency framework, ensuring a holistic approach to employee development and evaluation.

At International Industries, our employees are more than just team members; they are partners in our journey toward sustainable growth and excellence. We remain committed to fostering an environment where every employee can thrive, innovate, and contribute to our shared success.

Our Communities

In keeping with its heritage, which is shared within the ASC Group, the Company is well aware of its responsibility to society at large and the communities in which it operates.

In essence, the Company's approach to community engagement extends far beyond traditional philanthropy. It encompasses holistic development, transformative initiatives, and a steadfast commitment to uplift and empower the lives of the communities in which it operates. As the Company moves forward, this commitment remains an intrinsic part of its journey toward a more inclusive and prosperous future.

TRANSFORMING UNDERPRIVILEGED LIVES

The heart of the Company's engagement lies in its Corporate Social Responsibility (CSR) commitment to give back 2.5% of its annual Profit after Tax (PAT) to society. These endeavours are structured around education, health and the overall welfare of the underprivileged, thereby underpinning our commitment to sustainable change.

EDUCATION, HEALTH, AND WELFARE INITIATIVES

The Company's core belief in its societal responsibility echoes through its dedication to community upliftment. Our establishment of key institutions, including a TCF school, a sponsored clinic, and a mosque near our factory, showcases our unwavering focus on nurturing the communities we operate within.
The TCF campus in Landhi, ensures that almost 400 students receive free or affordable education, with a special emphasis on empowering young girls (48% female enrolment).

Local Engagement

Wherever possible, the Company aims to hire from local communities surrounding its factory locations. This practice not only bolsters the local economy but also reinforces the Company's role as a contributor to overall community well-being.

SKILL ENHANCEMENT AND EMPOWERMENT

The Company efforts extend beyond immediate support, with adult education programs, skill development training, and vocational apprenticeships enhancing the capabilities of its workforce and the surrounding community.

INNOVATING FOR SUSTAINABLE GROWTH

From its diversified housing solutions to responsible emissions & waste management, the Company aligns its operations with a sustainable ethos. Its Hollow Structural Sections (HSS) and innovative engineering solutions offerings not only expedite construction but also underscore the Company's commitment to eco-friendliness by reducing its carbon footprint.

COLLABORATIVE OUTREACH

The Company's contributions to the building of vital facilities, such as healthcare centers, community centers, fire stations and educational institution, highlight its dedication to holistic community development.
Recognizing the importance of fire safety in the community, the Company stepped forward to support the establishment of the LATI fire station in Landhi which exemplifies the Company's belief in proactive measures to ensure the safety and protection of the local community.
In another initiative, the Company provided free of cost building material to a street-based community center in Karachi which provides a safe space for young men and women to engage in sports, learning and activities.

BLOOD DONATION AND BEYOND

With a genuine intent to make a meaningful impact, the Company's employees participate in blood donation drives, reaffirming their commitment to supporting their fellow community members in life-saving endeavours

THE GLOBAL COMMUNITY

The Company is a truly international company with offices in Melbourne and Toronto. During the floods in Pakistan, the Company was very grateful to have received charitable donations from its customers and partners in Australia and Canada.
The Company has also supported international fundraising for educational institutions in Pakistan and has extended support to a local charity in Canada that works with children with learning disabilities.

Occupational Health, Safety, and Environment (OHSE)

Our commitment to Occupational Health, Safety, and Environment (OHSE) is integral to our business strategy, ensuring that our workplaces are safe, our environmental impact is minimized, and our employees are empowered to foster a culture of safety and sustainability.

Safety as a Core Value

Safety is a core value at the Company, deeply embedded in our organizational culture. We believe that every incident is preventable, and we strive to achieve zero harm through a proactive and preventive approach to safety management.

Proactive Safety Culture:

Our "Safety is my responsibility" campaign, led by the CEO and Executive Management Team, reinforces personal accountability and encourages every employee to take ownership of safety practices. This initiative is supported by daily safety walks and comprehensive safety awareness training, fostering a culture of vigilance and consciousness across the organization.

Lost Time Injury Frequency Rate (LTIFR):

Our focus on safety has led to a significant reduction in incidents. With an impressive LTIFR of 1.85 per million worked hours, well below the global industry average of 4.73, we continue to prioritize safe working conditions through rigorous safety protocols and continuous improvement.

Continuous Safety Monitoring and Recognition:

Routine inspections, safety walks, and monthly OHSE meetings are conducted to monitor compliance and identify improvement opportunities. We recognize outstanding safety performance through monthly Safety Trophies, fostering a sense of achievement and motivation among employees.

Occupational Health and Safety Training

Training is essential to our safety culture, equipping employees with the knowledge and skills to work safely and respond effectively to potential hazards.

Comprehensive Training Programs:

Over the past year, we conducted 259 classroom training sessions and 11,526 toolbox talks on various OHSE topics, including safe crane operations, PPE usage, firefighting and working at heights. These sessions ensure that employees are well-prepared to handle safety risks and emergencies.

Safety Induction for New Employees:

Safety induction training is mandatory for all new employees, contractors, and visitors. This training is complemented by a post-training assessment to ensure a thorough understanding of our safety protocols.

Guest Speaker Sessions and Safety Weeks:

We host regular guest speaker sessions and celebrate Safety Week annually to reinforce safety awareness and share best practices. Activities include safety poster competitions, quizzes, and guest speaker sessions, promoting a continuous learning environment.

Environmental Stewardship

The Company is committed to minimizing its environmental impact and promoting sustainable practices across all operations.

Emissions and Effluent Monitoring:

We conduct regular emissions and effluent monitoring, adhering to all regulatory requirements and ensuring that our environmental footprint remains within acceptable limits. Our monthly and quarterly reports to the Sindh and Punjab Environmental Protection Agencies (EPAs) confirm compliance with NEQS standards

Resource Optimization and Environmental Approvals: We continually seek opportunities to optimize resource use and reduce waste. Environmental approvals for our facilities are regularly renewed, demonstrating our commitment to regulatory compliance and environmental stewardship.

Health and Well-being of Employees

The health and well-being of our employees are paramount. We provide a safe and supportive working environment, ensuring that all employees have access to necessary health and wellness resources.

Medical Facilities and Support:

Across all locations, we offer comprehensive medical facilities, including access to the Social Security Scheme and Health Insurance Scheme. Clean and filtered water is provided at all facilities, with periodic third-party testing to ensure quality.

Employee Welfare and Inclusivity:

We maintain dedicated facilities for our female workforce, provide flexible working hours, and support a healthy work-life balance. Our diversity initiatives, such as the “ASC Group Women’s Day Events” and “Next Gen” program, foster an inclusive workplace where every individual can thrive.

Digitalization and Innovation in OHSE

We leverage technology to enhance our OHSE practices, making safety management more efficient and effective

Digital OHSE Systems:

We have digitized our OHSE reporting through an in-house mobile/web application, streamlining data collection and analysis. Our Daily HSE Dashboard provides real-time insights into safety performance, allowing for swift action on potential issues.

Development of In-House Safety Videos:

To enhance safety awareness, we have developed in-house safety videos covering various OHSE topics, providing employees with easy access to crucial safety information.

Recognition and Awards

Our dedication to OHSE excellence has been recognized externally, highlighting our commitment to maintaining the highest standards of safety and sustainability. OHSE Best Practices Award: The Company was honored with the OHSE Best Practices Award by the Employers Federation of Pakistan (EFP) for our outstanding safety practices and commitment to maintaining a safe working environment.

Risk-Based Fire Safety Excellence Award:

The Company also received the Risk-Based Fire Safety Excellence Award from the Fire Protection Association of Pakistan (FPAP), recognizing our proactive fire safety measures and overall commitment to OHSE excellence

At the Company, our commitment to Occupational Health, Safety, and Environment is unwavering. We believe that a strong safety culture, combined with environmental stewardship and employee well-being, is key to sustainable success. We will continue to invest in our people, processes, and technologies to ensure a safe and healthy future for all our stakeholders.

CEO's Message on Sustainability

Dear Stakeholders,

At International Industries, sustainability is not an isolated initiative — it is embedded in our purpose of Building Dreams Together and our mission to make the world a more liveable place. For us, sustainability means integrating environmental stewardship, social responsibility, and good governance into every aspect of our operations, while pursuing excellence and innovation to exceed stakeholder expectations.

Environmental Stewardship

This year, we further strengthened our commitment to reducing our environmental footprint and building resilience against climate change. Pakistan continues to experience the effects of a changing climate — from prolonged heatwaves to erratic rainfall patterns — underscoring the urgency of action. We responded by completing the installation of 4 MW of solar power across our three manufacturing sites, taking our renewable energy capacity to new heights. These investments not only reduce dependency on expensive grid electricity but also lower our carbon intensity, which remains among the lowest in the industry.

Our efficient water conservation practices helped us safeguard valuable natural resources, while our plantation initiatives added thousands of trees across our facilities and local communities. These efforts reflect our holistic approach to environmental sustainability — one that balances operational needs with ecological responsibility.

People and Communities

Sustainability at International Industries also extends to our people and the communities we serve. Safety remains our top priority, and while we achieved millions of safe man-hours, we also faced difficult moments with regrettable incidents. Each was investigated rigorously, and corrective actions were swiftly implemented. We will continue to strengthen our safety culture until every employee and contractor returns home safely every day.

We advanced our diversity, equity, inclusion, and belonging (DEIB) agenda, with encouraging progress in the representation of women across functions and leadership roles. Our WISE (Women in Science and Engineering) program gained momentum, creating opportunities for women in fields traditionally underrepresented. Learning and development remained a central pillar, with several hours of training delivered to enhance skills and prepare our workforce for the future.

Our social investments continued across health, education, community development, disaster relief, and women empowerment initiatives. I am particularly proud of the enthusiasm with which our employees engaged in volunteering programs, reaffirming that sustainability is a shared responsibility across the Company

Looking Ahead

The road ahead is filled with challenges — from economic headwinds to climate-linked risks — but our resolve remains unwavering. We have set an ambitious target of achieving carbon neutrality in coming years, and every investment in renewable energy, energy efficiency, and sustainable practices brings us closer to that goal

As we continue to expand locally and globally, we will ensure that our growth is not only profitable but also responsible and inclusive. By aligning our strategies with the United Nations Sustainable Development Goals (SDGs), the Company aims to create long-term shared value for all stakeholders — shareholders, employees, customers, and the communities we operate in.

Together, we are determined to build a future that is cleaner, safer, and more sustainable.

Yousuf H. Mirza
Chief Executive Office
International Industries

Assessing Materiality

During the year, International Industries undertook a comprehensive evaluation to identify and prioritize the sustainability issues that are critical to the company's long-term success. This process was essential to ensure that the sustainability management aligns with its strategic goals, stakeholder expectations, and global best practices. The materiality assessment was coordinated by an independent consultant, following the Global Reporting Initiative (GRI) standards. It incorporated the principles of double materiality, considering both financial and non-financial impacts, and included an internal review by the Sustainability Team.

Approach to Identifying Key Sustainability Issues

1. **Reevaluation of Existing Priorities**
The Company revisited previously identified material topics to ensure they remain relevant and aligned with its ongoing sustainability efforts. During this review, the topic of procurement practices was added, recognizing its growing importance in the company's operations and supply chain sustainability.

2. **Adapting to Updated GRI Standards**
A thorough assessment was conducted to align with the revised GRI 3 Material Topics 2021 requirements. This evaluation focused on understanding the broader impacts of the Company's operations, including economic, environmental, and social dimensions.

3. **Data Gathering**
Data was collected from various sources, including the Company's business operations, risk registers, compliance with international conventions, stakeholder feedback received through formal grievance mechanisms, and memberships in international organizations. This data provided a comprehensive view of the issues that matter most to the Company and its stakeholders.

4. **Determining Material Issues**
The collected data was analyzed using relevant industry standards such as the Sustainability Accounting Standards Board (SASB), peer analysis, and the UN Global Compact (UNGC) Principles on Environment, Human Rights, Anti-Corruption, and Labor. The Global Industry Classification Standard's (GICS) sector identification methodology 2022 was also utilized to ensure that the identified topics were pertinent to the Company's industry sector.

5. **Impact Analysis and Relevance**
An in-depth impact analysis was conducted to evaluate the significance and implications of each identi fied topic. This process helped to map the relevance of each topic to the Company's sustainability efforts and its broader business strategy.

6. **Prioritizing Key Topics**
A materiality analysis was conducted in line with GRI 3 Material Topics 2021, assigning scores to each topic based on its relevance to the Company's business strategy, the severity and likelihood of impacts, implications for human rights, and its significance for long-term profitability and overall success. Topics were prioritized based on their cumulative scores.

7. **Engaging Stakeholders for Feedback**
The results of the materiality analysis were shared with various business teams within the Company to gather input and feedback. This collaborative approach ensured that the perspectives of different departments were considered, further validating the importance and impact of each material topic.

8. **Finalizing and Validating Material Topics**
Following the feedback from business teams, risk scores were assigned to each topic. Topics scoring above the threshold of three (3) were deemed material and prioritized as key sustainability issues for the Company. These finalized material topics were then presented to the executive management team for approval, ensuring alignment with the Company's overall strategic direction.
This rigorous and collaborative approach enabled the Company to finalize a set of material topics that accurately reflect the company's sustainability objectives and priorities. The materiality assessment guarantees that the sustainability report provides a transparent and comprehensive overview of the Company's commitment to sustainable business practices.

List of Material Topics

Area	Material Topic	Impacts
Economic	Economic Performance	Affects economic conditions of all stakeholders.
	Indirect Economic Impacts	Affects economic conditions of all stakeholders.
	Market Presence	Affects development in markets where the Company operates.
	Procurement practices	Affects capacity enhancement of local suppliers.
	Anti-Competitive Behaviour	Affects ethical and responsible operations.
Environmental	Energy	Affects the organization's environmental footprint, the ecosystem and climate.
	Water and Eff uents	
	Emissions	
	Waste	
Social	Employment and Labour Relations	Affects social capital development and working conditions.
	Training and Education	Affects social capital development, in particular the organization's human capital.
	Occupational Health and Safety	Affects stakeholders and their human rights.
	Diversity, Equity, Inclusion, and Belonging	Affects social capital development, in particular the organization's human capital.
	Non-Discrimination	Affects social capital development, in particular the organization's human capital.
	Freedom of Association and Child Labour	Affects stakeholders and their human rights.
	Community Investment	Affects social capital development and community uplift.

Relevance of Material Topics

Economic

Economic Performance

The Company's commitment to value creation is deeply rooted in its vision, values, and brand promise. Economic performance is a cornerstone of this commitment, directly influencing all other material topics. The Company's success in cultivating growth for its stakeholders can be quantified and assessed through its audited financial statements, which are included in this report. This topic underscores the importance of financial stability and growth as essential drivers of the Company's long-term sustainability and strategic objectives.

Indirect Economic Impacts

The Company recognizes its broader socio-economic influence, extending beyond its direct operations. As a responsible corporate citizen, the company continuously monitors and measures its indirect economic impact, supporting growth and development in the communities where it operates. These disclosures highlight the Company's role in fostering economic well-being and contributing to broader societal goals.

Market Presence

The Company's market presence is a key driver of economic impact, influencing employment opportunities, the quality of professionals employed, and regional economic development. This topic is integral to the company's operations and value creation agenda, as it reflects the Company's commitment to being a leader in the markets it serves.

Anti-Competitive Behaviour

Maintaining fair competition is critical for the Company's license to operate and its reputation. This topic underscores the company's adherence to ethical business practices, with a focus on avoiding anti-competitive behavior that could result in fines, penalties, and damage to its brand image.

Environmental

Energy

Energy efficiency is crucial for both environmental stewardship and cost-effectiveness. This topic highlights the importance of managing energy consumption to reduce operational costs and carbon emissions, thereby giving the Company a competitive edge while contributing to global sustainability efforts.

Water and Effluents

In a water-scarce environment like Pakistan, responsible water management is vital. This topic addresses the Company's water usage and the importance of sustainable practices in mitigating water scarcity. Effective management of water resources is essential to the company's operations and its commitment to environmental sustainability.

Emissions

Managing emissions is critical to the Company's environmental strategy, directly impacting climate change and compliance with national regulations. This topic emphasizes the importance of monitoring and reducing gaseous emissions to meet environmental standards and contribute to the global effort against climate change.

Waste

Effective waste management is essential to minimizing environmental impact and preserving local biodiversity. This topic covers the Company's efforts to manage and reduce waste, both in its operations and in the communities where it operates, underscoring the company's commitment to sustainable practices.

Social

Employment and Labour Relations

Driven by its core value of Passion for People, the Company is dedicated to being an employer of choice. This topic highlights the company's focus on employee development, training, education, and creating an inclusive workplace. By attracting and retaining talent, the Company ensures a motivated and skilled workforce that is essential for its continued success.

Training and Education

As part of its commitment to employee development, the Company prioritizes training and education. This topic underscores the importance of continuous learning and professional growth, which are critical for maintaining a competitive edge and fostering innovation within the company.

Occupational Health and Safety

Health and safety are paramount for the Company, affecting not only its employees but also its customers, suppliers, and the community. This topic reflects the company's commitment to providing a safe work environment and its adherence to Occupational Health, Safety, and Environmental (OHSE) policies.

Diversity, Equity, Inclusion, and Belonging

The Company values the contributions of its diverse workforce and is committed to fostering an inclusive environment. This topic highlights the company's efforts to promote diversity, equity, inclusion , and Belonging (DEIB), aligning with its core values and brand promise.

Non-Discrimination

Ensuring fair and equal treatment for all employees is a key priority for the Company. This topic addresses the company's commitment to non-discrimination, driven by its core values and Code of Conduct, ensuring a workplace free of bias.

Freedom of Association and Child Labour

The Company is committed to upholding human rights, including the right to freedom of association and the prohibition of child labor. This topic reflects the company's adherence to legal standards and its Code of Conduct, ensuring ethical labor practices across its operations.

Community Investment

The Company is dedicated to making a positive impact on the communities where it operates. This topic highlights the company's community investment initiatives, demonstrating its commitment to social responsibility and the value added through its efforts to support local development.

Sustainability Strategy

Sustainability Vision

To be a leading, sustainable manufacturing company that creates long-term value for stakeholders by embedding environmental stewardship, social responsibility, and robust governance into all aspects of the business.

Sustainability Mission

To integrate sustainable practices across our operations, contributing to a better future by reducing our environmental impact, fostering inclusive growth, and ensuring ethical governance.

Key Areas of Focus

1. **Energy Efficiency and Renewable Energy**
    - Objective: Drastically reduce the Company's carbon footprint and energy consumption through the adoption of renewable energy sources and energy-efficient technologies
    - Initiatives:
        - Renewable Energy Integration: Expand the use of solar energy across all facilities, targeting more reliance on renewable.
        - Energy Efficiency Projects: Implement smart technologies and processes to enhance energy efficiency, aiming for a reduction in energy consumption
        - Carbon Neutrality: Set a target to achieve carbon neutrality, reducing greenhouse gas emissions through both operational improvements and carbon offset initiatives.

2. **Education**
    - Objective: Empower the next generation of women leaders by increasing access to quality education for girls in underprivileged communities.
    - Initiatives:
        - Scholarship Programs: Partnering with TCF to provide education for girls in underprivileged areas.
        - TCF School Support: Investing in improving school facilities and ensuring a conducive learn ing environment for girls.
        - Mentorship and Career Guidance: Launching mentorship programs that connect female students with the Company's professionals, providing career guidance and inspiration.

3. **DEIB**
    - Objective: Foster diversity and inclusion within the Company and the broader community.
    - Initiatives:
        - Workplace Diversity and Inclusion: Strengthen DEIB initiatives to ensure 30% female representation in management, creating an inclusive environment that values diverse perspectives.
        - Women in Science and Engineering (WISE) Program: Continue to promote the WISE program, offering specialized training, internships, and career opportunities for women in STEM fields
        - Community Empowerment Projects: Support initiatives that empower women through skill development, entrepreneurship, and leadership training in local communities.

Strategic Pillars

1. **Environmental Stewardship**
    - Objective: Minimize the environmental footprint of the Company's operations and contribute to the global effort against climate change.
    - Key Initiatives:
        - Carbon Footprint Reduction: Set ambitious targets to reduce greenhouse gas emissions, aiming for carbon neutrality.
        - Water Management: Implement water conservation strategies, including water recycling and rainwater harvesting, to reduce water usage.
        - Waste Minimization: Adopt circular economy principles by enhancing recycling programs and reducing waste generation.

2. **Social Responsibility**
   - Objective: Empower communities and employees through inclusive growth, education, and develop ment, while ensuring health, safety, and well-being.
   - Key Initiatives:
     - Employee Development: Invest in continuous learning and development programs to upskill the workforce.
     - Community Engagement: Increase community investment through the Amir S. Chinoy Founda tion (ASCF), focusing on health, education, and women empowerment.
     - Occupational Health and Safety: Achieve a zero-incident workplace by enhancing safety protocols, training, and awareness programs.

3. **Ethical Governance**
   - Objective: Uphold the highest standards of corporate governance, transparency, and ethical behavior to build trust with stakeholders.
   - Key Initiatives:
     - Compliance and Risk Management: Strengthen compliance frameworks and risk management systems to ensure adherence to international standards and local regulations.
     - Sustainable Procurement: Ensure all suppliers and partners align with the Company's sustainability values, aiming for compliance with sustainable procurement standards.

4. **Innovation and Technology**
   - Objective: Leverage innovation and technology to drive sustainable growth and enhance operational efficiency
   - Key Initiatives:
     - Sustainable Product Development: Invest in R&D to develop eco-friendly products, with a target to introduce at least two new sustainable products each year.
     - Digital Transformation: Implement smart manufacturing technologies to optimize resource use and reduce operational waste.

Goals and Targets

- **Short-Term (1-2 years):**
  - Achieve a reduction in energy consumption through efficiency projects
  - Launch at least two new educational initiatives for girls in underprivileged areas.
  - Increase community investment in key areas such as education and health.
- **Medium-Term (3-5 years):**
  - Achieve a 25% reduction in waste generation.
  - Ensure 30% female representation in senior management roles.
  - Establish a sustainable supply chain, with suppliers meeting the Company's sustainability criteria.
- **Long-Term (5-10 years):**
  - Achieve carbon neutrality.
  - Support the education of 10,000 girls through scholarships and infrastructure development by 2035.
  - Embed circular economy principles across all operations, achieving zero waste to landfill by 2035 Monitoring and Reporting
    - Annual Sustainability Report: The Company will publish a comprehensive annual sustainability report, aligned with GRI standards, detailing progress against the strategic pillars and goals.
    - Sustainability Governance: A dedicated Sustainability Committee will oversee the implementa tion of the strategy, ensuring accountability and continuous improvement.
    - Stakeholder Feedback: Regular surveys and feedback mechanisms will be established to ensure stakeholder input is integrated into the sustainability strategy.

The Company's sustainability strategy is designed to ensure long-term resilience, responsible growth, and a positive impact on society and the environment. By focusing on energy efficiency, girls' education, and women empowerment, the Company aims to set new benchmarks for the industry, contributing to a sustainable future for all.

Stakeholder Engagement Policy

The Company is committed to fostering transparent, constructive, and proactive relationships with all its stakeholders. Effective stakeholder engagement is vital for the sustainable success of our business. The stakeholder policy outlines our approach to identifying and engaging with stakeholders to ensure that their interests, concerns, and expectations are considered in our decision-making processes.

This policy establishes a framework for stakeholder engagement that aligns with the Company's values, vision, and mission. The goal is to ensure that the Company engages with stakeholders in a consistent, transparent, and responsible manner, fostering mutual trust and respect.

Identification of Stakeholders

The Company has identified its key stakeholders through a comprehensive analysis of its business operations, industry environment, and the impact of its activities. The stakeholders are categorized based on their relationship with the company, their influence on or interest in the Company's operations, and the impact that the Company's decisions may have on them. The key stakeholders identified by the Company include

Stakeholders	Why they are important	Nature of engagement	Frequency
Shareholders	1. Owners of the Company. 2. Expect a fair return on their investment. 3. Decisions are made in line with increasing shareholder value.	1. AGM 2. EOGM 3. Interim reports 4. Annual report 5. Website 6. Social media	1. Annually 2. If/when needed 3. Quarterly 4. Annually 5. Continuously available 6. Continuously available
Customers	1. Buy our products which, in turn, drives our revenue. 2. Expect quality and drive demand for our products. 3. Are our business partners.	1. Direct relationships 2. Customer gatherings 3. Satisfaction surveys 4. Website 5. Social media 6. Net Promoter Score (NPS)	1. Continuous/ongoing 2. Regularly 3. Annually 4. Continuously available 5. Continuously available
Employees	1. Are our key asset. 2. Deliver success in achieving the highest possible stakeholder value.	1. Interaction with management 2. Performance appraisals 3. Job satisfaction survey 4. Union interactions 5. Employee events 6. Newsletter 7. Website 8. Social media 9. Training & development 10. Town Hall meetings	1. Daily 2. Annual/semi-annual 3. Annual 4. Regularly 5. Regularly 6. Continuous 7. Continuous 8. Continuous 9. Regularly 10. Quarterly
Suppliers	1. Reliable and reasonable provision of raw materials. 2. Are our business partners.	1. Direct relationships 2. Meetings 3. Trade shows 4. Website 5. Social media	1. Continuous/ongoing 2. Regularly 3. Regularly 4. Continuously available 5. Continuously available

Stakeholders	Why they are important	Nature of engagement	Frequency
Government Bodies	Determine and implement policies that could positively or negatively impact the Company.	1. Issue-specific meetings discussions/ correspondence 2. Submission of statutory returns and reports 3. Website 4. Social media	1. As required 2. As required 3. Continuously available 4. Continuously available
Local Community	1. Provide manpower for our operations. 2. Living environment dependent on the environ-mental friendliness of our operations. 3. Key target of our CSR initiatives.	1. TCF School in Majid Colony 2. SINA Health Clinic in Majid Colony 3. Mosque in Majid Colony 4. Bus stop in Majid Colony 5. Union and employees 6. Website 7. Social media	1. Continuous 2. Continuous 3. Continuous 4. Continuous 5. Continuous 6. Continuously available 7. Continuously available
Banks	Provision of finance an trade facilities.	1. Direct relationships 2. Meetings 3. Financial reporting 4. Website / social media	1. Continuous/ongoing 2. As needed 3. Periodic 4. Continuously available
Media	Ability to influence brand awareness and percep-tion.	1. Advertising campaign 2. Press releases 3. Interviews	1. Regularly 2. As needed 3. As needed

Engagement Principles

The Company's approach to stakeholder engagement is guided by the following principles:

- **Transparency:** Open and honest communication with stakeholders, providing timely and accurate informa tion.
- **Inclusiveness:** Actively seeking to understand and consider the views and concerns of all stakeholders, recognizing their diverse interests.
- **Responsiveness:** Promptly addressing stakeholder concerns and feedback, incorporating them into our decision-making processes where appropriate.
- **Respect:** Treating all stakeholders with respect, recognizing their rights, needs, and contributions to our success.
- **Mutual Benefit:** Creating shared value, ensuring that our business activities benefit both the company and our stakeholders.

Certifications

The Company is certified to international standards that include ISO 9001 (Quality Management), ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management System) by Lloyd's Register Quality Assurance Inc. (LRQA), API 5L certification by American Line Pipe Institute (API), PSQCA certification by Pakistan Standards & Quality Control Authority, UL certification by Underwriters Laboratory, and CE certified by Conformity and Compliance Services (CNC Germany). Notably, International Industries was the first company in Pakistan to achieve ISO 45001 certification from Lloyds Register Quality Assurance

Membership of Associations

Our industry leadership is further strengthened through our memberships in esteemed domestic associations such as the Management Association of Pakistan (MAP), Chamber of Commerce, Pakistan Business Council (PBC), Pakistan Institute of Corporate Governance (PICG), Pakistan Steel Line Pipe Association (PSPA), and Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM).

Additionally, the Company is also a member of global associations that include the International Tube Association (ITA), Galvanizers Associations of Australia (GAA), Australian Wire Industry Association (AWIA), and Canadian Fence Association (CFA). Furthermore, the Company's accreditation as an Australian Trusted Trader (ATT) and by the Australian Border Force (ABF) highlights our dedication to international standards and integrity.

The Company is committed to fostering positive relationships with all its stakeholders. Through effective engagement, we aim to build trust, enhance our reputation, and create long-term value for our business and all those we interact with.

Investor Relations Section on Corporate Website:

The Company has a dedicated and updated Investor Relations Section on its corporate website (http://www.iil.com.pk/investors), which contains comprehensive information that would be interesting and informative for investors. This section includes key Company information, detailed corporate governance information, financial information and other reports, stocks and dividend information, announcements, and a link to the SECP website and SECP complaint forms.

Board Statement on Adoption of Best Practices for Corporate Social Responsibility (CSR)

On behalf of the Board of Directors, I am pleased to announce that International Industries is committed to enhancing our Corporate Social Responsibility (CSR) efforts by adopting international best practices. As a responsible corporate citizen, the Company recognizes the importance of integrating sustainable practices, ethical considerations, and community engagement into our business operations.

CSR is integral to our business strategy, and we understand that stakeholders expect companies to contribute positively to society and the environment. By aligning our practices with globally recognized CSR standards, we aim to strengthen our reputation, create long-term value, and drive sustainable growth for the Company while contributing to the communities we serve.

To achieve this, the Board has identified key areas where our CSR strategy will be focused

1. Upholding Ethical Practices: The Company prioritizes ethical conduct in all aspects of our operations, adhering to the highest standards of integrity, transparency, and corporate governance. We strictly comply with all applicable laws, regulations, and industry standards, ensuring that our actions align with the best interests of our stakeholders.

2. Environmental Stewardship: The Company is committed to minimizing our environmental impact by promoting resource efficiency, waste reduction, and responsible management of natural resources. We have implemented initiatives like transitioning to renewable energy sources, with solar power systems installed at our facilities, and reducing our reliance on non-renewable energy. Furthermore, we are exploring and investing in innovative technologies and processes to support environmental sustainability.

3. Community Engagement: We actively engage with the communities in which we operate, fostering mutually beneficial relationships. The Company has undertaken various community development projects, including providing clean drinking water, supporting education through scholarships, and contributing to health and welfare programs. Through these initiatives, we aim to empower individuals and enhance social and economic opportunities.

4. Employee Well-being: Our employees are at the heart of our success, and we are dedicated to ensuring their well-being. The Company promotes a safe and inclusive work environment that respects diversity, provides equal opportunities, and encourages professional growth. We prioritize employee health, safety, and welfare, fostering a culture of trust, respect, and open communication. Our commitment to employee development is reflected in our training programs and wellness initiatives

5. Supply Chain Responsibility: Recognizing the importance of our supply chain in our CSR performance, the Com pany works closely with suppliers and contractors to promote responsible business practices, including ethical sourcing, fair labor conditions, and environmental responsibility. We encourage our partners to embrace sustainability and align with our CSR objectives.

6. Stakeholder Collaboration: Collaboration is key to achieving sustainable development. The Company actively engages with stakeholders, including shareholders, customers, employees, communities, and regulatory bodies, to understand their expectations and concerns. Through open communication, we strive to create shared value and address global challenges such as climate change and social inequality.
   The Board of Directors is fully committed to embedding these best practices throughout the organization. We continue to provide the necessary resources, support, and oversight to ensure the successful implementation of our CSR strategy and regularly monitor and evaluate our performance, holding ourselves accountable for achieving our goals and continuously improving our CSR initiatives.

By adopting these best practices for CSR, International Industries Limited aims to make a meaningful and sustainable impact on society while enhancing the long-term value of our business. We believe that through our collective efforts, we can contribute to a more inclusive, prosperous, and environmentally responsible future.

We invite all stakeholders to join us on this journey and look forward to their support and collaboration.

On behalf of the Board,

Kamal A. Chinoy
Chairman,
International Industries Limited

Board Statement on Strategic Objectives for ESG and Sustainability Reporting

On behalf of the Board of Directors, I am pleased to share International Industries commitment to adopting and advancing Environmental, Social, and Governance (ESG) principles and sustainability reporting. As a leading industrial player, we recognize that sustainable and responsible business practices are essential for long-term value creation, stakeholder trust, and the betterment of society and the environment.

International Industries has always been at the forefront of integrating ESG considerations into our business and operating models. Our strategic objectives for ESG and sustainability reporting reflect our dedication to transparency, accountability, and continuous improvement in these critical areas.

1. Environmental Stewardship:
International Industries is deeply committed to minimizing its environmental impact and promoting sustainable resource management. Our initiatives include:

- Emissions Monitoring and Control: We have set targets to reduce our carbon footprint by investing in energy-efficient technologies and expanding our renewable energy capacity, such as our solar powe installations that significantly offset our reliance on non-renewable energy sources

- Waste Management: We have implemented robust waste management practices, including recycling and reducing industrial waste. Our efforts to manage water resources efficiently include water recyclin initiatives at our facilities.

- Environmental Risk Assessment: We conduct regular environmental impact assessments to mitigate risks and ensure our operations align with global sustainability standards.

2. Social Responsibility:
International Industries is committed to fostering a positive impact on the communities we operate in and ensuring a safe, inclusive, and empowering workplace. Our objectives include:

- Employee Health and Safety: We prioritize occupational health and safety through comprehensive training programs and strict adherence to safety protocols, leading to our recognition in various safety excellence awards.

- Diversity, Equity, Inclusion & Belonging (DEIB): We are working towards enhancing our DEIB practices by creating equal opportunities for all and promoting a culture of inclusivity.

- Community Engagement: International Industries actively supports local communities through initiatives focused on education, healthcare, and social welfare. Our community projects, such as the provision of clean drinking water and educational scholarships, reflect our commitment to social development

3. Governance and Ethical Practices:
International Industries upholds the highest standards of corporate governance and ethical conduct, ensuring transparency, integrity, and accountability in our business practices, the foundations of which include:

- Strong Governance Framework: We maintain a robust governance structure that ensures compliance with applicable laws and regulations, supported by a culture of ethical behavior and integrity across the organi zation.

- Risk Management System: We have implemented a comprehensive risk management system to identify and mitigate potential risks, ensuring the long-term sustainability of our business.

4. Sustainability Reporting:

International Industries provides transparent and accurate reporting on our ESG performance. Objectives of our sustainability reporting include:

- Structured Reporting Process: We have developed a comprehensive sustainability reporting framework aligned with international standards such as the Global Reporting Initiative (GRI).

- Stakeholder Engagement: We actively engage with stakeholders to address their concerns and understand their expectations, ensuring our reporting is relevant and credible.

- Continuous Improvement: We regularly review and enhance our reporting practices to reflect our commit ment to sustainability and our progress in achieving our ESG goals.

The Annual Report also contains a detailed disclosure of our ESG performance, reinforcing our commitment to transparency and accountability.

By setting these strategic objectives for ESG and sustainability reporting, International Industries aims to create a positive impact on the environment, society, and our long-term business sustainability. We are committed to providing the necessary resources, leadership, and support to achieve these objectives, and we believe that through our collective efforts, we can contribute to a more sustainable and equitable world.

On behalf of the Board,

Kamal A. Chinoy
Chairman,
International Industries Limited

Disclosures of Company-Specific Sustainability-Related Risks and Opportunities

International Industries is committed to providing transparent disclosures about sustainability-related risks and opportunities, and their impacts on our financial performance over the short, medium, and long term. Our approach to these disclosures aligns with IFRS S1 and provides a comprehensive view of how these factors influence our business

Time	Type	Risk/Opportunity	Description	Impact	Mitigation/Initiatives
Short-Term (1-2 Years)	Risks	Energy Price Volatility	Fluctuations in energy prices may increase operational costs.	Short-term increases in energy expenses affecting prof tability.	Implement energy-eff cient technologies and negotiate long-term energy contracts.
		Regulatory Changes	New environmental regulations may result in additional compliance costs.	Immediate compliance costs and potential operational disruptions.	Proactively engage with regulators and adapt operations to meet new standards.
	Opportunities	Energy Eff ciency Improvements	Investment in energy-eff cient technologies can lead to cost savings.	Reduction in energy consumption and operational costs.	Upgrade to LED lighting, optimize HVAC systems, and implement energy management systems.
		Enhanced Market Position	Adopting sustainable practices enhances market reputation.	Increased customer preference and potentially higher sales.	Market sustainability achievements and engage in CSR initiatives.
Medium-Term (3-5 Years)	Risks	Climate Change Impacts	Increased frequency and severity of extreme weather events could disrupt operations.	Potential operational disruptions and increased repair/resilience costs.	Invest in infrastructure resilience and develop contingency plans.
		Transition Risks	Transitioning to a low-carbon economy may involve signif cant investments and changes.	Medium-term costs associated with renewable energy and new technologies.	Gradual transition strategies and secure funding for green initiatives.
	Opportunities	Sustainable Product Development	Developing eco-friendly products can capture new market segments.	Increased revenue from new products and enhanced brand differentiation.	Invest in R&D for sustainable materials and processes.
		Community Engagement and Partnerships	Building strong community relationships improves social license to operate.	Positive brand perception and operational support.	Strengthen partnerships with local organizations and invest in community development.
Long-Term (5-10 Years)	Risks	Regulatory Compliance and Legal Risks	Long-term adherence to evolving regulations may lead to increased costs and legal liabilities.	Signif cant compliance costs and potential legal challenges.	Develop a forward-looking compliance strategy and engage in industry advocacy.
		Resource Scarcity	Scarcity of critical resources (e.g., water, raw materials) could affect production.	Increased costs and potential production constraints.	Invest in resource eff ciency and alternative materials.
	Opportunities	Achieving Carbon Neutrality	Long-term commitment to carbon neutrality positions us as a sustainability leader.	Enhanced corporate reputation and potential operational cost savings.	Achieve carbon neutrality through renewable energy, carbon offset programs, and operational improvements.
		Long-Term Competitive Advantage	Early adoption of sustainable practices provides a competitive edge.	Long-term growth opportunities and enhanced market share.	Continue innovation in sustainable technologies and practices.

The Company's approach to managing sustainability-related risks and opportunities is integral to our financial performance and long-term success. By proactively addressing these factors, we aim to minimize potential negative impacts and capitalize on opportunities that align with our strategic objectives. Our commitment to transparency in reporting ensures that stakeholders are informed of how these risks and opportunities influence our business and financial outlook

This approach not only supports our sustainability goals but also reinforces our dedication to creating long-term value for our stakeholders.

Disclosures About Four-Pillars Core Content

The Company is committed to transparent and comprehensive reporting on its sustainability performance. This disclosure provides an overview of our core content across four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. We also outline the specific metrics designed to demonstrate our performance and progress in these areas

1. Governance

A. Governance Structure

The Company's governance framework ensures robust oversight, accountability, and adherence to sustainability principles. Our governance structure includes:

- **Board of Directors:** Responsible for setting strategic direction, overseeing sustainability performance, and ensuring compliance with governance standards.
- **Sustainability Committee:** A dedicated committee within the Board that focuses on sustainability strategy, implementation, and reporting. It is responsible for monitoring progress and ensuring alignment with the Company's sustainability objectives.
- Executive Management Team: Implements sustainability initiatives, manages daily operations, and reports on performance to the Board.

B. Governance Metrics

- Board Diversity: Percentage of board members from diverse backgrounds.
- Sustainability Training: Percentage of Board members and senior management who have completed sustainability training.

C. Key Policies

- Code of Conduct: Defines ethical business practices and compliance requirements for all employees
- Anti-Corruption Policy: Establishes standards to prevent and address corruption and bribery.
- Sustainability Policy: Outlines the Company's commitment to environmental and social sustainability, including specific goals and practices

2. Strategy

A. Strategic Objectives

The Company's sustainability strategy is designed to integrate environmental stewardship, social responsibility, and ethical governance into our business operations. Key elements include:

- Environmental Stewardship: Reducing carbon emissions, enhancing energy efficiency, and promoting sustainable resource use.
- Social Responsibility: Investing in community development, ensuring employee welfare, and promoting diversity and inclusion.
- Ethical Governance: Upholding transparency, accountability, and ethical business practices.
- Innovation and Technology: Leverage innovation and technology to drive sustainable growth and enhance operational efficiency

B. Strategic Metrics

- Carbon Footprint Reduction: Total greenhouse gas emissions reduced relative to baseline.
- Community Investment: Annual investment in community development projects.
- Employee Training Hours: Number of training hours per employee annually.

3. Risk Management

A. Risk Management Framework

The Company employs a comprehensive risk management framework to identify, assess, and mitigate sustainability-related risks, including:

- Risk Identification: Regular assessments to identify potential risks related to environmental impacts, social issues, and governance challenges.

- Risk Assessment: Evaluating the potential impact and likelihood of identified risks on the Company's operations and reputation.

- Risk Mitigation: Implementing strategies to manage and reduce identified risks, including policy adjust ments, process improvements, and contingency planning.

B. Risk Management Metrics

- Risk Mitigation Effectiveness: Percentage of identified risks with mitigation plans in place.
- Incident Reports: Number of sustainability-related incidents reported and resolved.

4. Metrics and Targets

A. Performance Metrics

The Company uses a range of specific metrics to measure and report on sustainability performance, including

- Energy Consumption: Total energy used relative to production volume.

- Water Usage: Total water used relative to production volume.

- Waste Generation: Total waste generated relative to production volume.

B. Targets

- Carbon Neutrality: Achieve carbon neutrality by 2030 through reductions and carbon offset initiatives.

- Female Representation in Management: Achieve 30% female representation in senior management by 2030.
- Sustainable Procurement: Ensure 100% of suppliers meet sustainability criteria by 2030.

C. Progress Reporting

- Annual Sustainability Report: Detailed reporting on progress against targets, including performance metrics and key achievements.
- Quarterly Reviews: Regular updates to the Board and stakeholders on sustainability performance and any adjustments needed to meet targets.

The Company's commitment to governance, strategic planning, risk management, and performance measurement ensures that our sustainability initiatives are effectively implemented and transparently reported. By focusing on these four pillars, we aim to drive continuous improvement and contribute positively to our environmental, social, and governance objectives.

Disclosures of Material Information about Sustainability-Related Risks and Opportunities throughout the Value Chain

The Company is committed to transparent disclosure of sustainability-related risks and opportunities across our entire value chain. Our value chain encompasses interactions, resources, and relationships integral to our business model and the broader external environment. By addressing material sustainability issues at each stage of our value chain, we aim to enhance performance and contribute to global sustainability goals.

1. Raw Material Sourcing

A. Sustainability-Related Risks
Risk: Environmental degradation and ethical concerns associated with raw material sourcing can impact our supply chain reliability and reputation.
Mitigation and Initiatives:

- Sustainable Sourcing Policies: We ensure that raw materials are sourced responsibly. This includes requiring suppliers to adhere to environmental and social standards.

- Supplier Audits: Regular audits of suppliers to assess compliance with sustainability criteria, including environmental impact and labor practices.

B. Opportunities
Opportunity: Sourcing sustainable materials can enhance product value and meet growing consumer demand for eco-friendly products.
Initiatives:

- Certified Materials: We prioritize the use of certified sustainable materials, such as recycled steel and eco-friendly packaging, contributing to a reduced environmental footprint.

2. Manufacturing and Production

A. Sustainability-Related Risks
Risk: Energy consumption and waste generation during manufacturing can contribute to environmental impacts and operational costs.

Mitigation and Initiatives:

- Energy Efficiency Programs: Implementation of energy-efficient technologies and practices, such as Sky lighting and advanced heating systems, aiming for a 25% reduction in energy use over the next five years

- Waste Management: Adoption of circular economy principles, including waste segregation, recycling, and reducing production waste by 20% over the next five years

B. Opportunities
Opportunity: Innovation in manufacturing processes can lead to cost savings and a reduction in environmental impact.
Initiatives:

- Green Manufacturing Technologies: Investment in technologies such as energy-efficient machinery and waste-to-energy systems to enhance sustainability and operational efficiency

3. Distribution and Logistics

A. Sustainability-Related Risks
Risk: Transportation-related emissions and logistics inefficiencies can contribute to greenhouse gas emissions and increase operational costs.

Mitigation and Initiatives:

- Optimized Logistics: Implementation of route optimization software and consolidation of shipments to reduce transportation emissions and costs.

- Fleet Management: Transition to a fleet of energy-efficient vehicles and explore alternative fuel options to decrease carbon emissions.

B. Opportunities
Opportunity: Improved logistics can lead to cost savings and enhanced sustainability performance.

Initiatives:

- Green Logistics: Adoption of green logistics practices, such as utilizing energy-efficient transport modes and exploring carbon offset programs for logistics operations.

4. Product Use and Customer Engagement

A. Sustainability-Related Risks
Risk: Products with high environmental impacts during use can affect customer satisfaction and regulatory compliance.

Mitigation and Initiatives:
- Product Design: Development of energy-efficient and low-impact products, such as water-saving fixtures and eco-friendly construction materials.
- Customer Education: Programs to educate customers on the environmental benefits of our products and encourage sustainable usage practices.

B. Opportunities
Opportunity: Offering sustainable products can enhance brand reputation and attract environmentally conscious customers.

Initiatives:
- Sustainable Product Lines: Expansion of product lines that focus on sustainability, such as products made from recycled materials or designed for energy efficiency

5. End-of-Life Management

A. Sustainability-Related Risks
Risk: Disposal of products and materials at the end of their lifecycle can contribute to landfill waste and environmen tal harm.

Mitigation and Initiatives:
- Recycling Programs: Implementation of take-back and recycling programs to manage end-of-life products responsibly.
- Product Take-Back: Partnerships with recycling facilities to ensure proper disposal and recycling of prod ucts at the end of their life cycle.

B. Opportunities
Opportunity: Effective end-of-life management can reduce waste and create opportunities for material recovery and reuse.

Initiatives:
- Circular Economy Initiatives: Adoption of circular economy principles, including designing products for disassembly and encouraging product refurbishment and reuse.

6. Stakeholder Engagement

A. Sustainability-Related Risks
Risk: Inadequate stakeholder engagement can lead to a lack of alignment with stakeholder expectations and potential reputational damage.

Mitigation and Initiatives:
- Stakeholder Engagement: Regular engagement with stakeholders through surveys, focus groups, and consultations to understand their sustainability concerns and expectations.
- Transparency: Providing clear and comprehensive sustainability reporting to stakeholders, ensuring align ment with their expectations and enhancing trust.

B. Opportunities
Opportunity: Engaging stakeholders can provide valuable insights and strengthen relationships, leading to better alignment and support for sustainability initiatives.

Initiatives:
- Feedback Mechanisms: Establishing feedback mechanisms to incorporate stakeholder input into sustaina bility strategies and practices, fostering stronger stakeholder relationships.

The Company's approach to managing sustainability-related risks and opportunities across our value chain is integral to our commitment to environmental stewardship, social responsibility, and ethical governance. By implementing targeted initiatives and leveraging advanced methodologies, we aim to minimize risks, capitalize on opportunities, and contribute to a sustainable future.

Disclosure of Climate-Related Risks and Opportunitieszzzz

The Company is committed to understanding and managing climate-related risks and opportunities as part of our broader sustainability and risk management strategies. In line with IFRS S2 requirements, we assess both physical and transition risks associated with climate change and identify opportunities that may arise from these changes. This approach enables us to enhance our resilience, capitalize on emerging opportunities, and contribute to global climate goals.

Category	Subcategory	Description	Impact	Methodologies and Tools
Climate - Related Risks	**1. Physical Risks**			
	A. Acute Physical Risks	Damage from extreme weather events (f oods, heat waves)	Disruption of operations, facility damage, increased repair costs, e.g., f ooding in manufacturing facilities affecting production.	• Risk Assessment Models: Climate scenario analysis tools. • Pakistan Meteorological Department: High-risk area mapping. • Insurance Coverage: Comprehensive coverage for f nancial risks.
	B. Chronic Physical Risks	Long-term changes like rising sea levels and temperature increases	Affects operational eff ciency and supply chain stability, e.g., higher temperatures reducing manufacturing eff ciency.	• Long-Term Climate Projections: Predictive climate models. • Facility Assessments: Regular resilience and infrastructure evaluations.
	2. Transition Risks			
	A. Policy and Regulatory Risks	Changes in environmental regulations, carbon pricing, emission reduction targets	Increased operational costs or need for signif cant investments in new technologies to comply with stricter standards.	• Regulatory Monitoring: Information from industry associations and government bodies. • Impact Analysis: Assessments of new policies' effects on operations and f nances.
	B. Technology Risks	Obsolescence or increased costs for new technologies	Investments in and integration of new technologies may require capital expenditures and operational adjustments.	• Technology Scouting: R&D for cutting-edge technologies. • Cost-Benef t Analysis: Evaluation of technology adoption costs and benef ts.
	C. Market Risks	Changes in consumer preferences and demand for sustainable products	Adjustments in product offerings or business strategy needed to stay competitive.	• Market Research: Analysis and surveys on sustainability trends. • Scenario Planning: Anticipating market condition changes and adjusting strategy.
Climate - Related Opportunities	A. Energy Eff ciency and Renewable Energy	Transitioning to renewables and improving energy eff ciency	Cost savings, enhanced competitiveness, and alignment with sustainability goals.	• Energy Audits: Identifying improvement areas and potential savings. • Renewable Energy Projects: Investment in solar and other renewables
	B. Green Technology and Innovation	Investing in green technologies and sustainable products	Opens new markets, enhances reputation as environmentally responsible.	• R&D Investments: Driving innovation in green technologies. • Product Lifecycle Analysis: Evaluating environmental impact throughout product lifecycles.
	C. Market Differentiation and Customer Loyalty	Embracing sustainability to differentiate in the marketplace	Enhanced brand reputation and customer base growth due to commitment to environmental stewardship.	• Brand Positioning: Highlighting sustainability in marketing. • Customer Engagement: Understanding and incorporating customer sustainability expectations.

The Company's approach to climate-related risks and opportunities is integrated into our broader risk management and sustainability strategies. By utilizing advanced methodologies and tools, we aim to mitigate potential negative impacts and capitalize on emerging opportunities, contributing to a more resilient and sustainable business model. Our commitment to addressing climate-related challenges aligns with our goal of creating long-term value for our stakeholders and supporting global climate objectives.

Chairman's Overview on the Impact of Sustainable Practices on Financial Performance

International Industries' commitment to sustainable practices is deeply intertwined with its pursuit of long-term fina - cial performance. The focus on sustainability is not merely a moral imperative but a strategic approach that enhances the Company's operational efficiency, brand reputation, and overall financial healt

1. Operational Efficiency and Cost Savings:
Through initiatives such as energy-efficient manufacturing processes, renewable energy adoption, and rigorous waste management practices, the Company has achieved significant reductions in energy costs and waste disposal expenses. The Company's investment in renewable energy, including solar power installations at various facilities, has not only lowered its carbon footprint but also reduced its reliance on traditional energy sources, resulting in substantial cost savings.

2. Enhanced Reputation and Brand Value:
The Company's commitment to sustainability has strengthened the brand value, making International Industries a preferred partner for customers and stakeholders who prioritize responsible business practices. This alignment with global environmental and social values has expanded the market reach and enhanced customer loyalty, directly contributing to revenue growth. The recognition the Company has received, such as awards for safety and sustainability, underscores its position as a leader in responsible manufacturing.

3. Regulatory Compliance and Risk Mitigation:
The Company's proactive approach to regulatory compliance ensures that it meets and often exceeds environmental and social governance standards. By staying ahead of regulatory changes, the Company mitigates risks related to fines and legal liabilities, safeguarding its financial stability. The Company's robust governance framework also minimizes the potential for reputational damage, further protecting its shareholder value.

4. Access to Capital and Investor Confidence:
The Company's dedication to ESG practices has positioned it as an attractive investment for responsible investors. The integration of sustainable practices into its business model has enhanced the ability to access capital through green financing options and responsible investment funds. This access to diverse capital sources reduces the Company's cost of capital and strengthens its financial position, enabling it to invest in further sustainable growth initiatives

5. Stakeholder Engagement and Employee Productivity:
Engaging in sustainable practices has fostered a culture of pride and motivation among the Company's employees, leading to increased productivity and reduced turnover. The community engagement efforts, including educational and healthcare initiatives, have strengthened the Company's relationships with local communities, thereby bolstering its brand reputation and customer support. These efforts translate into enhanced operational efficiency and increased profitability

The Company's sustainable practices are not only a testament to its commitment to responsible corporate citizenship but also a driver of its financial success. By integrating sustainability into the Company's core business strategies, the Company enhances operational efficiency, mitigates risks, attracts investment, and builds stronger relationships with stakeholders. As the Company continues on this path, the Company is confident that its focus on sustainability will catalyze its long-term growth and maximize shareholder value.

The Company remains committed to leading in sustainable business practices, driving long-term value creation for its stakeholders, and contributing to a better future for the company and the world.

Kamal A. Chinoy
Chairman,
International Industries Limited

Environmental, Social, and Governance (ESG)

International Industries is committed to operating responsibly and sustainably, recognizing the vital role that Environmental, Social, and Governance (ESG) principles play in the Company's long-term success. The Company's ESG strategy is designed to create value for all the stakeholders—customers, employees, investors, and communities—while ensuring that the business practices contribute to a more sustainable and equitable world.

Environmental Stewardship

As a leader in the steel and polymer industry, the Company recognizes the environmental impact and is committed to minimizing it. The environmental strategy focuses on reducing the carbon footprint, enhancing resource efficiency, and promoting sustainable practices throughout the operations.

- Carbon Emissions Reduction: The Company is actively working to reduce greenhouse gas emissions through investments in energy-efficient technologies and the adoption of renewable energy sources. The goal is to achieve a substantial reduction in carbon emissions, aligning with global climate targets.

- Waste Management and Recycling: The Company is committed to reducing waste and promoting recycling across its operations. The Company has implemented robust waste management programs to ensure that waste materials are minimized, and the Company actively recycle scrap materials to reduce the environmen tal footprint.

- Water Conservation: Recognizing water as a critical resource, the Company has initiated water conservation projects to reduce usage and improve efficiency.

Social Responsibility

The Company is dedicated to making a positive social impact by fostering a safe, inclusive, and supportive workplace and contributing to the communities in which we operate.

- Employee Well-being and Development: The Company believes that its people are its greatest asset, and the Company is committed to their well-being and development. The Company offer comprehensive health and safety programs, competitive benefits, and opportunities for professional growth through training and devel opment initiatives.

- Diversity and Inclusion: The Company strives to create a diverse and inclusive workplace where all employees feel valued and respected. The diversity programs focus on increasing the representation of women and under-represented groups in leadership roles and across our workforce.

- Community Engagement: The Company is deeply invested in the communities we serve. The community engagement initiatives include educational programs, skill development workshops, and health and wellness campaigns. The Company believes in giving back, and work closely with local partners to support social and economic development.

Governance and Ethical Conduct

Strong governance is the foundation of our business, guiding us to operate with integrity, transparency, and accountability.

- Board Oversight and Independence: The Board of Directors is committed to maintaining high standards of governance and oversight. The Company has implemented robust policies to ensure board independence and diversity, reflecting a range of perspectives and expertise to guide the Company's strategic direction

- Ethical Business Practices: The Company adheres to the highest ethical standards in all aspects of the business. The Code of Conduct and Ethics sets clear expectations for employees, partners, and suppliers, ensuring that the Company operates with integrity and in compliance with all applicable laws and regula tions.

- Risk Management and Compliance: The Company has a comprehensive risk management framework in place to identify, assess, and mitigate risks across its operations. This framework includes rigorous compliance measures to ensure that the Company meets all legal and regulatory requirements and upholds its commit ments to stakeholders.

Commitment to Continuous Improvement

The Company recognizes that sustainability is a journey, not a destination. The Company is committed to continuous improvement in its ESG performance, setting ambitious targets, and regularly reviewing its progress to ensure that it meets and exceeds industry standards. The Company will continue to engage with stakeholders, seek innovative solutions, and leverage its expertise to drive positive change for a more sustainable future.

Key ESG Performance Indicators

The Company follows the ESG Performance Matrix provided by the Securities and Exchange Commission of Pakistan's (SECP) as a guidance:

Environmental

Category	Metric	Measurement Annual, unless specified	Response
ENVIRONMENT	GHG Emissions	Total amount of Carbon and Green House Gas emissions in metric tons	8,882tons of GHG
		Total amount, in CO_2 equivalents, for Scope 1, Scope 2 and Scope 3 (if applicable)	SCOPE 1: 5,796 SCOPE 2: 3,085 SCOPE 3: NA
	Emissions Intensity	Total GHG emissions per output scaling factor (e.g. revenues, sales, units produced)	0.12
		Total non- GHG emissions per output scaling factor	-
	Energy Usage	Total amount of energy ***directly*** consumed	3,075,082 m3 of Gas Consumption
		Total amount of energy ***indirectly*** consumed	6,513,245 KWH of Electricity Purchased
	Energy Intensity	Total direct energy usage per output scaling factor	38.0m3 of Gas/Ton of Pipes Produced
	Energy Mix	Percentage: Energy usage by generation type	CO- GEN: 38%, SOLAR: 24%, IMPORT(KE+WAPDA): 38%
		Disclose the energy consumption from renewable sources as a percentage of total energy consumption	24.0%
	Water Usage	Total amount of water consumed	21,342,391
		Total amount of water reclaimed	0
	Environmental Operations	Does your company follow a formal Environmental Policy? Yes, No	Yes
		Does your company follow specif c waste, water, energy, and/or recycling polices? Yes/No	Yes
		Specify the quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period.	-
		Does your company use a recognized energy management system? Yes/No	No
	Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	Yes
	Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes
	Sustainable Sourcing	Does your company ha ve policies and procedures in place for sustainable sourcing? (Yes/No)	No
	Climate Risk Mitigation and adaptation	Climate related transition and physical risks, climate related opportunities, capital deployment, internal carbon prices.	No

Social

Category	Metric	Measurement Annual, unless specified	Response
SOCIAL	CEO Pay Ratio	CEO total compensation to median Full-time Equivalent (FTE) total compensation	-
		Does your company report this metric in regulatory f lings? Yes/No	Yes
	Gender Pay Ratio	Ratio: Median male compensation to median female compensation	1.55
	Employee Turnover	Percentage: Year-over-year change for full-time employees	(7.9%)
		Percentage: Year-over-year change for part -time employees	N/A
		Percentage: Year-over-year change for contractors and/or consultants	None
	Gender Diversity	Percentage: Total enterprise headcount held by men and women	Men 94.5% , Women 5.5%
		Percentage: Entry- and mid -level positions held by men and women	Men 97.2% , Women 2.8%
		Percentage: Senior- and executive-level positions held by men and women	Men 95.2% Women 4.8%
	Temporary Worker Ratio	Percentage: Total enterprise headcount held by part -time employees	No part-time employees
		Percentage: Total enterprise headcount held by contractors and/or consultants	around 500
	Non-Discrimination	Does your company have a sexual harassment and/or non -discrimination, diversity, inclusion policy? Yes/No	Yes
		Is there a conf dential grievance, resolution, reporting and non -retaliation mechanism and procedure to address and respond to incidence of harassment and violence? Yes/ No	Yes
		Percentage: differently abled women and men in the workforce	2% of total workforce
	Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Yes
	Child & Forced Labor	Does your company follow a child and/or forced labor policy? Yes/No	Yes
		If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Yes
	Corporate Social Responsibility	Please share a list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated to these	Refer to CSR section
	Employee training and Succession Planning	Number of training sessions held on the following. Please also mention the Number of employees and workers trained on these:	
		-Skill Upgradation	No. of Training: 70 Employees Trained: 847
		-Soft Skills	No. of Training: 70 Employees Trained: 847
		- Health and Safety Measures	Attached
		Percentage: Women and men promoted during the year	Women 6.67% , Men 2.54%
	Human Rights	Does your company follow a human rights policy? Yes/No	Yes
		If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes
	Working Conditions	Number of complaints made by employees regarding working conditions during the reporting period.	No complaints
		Number of complaints regarding working conditions resolved.	No complaints
	Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Lost time injury frequency rate per million worked hours : 2.29 compared to the global average of 3.54 in the steel industry.
		Number of safety-related incidents during the reporting year and Number of lost production hours as a result	Total Eight lost time case recorded and 157 days absence by the injured persons but no porduction loss as it was covered by rotating shifts
		Disclose the percentage of employees/workers covered with Health and Safety Insurance	100%
	Marketing	Do you have a responsible gender -sensitive marketing communication policy or a commitment embedded in larger corporate policy? Yes/No	Yes

Governance

Category	Metric	Measurement Annual, unless specified	Response
GOVERNANCE	Board Diversity	Percentage: Total board seats occupied by men and women	7 (Men) + 1 (Female) = 8
		Percentage: Committee chairs occupied by men and women	Four Committees - Chaired by Men
	Board Independence	Does company prohibit CEO from serving as board chair? Yes/No	Yes
		Percentage: Total board seats occupied by independents	4 out of 8
	Board competence	Percentage of ESG-certif ed board members.	-
	Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	No
	Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	48%
	Supplier Code of Conduct	Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	Yes
		If yes, what percentage of your suppliers have formally certif ed their compliance with the code?	-
	Ethics & Anti-Corruption	Does your company follow an Ethics and/or Anti - Corruption policy? If yes, what percentage of your workforce has formally certif ed its compliance with the policy?	Yes, 100%
	Data Privacy	Does your company follow a Data Privacy policy? Yes/No	Yes
		Does your company take steps to comply with general data protection rules/ framework? Yes/No	Yes
	Sustainability Reporting	Does your company publish a sustainability report? Yes/No	Yes
		Is sustainability data included in your regulatory f lings? Yes/No	Yes
	Disclosure Practices	Does your company provide sustainability data in line with any sustainability reporting frameworks? Yes/No	Yes
		Does your company focus on specif c UN Sustainable Development Goals (SDGs)? Yes/No	Yes
		Does your company set targets and report progress on the UN SDGs? Yes/No	SDG 7 Champion
	External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	No

Highlights of the Company's Sustainability and CSR Performance

The Company's comprehensive approach to sustainability is reflected in the following highlights, showcasing its commitment to environmental stewardship, social responsibility, and technological innovation. Through its policies, initiatives, and strategic plans, the Company continues to lead in creating a positive impact on society and the environment.

1. Social Initiatives

- Research and Development (R&D) Initiatives:
    - The Company invests in R&D to develop innovative products and processes that align with sustainability goals. This includes designing eco-friendly products and improving manufacturing efficiencies
- Employment Generation:
    - The Company contributes to local economies by generating employment opportunities across its operations. The company prioritizes fair labor practices and strives to create inclusive workplaces, particularly focusing on increasing female representation in management roles.
- Community Health and Education:
    - The Company, through the Amir S. Chinoy Foundation (ASCF), supports community health and education initiatives, including scholarships for underprivileged girls, school infrastructure improvements, and health camps. Partnerships with local NGOs further amplify these efforts.
- Health and Safety of Staff:
    - The Company places a strong emphasis on occupational health and safety. The company has implemented stringent OHSE policies, conducts regular safety audits, and provides extensive training to ensure a safe working environment for all employees. The Company aims to achieve a zero-incident workplace by enhancing safety protocols.

2. Environmental Initiatives

- Climate Change Mitigation:
    - The Company is committed to reducing its carbon footprint by investing in renewable energy sources, including solar power. The Company has set ambitious targets for carbon neutrality by 2030, with ongoing efforts to reduce emissions through energy-efficient technologies
- Focus on 3Rs (Reduce, Reuse, Recycle):
    - Reduce: The Company has implemented initiatives to reduce energy and water consumption across its facilities. Smart technologies are employed to monitor and optimize resource usage.
    - Reuse: The Company encourages the reuse of materials and resources wherever possible. For instance, water used in production processes is treated and reused, minimizing freshwater consumption.
    - Recycle: The Company has established recycling programs to manage waste effectively, including recycling scrap metals and other industrial waste. The goal is to achieve zero waste to landfill by 2035
- Pollution Reduction and Natural Resource Conservation:
    - The Company actively works to reduce pollution by controlling emissions, treating wastewater, and managing waste responsibly. The company also engages in conservation efforts such as rainwater harvesting and the use of sustainable raw materials to prevent the depletion of natural resources.

3. Technological Innovation

- Energy-Efficient Processes

  - The Company continues to innovate by integrating energy-efficient technologies into its manufacturing processes. These innovations have led to significant reductions in energy consumption, contributing to both cost savings and environmental sustainability.

- Eco-Friendly Product Designs:

  - The Company's R&D team focuses on developing products with lower environmental impact. This includes the use of recycled materials in product design and creating products that are energy efficient and environmentally friendly

4. Consumption and Management of Resources

- Materials:
  - The Company prioritizes the use of sustainable and recycled materials in its production processes. Efforts are made to source raw materials responsibly, minimizing the environmental impact of production.
- Energy:

  - The company has implemented energy management systems to monitor and reduce energy consumption. Renewable energy sources, primarily solar, contribute a growing share of the company's energy mix.

- Water:

  - The Company has set targets to reduce water usage substantially. The Company employs water recycling systems and engages in rainwater harvesting to reduce dependency on freshwater sources.

- Emissions:

  - The Company closely monitors its emissions, focusing on reducing CO2 and other greenhouse gases. The Company has invested in technologies that lower emissions and comply with national and international standards.

- Waste:
  - Waste management is a key focus area, with the Company striving to minimize waste generation through efficient production processes. Recycling and waste-to-energy initiatives are part of the company's strategy to reduce its environmental footprint.

SECTION 5.0
Stakeholders' Relationship and Engagement

Stakeholder engagement policy

Legitimate needs and interests of key stakeholders

Board actions to solicit and understand stakeholder views through corporate briefing session

CEO's presentation on annual business performance

international™
industries
built on trust

Stakeholder Engagement Policy

The Company is committed to fostering transparent, constructive, and proactive relationships with all its stakeholders. Effective stakeholder engagement is vital for the sustainable success of our business. The stakeholder policy outlines our approach to identifying and engaging with stakeholders to ensure that their interests, concerns, and expectations are considered in our decision-making processes.

This policy establishes a framework for stakeholder engagement that aligns with the Company's values, vision, and mission. The goal is to ensure that the Company engages with stakeholders in a consistent, transparent, and responsible manner, fostering mutual trust and respect.

Identification of Stakeholders

The Company has identified its key stakeholders through a comprehensive analysis of its business operations, industry environment, and the impact of its activities. The stakeholders are categorized based on their relationship with the company, their inf uence on or interest in the Company's operations, and the impact that the Company's decisions may have on them.

Engagement Principles

The Company's approach to stakeholder engagement is guided by the following principles:

- Transparency: Open and honest communication with stakeholders, providing timely and accurate information.
- Inclusiveness: Actively seeking to understand and consider the views and concerns of all stakeholders, recognizing their diverse interests.
- Responsiveness: Promptly addressing stakeholder concerns and feedback, incorporating them into our decision-making processes where appropriate.
- Respect: Treating all stakeholders with respect, recognizing their rights, needs, and contributions to our success.
- Mutual Benefit: Creating shared value, ensuring that our business activities benefit both the company and our stakeholders.

The Company is committed to fostering positive relationships with all its stakeholders. Through effective engagement, we aim to build trust, enhance our reputation, and create long-term value for our business and all those we interact with.

Investor Relations Section on Corporate Website:

The Company has a dedicated and updated Investor's Relations Section on its corporate website (http://www.iil.com.pk/investors) which contains comprehensive information that would be interesting and informative for investors. This section includes key Company information, detailed corporate governance information, financial information and other reports, stocks and dividend information, announcements, and a link to the SECP website and SECP complaint forms.

The key stakeholders identified y the Company include:

Stakeholders	Why they are important	Nature of engagement	Frequency
Shareholders	1. Owners of the Company. 2. Expect a fair return on their investment. 3. Decisions are made in line with increasing shareholder value.	1. AGM 2. EOGM 3. Interim reports 4. Annual report 5. Website 6. Social media	1. Annually 2. If/when needed 3. Quarterly 4. Annually 5. Continuously available 6. Continuously available
Customers	1. Buy our products which, in turn, drive our revenue. 2. Expect quality and drive demand for our products. 3. Are our business partners.	1. Direct relationships 2. Customer gatherings 3. Satisfaction surveys 4. Website 5. Social media 6. Net Promoter Score (NPS)	1. Continuous/ongoing 2. Regularly 3. Annually 4. Continuously available 5. Continuously available
Employees	1. Are our key asset. 2. Deliver success in achieving the highest possible stakeholder value.	1. Interaction with management 2. Performance appraisals 3. Job satisfaction survey 4. Union interactions 5. Employee events 6. Newsletter 7. Website 8. Social media 9. Training & development 10. Town Hall Meetings	1. Daily 2. Annual/semi-annual 3. Annual 4. Regularly 5. Regularly 6. Continuous 7. Continuous 8. Continuous 9. Regularly 10. Quarterly
Suppliers	1. Reliable and reasonable provision of raw materials. 2. Are our business partners.	1. Direct relationships 2. Meetings 3. Trade shows 4. Website 5. Social media	1. Continuous/ongoing 2. Regularly 3. Regularly 4. Continuously available 5. Continuously available
Government Bodies	Determine and implement policies that could positively or negatively impact the Company.	1. Issue-specif c meetings 2. Submission of statutory reports 3. Website 4. Social media	1. As required 2. As required 3. Continuously available 4. Continuously available
Local Community	1. Provide manpower for our operations. 2. Living environment dependent on the environmental friendliness of our operations. 3. Key target of our CSR initiatives.	1. TCF School in Majid Colony 2. Health Clinic in Majid Colony 3. Mosque in Majid Colony 4. Bus stop in Majid Colony 5. Union and employees 6. Website 7. Social media	1. Continuous 2. Continuous 3. Continuous 4. Continuous 5. Continuous 6. Continuously available 7. Continuously available
Banks	Provision of f nance and trade facilities.	1. Direct relationships 2. Meetings 3. Financial reporting 4. Website / social media	1. Continuous/ongoing 2. As needed 3. Periodic 4. Continuously available
Media	Ability to inf uence brand awareness and perception.	1. Advertising campaign 2. Press releases 3. Interviews	1. Regularly 2. As needed 3. As needed

Legitimate Needs and Interests of Key Stakeholders

For the Company, understanding the legitimate needs and interests of key stakeholders, along with staying attuned to industry trends, is crucial for strategic alignment and sustainable growth. Here's a detailed overview of these aspects:

1. **Shareholders and Investors**
    - Financial Performance: Shareholders seek consistent financial returns, profitability, and growth in shareholder value. They are interested in transparent financial reporting and strategic plans that drive long-term value.
    - Governance: Investors expect strong corporate governance practices, ethical conduct, and adherence to regulatory requirements. They value clear communication about risk management and strategic decisions.
2. **Customers**
    - Product Quality: Customers demand high-quality, reliable products that meet their specifications and industry standards. They value innovations that enhance product performance and longevity.
    - Customer Service: Efficient, responsive customer service and technical support are crucial for customer satisfaction. Customers are also interested in value-added services and timely delivery.
3. **Employees**
    - Work Environment: Employees seek a safe, inclusive, and supportive work environment. They are interested in career development opportunities, fair compensation, and recognition for their contributions.
    - Job Security: Job stability and clear career progression paths are important to employees, along with transparent performance evaluation and feedback mechanisms.
4. **Suppliers and Partners**
    - Fair Transactions: Suppliers and partners are concerned with fair, timely payments and transparent dealings. They value long-term relationships built on mutual trust and respect.
    - Collaboration: Opportunities for collaboration and joint development projects are important, as they contribute to mutual growth and innovation.
5. **Regulators and Industry Bodies**
    - Compliance: Regulators require adherence to industry regulations, environmental standards, and safety protocols. They are interested in the Company's compliance with legal and ethical standards.
    - Reporting: Accurate and timely reporting on environmental, social, and governance (ESG) practices is essential for maintaining regulatory relationships and industry standing.
6. **Communities and Environmental Groups**
    - Sustainability: Communities and environmental groups are focused on the Company's environmental impact and sustainability practices. They expect the company to minimize its carbon footprint, manage waste responsibly, and contribute positively to local communities.
    - Corporate Social Responsibility: They value the Company's involvement in community development, including educational initiatives, health programs, and other social contributions.

Industry Trends Affecting the Company

1. **Technological Advancements**

    - Automation and Digitization: The steel and polymer industries are increasingly adopting automation and digital technologies to enhance production efficiency, product quality, and supply chain management.
    - Advanced Materials: There is a growing focus on developing advanced materials with improved properties, such as higher strength and better corrosion resistance.

2. **Sustainability and Green Practices**

    - Environmental Regulations: Stricter environmental regulations are driving the industry towards greener practices, including the use of renewable energy and reduction of carbon emissions.
    - Circular Economy: The trend towards a circular economy is influencing companies to adopt recycling and waste management practices to minimize environmental impact.

3. **Globalization and Market Expansion**

    - Emerging Markets: There is a growing demand for steel and polymer products in emerging markets, offering opportunities for international expansion and diversification.
    - Trade Policies: Changes in trade policies and tariffs can impact global supply chains and market dynamics, influencing strategic decisions.

4. **Customer Expectations**

    - Customization and Innovation: Customers are increasingly seeking customized solutions and innovative products that meet specific industry requirements and performance standards.
    - Sustainable Products: There is a rising preference for products that align with sustainability goals, including those made from recycled materials or with lower environmental impact.

5. **Economic Factors**

    - Raw Material Prices: Fluctuations in the prices of raw materials, such as steel and polymers, can impact production costs and pricing strategies.
    - Economic Cycles: Economic downturns or booms influence demand for steel and polymer products, affecting industry growth and profitability.

6. **Regulatory and Compliance Trends**

    - Health and Safety Standards: Enhanced health and safety regulations are shaping industry practices, necessitating rigorous compliance and continuous improvement in workplace safety.

The Company aligns its strategies with the legitimate needs and interests of key stakeholders while adapting to industry trends. By addressing these needs and staying ahead of trends, the Company aims to sustain its competitive advantage, foster positive stakeholder relationships, and drive long-term success in the market.

Board Actions to Solicit and Understand Stakeholder Views Through Corporate Briefing Sessions

In compliance with the listing regulations of the Pakistan Stock Exchange, the Company arranges corporate briefing session(s) o answer queries of the various stakeholders including investors and financial ana ysts.

The Company also recognizes the importance of understanding the perspectives, concerns, and expectations of its stakeholders. To achieve this, the Board has implemented a structured approach to stakeholder engagement through regular corporate briefing sessions.

The last Corporate Briefing Session was held on Friday, September 27, 2024, to brief investors/analysts/shareholders about the financial per ormance and future outlook of the Company.

Steps Taken by the Board:

1. Annual Corporate Briefing Sessions:

The Company organizes the corporate briefing session once a ear to engage with key stakeholders. This session is held coinciding with major financial announcements or st ategic updates.

2. Tailored Briefing Content:

Each corporate briefing session is ailored to address the specific in erests and concerns of the participating stakeholder group.

3. Two-Way Communication:

The Company ensures that corporate briefing sessions a e not just about disseminating information but also about listening to stakeholders. An open Q&A session is incorporated to encourage stakeholders to share their views and concerns.

4. Involvement of Senior Management:

Senior management, including the CEO, CFO, Company Secretary and Heads of key departments, actively participate in the briefing sessions. This al ows stakeholders to engage directly with those responsible for executing the company's strategy and provides the Board with fi sthand insights into stakeholder concerns.

5. Transparency and Accountability:

The Company ensures transparency by publicly sharing the outcomes of financial esults.

6. Integration into Strategic Planning:

Insights gained from stakeholder engagement during corporate briefing sessions a e integrated into the company's strategic planning process. This ensures that stakeholder expectations are aligned with the company's long-term goals and objectives.

7. Continuous Improvement:

The Company regularly reviews the effectiveness of the corporate briefing sessions and makes adjustments as necessary to improve engagement quality. This may include changes to the format, frequency, or content of the sessions based on stakeholder feedback.

Through these steps, the Board actively solicits and understands the views of stakeholders, ensuring that their input plays a critical role in shaping the company's strategy and operations. This approach not only strengthens relationships with stakeholders but also enhances the company's reputation for transparency and responsiveness.

CEO’s Presentation on Annual Business Performance

In our commitment to transparency and keeping our stakeholders informed, the CEO of International Industries Limited has presented a comprehensive overview of the company’s business performance for the year. This presentation covers key aspects of our operations, including:

- **Business Performance:** A detailed analysis of the company’s financial and operational achievements over the past year, highlighting areas of growth, challenges faced, and how they were addressed.
- **Business Strategy:** Insights into the strategic initiatives implemented to enhance the Company’s market position, drive innovation, and improve operational efficienc . This section also explores the steps taken towards digital transformation, customer engagement, and sustainability.
- **Future Outlook:** A forward-looking perspective on the company’s plans for the coming year, including expected market trends, growth opportunities, and how the Company’s intends to navigate the evolving business landscape. The CEO also discusses the company’s commitment to long-term value creation for shareholders and other stakeholders.

To view the full presentation and gain deeper insights into the Company’s strategic direction and performance, please visit the following webpage:

https://iil.com.pk/en/page/investors/announcements

This video is part of our annual report and is available on the official website of the Company. We encourage all stakeholders to watch the presentation to better understand the company’s achievements and future plans.

SECTION 6.0
Governance

international™
industries
built on trust

Board of
Directors

Mr. Kamal A. Chinoy

Chairman (Non-Executive)
Chairman Since: September 30, 2022
Director Since: February 6, 1984

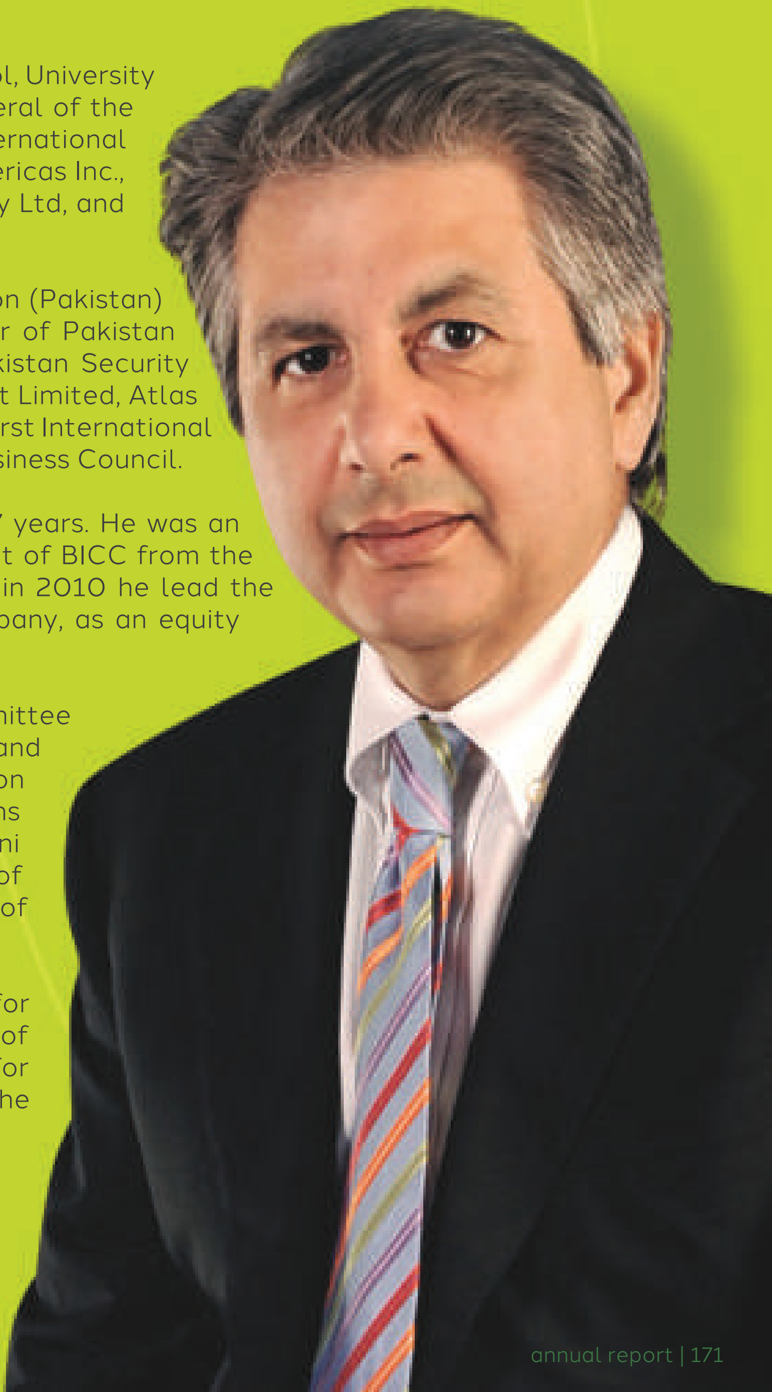
Mr. Kamal A. Chinoy is a graduate of the Wharton School, University of Pennsylvania, USA. He is the Honorary Consul General of the Republic of Cyprus. Currently, he is Chairman of International Industries Limited, International Steels Limited, IIL Americas Inc., and a Director of Pakistan Cables Ltd., IIL Australia Pty Ltd, and Chinoy Engineering & Construction (Pvt) Ltd.

He has served as Chairman of the Aga Khan Foundation (Pakistan) and Jubilee Life Insurance Co., and also as a Director of Pakistan Centre for Philanthropy, Atlas Insurance Limited, Pakistan Security Printing Corporation, NBP Fullerton Asset Management Limited, Atlas Battery Ltd, ICI Pakistan Limited, Askari Bank Limited, First International Investment Bank, Atlas Power Limited and Pakistan Business Council.

He also served as CEO of Pakistan Cables Ltd. for 27 years. He was an instrumental part of the team that negotiated the exit of BICC from the ownership of the Company in the early 1990's. Then in 2010 he lead the effort to attract General Cable, a Fortune 500 company, as an equity investor in PCL.

Mr. Kamal A. Chinoy is a member of the executive committee of the International Chamber of Commerce, Pakistan and is also a past President of the Management Association of Pakistan (MAP). He has also served on the Admissions Committee of Aga Khan University and the Alumni Admissions Committee for the University of Pennsylvania. He has also been a member of the Board of Governors of Army Burn Hall Institutions.

He has been a member of the Pakistan-UK Forum for Investment and Technology (under the Board of Investment, GoP) and the Experts Advisory Group for Engineering Goods for the Fifth Five-Year Plan for the Government of Pakistan.



Mr. Asif Jooma

Independent Director
Since: March 16, 2021

Mr. Asif Jooma joined the Board of Directors of Lucky Core Industries Ltd. (formerly ICI Pakistan Ltd.) in December 2012 and was appointed Chief Executive in February 2013. With a career spanning over forty years, Mr. Jooma has extensive experience in senior commercial and leadership roles. Following his early years with the ICI and subsequently, Pakistan PTA Limited, he was appointed Managing Director of Abbott Laboratories Pakistan Limited in 2007. After serving there for nearly six years, he returned to Lucky Core Industries Limited as Chief Executive.

Mr. Jooma holds directorships in Pakistan Tobacco Company Limited, International Industries Limited, NIFT, and NutriCo Morinaga (Private) Limited. He has previously served as a Director on Systems Limited, NIB Bank Limited, Engro Fertilizers Limited, and National Bank of Pakistan, and as Director and Member Executive Committee of the Board of Investment (BOI) – Government of Pakistan.

He has previously served as the President of the American Business Council, President of the Overseas Investors Chamber of Commerce and Industry, and Chairman of the Pharma Bureau.

Additionally, Mr. Jooma is on the Board of Governors of the Lahore University of Management Sciences and a Trustee of the Duke of Edinburgh's Awards Programme, whilst previously also serving on the Board of Indus Valley School of Art and Architecture. He graduated cum laude from Boston University with a Bachelor of Arts in Development Economics and attended Executive Development programmes at INSEAD and Harvard Business School thereafter.

In June 2024, he was also appointed as an Ambassador-at-Large in an honorary capacity by the Government of Pakistan for a two-year period.

Mr. Haider Rashid

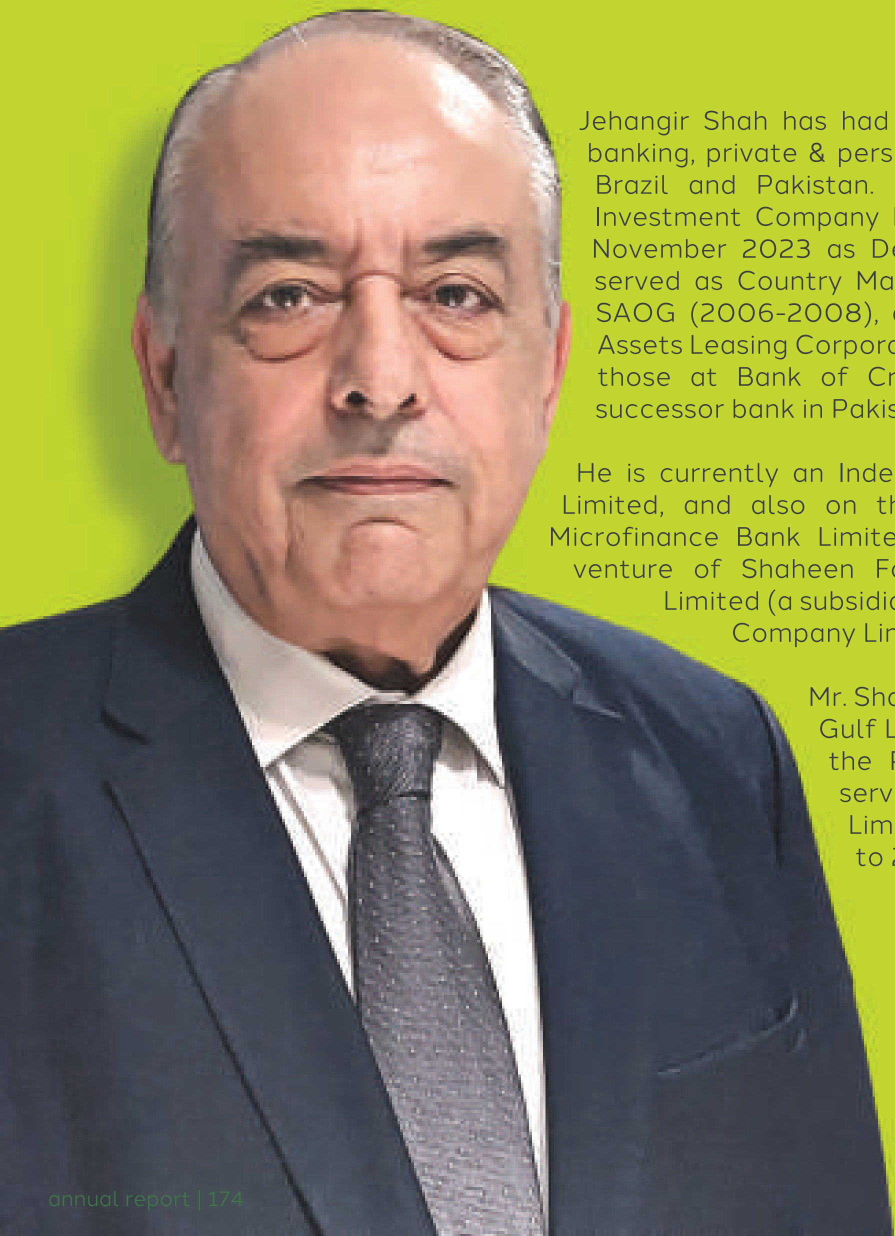
Independent Director
Director Since: January 24, 2022

Mr. Haider Rashid gained an honours degree in Accounting and Finance from the University of Lancaster, England. His early career involved ten years in the chemical and agriculture industry in Pakistan, initially for the ICI group, and then the Hoechst AG group where he was the CEO for Hoechst AgrEvo Pakistan. During this time, he also served two terms as President of the Agricultural Chemical Trade Association of Pakistan (PAPA).

Since 1997, Mr. Rashid held several senior corporate positions in international companies, including Head of Controlling for Hoechst AG, Germany, Head of Integration for Aventis SA, France, Member of the Executive Committee of Aventis Crop Science, France, Chief Information Officer and Head of Finance & Controlling for ABB, Switzerland and Regional President for ABB. He was also the founder and CEO of K&R Consulting AG. His external responsibilities have included membership of the IBM Board of Advisors and membership of the Executive Committee of the European Roundtable for Digital Strategies, founded by the Tuck School of Business at Dartmouth.

Mr. Jehangir Shah

Independent Director
Since: September 30, 2016



Jehangir Shah has had over forty years' experience in commercial banking, private & personal banking and leasing in the U.A.E., Egypt, Brazil and Pakistan. He was last associated with Pak Oman Investment Company Limited from July 2008 up to retirement in November 2023 as Deputy Managing Director. Previously he has served as Country Manager-Pakistan of Oman International Bank SAOG (2006-2008), and as Managing Director / CEO of Capital Assets Leasing Corporation Limited. His former employments include those at Bank of Credit and Commerce International, and its successor bank in Pakistan, Habib Credit and Exchange Bank Limited.

He is currently an Independent Director of International Industries Limited, and also on the Boards of: Abhi (Private) Limited; Abhi Microfinance Bank Limited; Shaheen Insurance Company Limited (a venture of Shaheen Foundation/ PAF); NBP Exchange Company Limited (a subsidiary of NBP) and Pak Oman Asset Management Company Limited.

Mr. Shah was a Sponsor and founding Director of Pak Gulf Leasing Company Limited, which was listed on the Pakistan Stock Exchange in 1996. He also served on the Board of Fauji Fertilizer Company Limited as an Independent Director during 2021 to 2024.

Mr. Mansur Khan

Independent Director
Director Since: September 30, 2019

Mr. Mansur Khan has over 30 years of diversified experience and a proven track record in development/commercial/investment banking. He has a Master's degree in Business Administration (with distinction) from Pace University, New York, USA, majoring in Financial Management.

Mr. Khan has served as President / CEO of Zarai Taraqiati Bank Limited (ZTBL), SME Bank Limited, Managing Director of Pak Kuwait Investment Company, Punjab Small Industries Corporation (PSIC) and the Sudanese Microfinance Development Facility (SMDF). He has international experience of working in Asia, Africa, USA, Europe and the Middle East. Prior to joining Pak Kuwait as Managing Director, he was associated with Weidemann Associates Inc, a Crown Agents USA company. Mr. Khan was also a fighter pilot in the Pakistan Air Force from 1970 to 1978.

He held directorships in The General Tyre and Rubber Company of Pakistan Limited, Sudanese Microfinance Development Facility, Zarai Taraqiati Bank Limited, National Commodity Exchange Limited, Saudi Pak Agricultural and Investment Company Limited, National Database and Registration Authority(NADRA), Kissan Support Services Limited, SME Bank Limited, SME Leasing Limited, TMT Venture Capital Fund, Small and Medium Enterprise Development Authority (SMEDA), Business Competitiveness/Support Funds and Punjab Small Industries Corporation. He is also a certified director from Pakistan Institute of Corporate Governance.

Mr. Mustapha A. Chinoy

Non-Executive Director
Director Since: February 23, 1998

Mr. Mustapha A. Chinoy is a B.Sc. in Economics from Wharton School of Finance, University of Pennsylvania, USA with majors in Industrial Management and Marketing. Upon return from United States, he took up the position of Marketing Manager at International Industries Ltd. He is currently the Chairman of Pakistan Cables Ltd., Travel Solutions (Pvt) Ltd., Global E-Commerce Services (Pvt.) Ltd., Global Reservation (Pvt.) Ltd, BinaryVibes (Pvt) Ltd. and Chinoy Engineering & Construction (Pvt.) Ltd.. He is the Chief Executive of Intermark (Pvt.) Ltd. He has previously served on the Boards of Union Bank Ltd and Security Papers Ltd.

Mrs. Selina Rashid Khan

Non-Executive Director
Since: September 30, 2022

Selina Rashid Khan is the Founder and CEO of Lotus Client Management & Public Relations, Pakistan's first strategic communications agency, established in 2007. She is recognized as Pakistan's premier communications leader with over 20 years of communications experience in leadership positions.

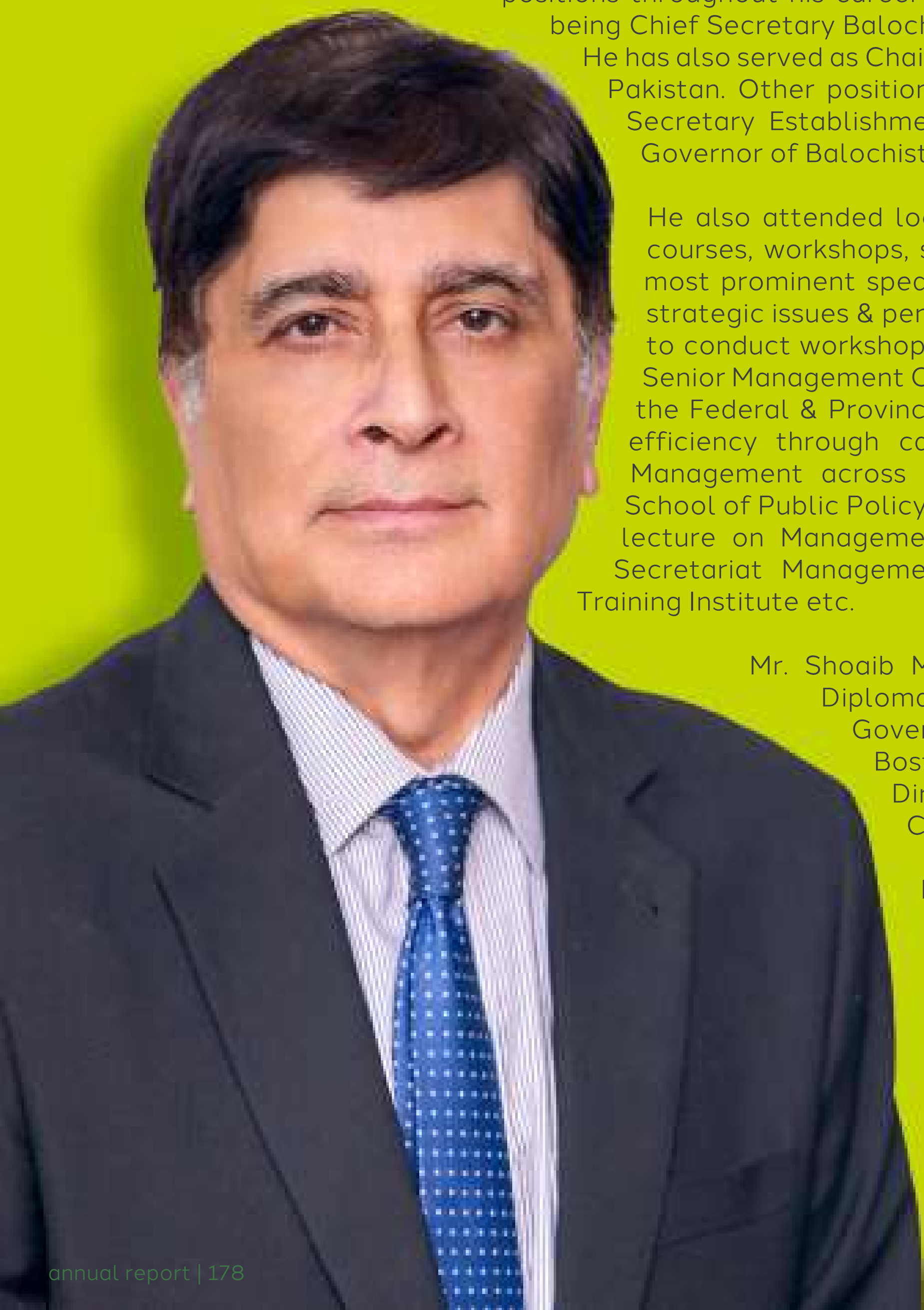
She is the first and only Pakistani recipient of the prestigious PR News top women in PR global award and currently serves as President of PREDA, Pakistan's Association for Public Relations, Event Management, Digital and Activations. Selina is also among the few South Asian communications professionals on the global Forbes Business Council. Her public sector roles include having served as Chair of Brand Pakistan, an advisory panel to the Special Assistant of the Prime Minister of Pakistan on Tourism and Overseas Pakistanis and as an honorary advisor to the Foreign Minister on public diplomacy reform. She serves on the boards of International Industries Limited, Avanceon and the Zaman Foundation.

Selina holds an Honours degree in Politics from the University of Warwick and has completed specialised communications and leadership programs at Harvard University. She began her career at Avalon Public Relations in London.

Mr. Shoaib Mir

Non-Executive Director
Director Since: May 20, 2025

Mr. Shoaib Mir is a retired Pakistani civil servant who served in BPS-22 grade as the Education Secretary of Pakistan and Chief Secretary Balochistan. Mir belongs to the Pakistan Administrative Service and was promoted to the rank of Federal Secretary in December 2017. He has held various key positions throughout his career with the most notable of his assignments being Chief Secretary Balochistan and Education Secretary of Pakistan. He has also served as Chairman of State Life Insurance Corporation of Pakistan. Other positions where he has served include Additional Secretary Establishment Division and as Principal Secretary to Governor of Balochistan.



He also attended local and international professional training courses, workshops, seminars and conferences. Besides, he is a most prominent speaker on the subject of leadership, complex strategic issues & personal empowerment. He is regularly invited to conduct workshops and deliver lecture to the participants of Senior Management Course and Mid-Career level civil servants of the Federal & Provincial Governments to improve public service efficiency through capacity building at National Institute of Management across Pakistan, a constituent unit of National School of Public Policy. Mr. Mir has also been frequently delivering lecture on Management & Finance at Civil Services Academy, Secretariat Management Institute, NI-IA Institute and Custom Training Institute etc.

Mr. Shoaib Mir has a Degree of MBBS along with a Diploma from the prestigious Kennedy School of Government affiliated with Harvard University Boston, Massachusetts. He is qualified for Directorship from Pakistan Institute of Corporate Governance.

He belongs to the 15th CTP and after retirement from active civil service, he was made member of the prestigious Federal Public Service Commission.

Mr. Yousuf H. Mirza

Chief Executive Officer
Since: October 1, 2024

Mr. Yousuf H. Mirza is the Chief Executive Officer of International Industries Limited with over two decades of extensive experience in executive leadership, business strategy, and operational excellence within the steel and manufacturing industries.

Before joining the Company, Mr. Mirza served as the Chief Executive Officer of International Steels Limited (ISL) from 2015 to 2023, where he played a pivotal role in transforming the company into one of the largest steel manufacturers in Pakistan. His tenure at ISL was marked by significant growth, technological advancements, and the expansion of product offerings. Prior to becoming CEO, he served as the Chief Operating Officer of ISL from 2013, overseeing key operational processes and driving business efficiencies

Mr. Mirza's career spans senior management roles at Linde Pakistan Limited and its subsidiaries across the Philippines, Malaysia, and Southeast Asia, where he developed a deep understanding of complex, multinational operations and led initiatives to enhance performance across various business units.

He holds a Bachelor's degree in Mechanical Engineering from NED University of Engineering and Technology and an MBA from the prestigious Institute of Business Administration (IBA), Karachi. Committed to continuous learning, Mr. Mirza has attended leadership and management development programs at world-class institutions, including the Said Business School, University of Oxford, INSEAD, and Nanyang Technological University, Singapore.

In addition to his role at International Industries, Mr. Mirza serves on the boards of several key organizations, including IIL Americas Inc., the German Pakistan Chamber of Commerce and Industry, the Employers Federation of Pakistan, the Pakistan Japan Business Forum, and the Engineering Development Board under the Ministry of Industries, Government of Pakistan.

Associated Companies

30-06-2025

ASSOCIATED COMPANIES		INTERESTED AS
Name	**Business occupation and directorship (if any)**	
Mr. Kamal A. Chinoy	Chinoy Engineering & Construction (Pvt) Ltd.	Director
	IIL Americas Inc.	Chairman
	IIL Australia Pty Ltd.	Director
	International Industries Ltd.	"
	International Steels Ltd.	"
	Pakistan Cables Ltd.	Director
Mr. Asif Jooma	International Industries Limited	Director
	Duke of Edinburgh's Award Foundation (Trust) Pakistan	Trustee
	Lucky Core Industries Limited	Director
	Lucky Core Foundation	Trustee
	Lucky Core Management Staff Defined Contribution Superannuation Fund	Trustee
	Lucky Core Management Staff Gratuity Fund	Trustee
	Lucky Core Management Staff Pension Fund	Trustee
	Lucky Core Management Staff Provident Fund	Trustee
	Lucky Core Non-Management Staff Provident Fund	Trustee
	Lucky Core PowerGen Limited	Director
	Lucky TG (Private) Limited	Director
	Lucky Core Ventures (Private) Limited	Director
	Lahore University of Management Sciences (LUMS)	Member Board of Governors
	NutriCo International (Private) Limited	Director
	NutriCo Morinaga (Private) Limited	Director
	NutriCo Pakistan (Private) Limited Gratuity Fund	Trustee
	NutriCo Pakistan (Private) Limited Provident Fund	Trustee
	Pakistan Tobacco Company Limited	Director
	National Institutional Facilitation Technologies (NIFT) (Pvt) Ltd	Director
Mr. Haider Rashid	International Industries Limited	Director
Mr. Jehangir Shah	International Industries Limited	Director
	Abhi (Pvt) Limited	"
	Abhi Microfinance Bank Limited	"
	NBP Exchange Company Limited	"
	Pak Oman Asset Management Company Limited	"
	Shaheen Insurance Company Limited	"
Mr. Mansur Khan	International Industries Limited	Director

ASSOCIATED COMPANIES		INTERESTED AS
Name	**Business occupation and directorship (if any)**	
Mr. Mustapha A. Chinoy	International Industries Ltd.	Director
	International Steels Ltd.	"
	Pakistan Cables Ltd.	Chairman
	Binary Vibes (Pvt) Ltd.	Director & Chairman
	Bridge Vue Solutions DMCC	Director
	Global e-Commerce Services (Pvt) Ltd.	Director & Chairman
	Global Reservation (Pvt) Ltd.	"
	Global Travel Services Ltd. BVI	"
	Habal International Pte Ltd.	Director
	Trave Tech Solutions	"
	TSL (Pvt) Ltd.	Director & Chairman
	Intermark (Pvt) Ltd.	Chief Executive
	Chinoy Engineering & Construction (Pvt) Ltd.	Director & Chairman
	Ibex Enterprises Singapore Pte Ltd	Director
Mrs. Selina Saadia R. Khan	International Industries Limited	Director
	Avanceon Limited	Director
	Lotus Client Management & Public Relations	Chief Executive Office
	Zaman Foundation	Director
Mr. Shoaib Mir	International Industries Limited	Director
	National Investment Trust Ltd.	"
	Pakistan Reinsurance Company Limited	"
	State Life Insurance Corporation of Pakistan	"
Mr. Yousuf H. Mirza	IIL Americas Inc.	Director
	IIL Trading (Pvt) Ltd.	"
	Chinoy Engineering & Construction (Pvt) Ltd.	"
	German Pakistan Chamber of Commerce and Industry	Member
	Employers Federation of Pakistan	Member
	Pakistan Japan Business Forum	Member
	Engineering Development Board, MOI, GOP	Member

Governance Framework

The main philosophy of business followed by the sponsors of International Industries Limited for the last 77 years has been to create value for all stakeholders through fair and sound business practices, which translates into policies approved by the Board and implemented throughout the Company to enhance the economic value of all stakeholders of the organization.

Our governance strategy is to ensure that the Company follows the direction defined by its core values, current regulatory framework, and global best practices. Our approach towards corporate governance ensures ethical behavior, transparency, and accountability in all that we do, while striving to attain a fair return for our shareholders.

Compliance Statement

The Board of Directors has, throughout the year 2024-25, complied with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulation, 2019, the Rule Book of the Pakistan Stock Exchange Limited, and the Corporate Financial Reporting Framework of the Securities and Exchange Commission of Pakistan (SECP).

The directors confirm that the following has been complied with

a) Financial statements have been prepared in a way that fairly represent the state of affairs of the Company, the result of its operations, cash flows, and changes in equity
b) Proper books of accounts of the Company have been maintained.
c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent business judgment.
d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of the financial statements, and any departures therefrom have been adequately disclosed and explained.
e) The system of internal control is sound in design and has been effectively implemented and monitored.
f) There are no significant doubts about the Company's ability to continue as a going concern
g) There is no material departure from the best practices of corporate governance as per regulations.

The Board of Directors

The Board of Directors consists of qualified individuals possessing knowledge, experience, and skills in various disciplines with the leadership and vision to provide oversight to the Company.

The Board is chaired by Mr. Kamal A. Chinoy, a non-executive director; out of eight (8) directors, four (4) are independent directors. The current board composition reflects a good mix of experience and diversity in backgrounds, skills, and qualifications. All directors have several years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. At present, all directors have attended a directors' training program, except Mr. Mustapha A. Chinoy, who, with a minimum of 14 years of education and 15 years of experience on the boards of listed companies, is exempt from the directors' training program. Further, an orientation program is an integral part of the induction/election of new directors to give them an introduction to the Company, fellow directors, management, overall business, and current financial information

In compliance with Clause 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, a female director was elected at the last election of the Board of Directors at the 74th Annual General Meeting in September 2022.

A digital interface is being used to update the Board of Directors by providing the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, relevant portions of the PSX Rule Book, the Company's Memorandum & Articles of Association, and various policies and procedures.

To further its role of providing oversight and strategic guidelines to the Company, the Board has formulated a Board Charter to define its role of strategic leadership and provide guidance to the management. The Board has established four subcommittees: the Board Audit Committee (BAC), the Human Resource & Remuneration Committee (HRRC), the Strategy Committee and the Sustainability Committee. The composition, role, and responsibilities of the committees are clearly defined in their respective terms of reference

Annual Calendar and Agenda for Meetings

A calendar is issued annually to reflect the dates planned for the Board of Directors, its subcommittees, and the Annual General Meeting. During the year 2024-25, the Board had nine (9) meetings, out of which four (4) were held to review the annual/quarterly results and the other meetings were held to discuss the investment in associated company, change of CEO, refreshed brand identity, vision & mission, and to approve the annual budget for FY 2025-26. The average attendance of the directors in board meetings during the year was 99%.

Changes in the Board

At the 74th Annual General Meeting of the Company on September 30, 2022, eight (8) Directors were elected for a term of three (3) years. In May 2025, a casual vacancy arose due to the resignation of Mr. Adnan Afridi, which was duly filled by appointing Mr. Shoaib Mir. In addition, Mr. Yousuf H. Mirza was appointed as the CEO of the Company w.e.f. October 2024 to replace Mr. Sohail R. Bhojani.

Board Meetings Outside Pakistan

During the year 2024-25, no board meeting was held outside Pakistan. However, the Directors who were overseas at the time of the meetings were facilitated to attend meetings through video conferencing.

Role and Responsibilities of the Chairman and Chief Executive

The Board of Directors provides the overall direction for company operations, provides oversight for various policies, and monitors the management in light of operational and financial plans. The roles of the Board and the Chief Executive Officer have been clearly defined, where the Board is responsible for strategic guidance and providing directions for sustainable business.

The Chairman and the Chief Executive have separate and distinct roles. The Chairman has all the powers vested in him under the Listed Companies (Code of Corporate Governance) Regulations, 2019, and presides over all board meetings. The Chief Executive performs his duties under the powers vested by the law and the Board. He recommends, implements business plans, and is responsible for overall control & operation of the Company.

Business Philosophy and Best Corporate Practices

We believe in ethical practices, sustainable manufacturing processes, transparent reporting to the shareholders, and the best practices of corporate governance to ensure business success and better results for all stakeholders.

The Board Charter defines the scope of the Board's activities in 'setting the tone at the top', formulating strategies, and providing oversight to the management for the sustainable growth of the business. Board members actively participate in meetings to guide the Company's business activities and operational plans, review corporate operations, and formulate and review all significant policies. The Board firmly adheres to ethical practices and fully recognizes its responsibilities for the protection and efficient utilization of company assets for legitimate business objectives and compliance with laws and regulations. The Chairman ensures that the discussions held during board meetings and the consequent decisions arising are duly recorded and circulated to all the directors within fourteen (14) days. The CFO and the Company Secretary attend all the meetings of the Board as required by the Code of Corporate Governance.

All periodic financial statements and other working papers which normally include a detailed analysis of business matters for the consideration of the Board/subcommittees are circulated to the directors at least a week before the meetings, except for emergent meeting(s), through a cloud-based digital application so as to give them sufficient time to review and make decisions on an informed basis.

Timely Communication of Financial Results

Unaudited quarterly financial statements and the half-yearly financial statements (with limited review by the auditors) were duly circulated within thirty (30) days and sixty (60) days, respectively, along with the Directors' Report. Audited annual financial statements, including consolidated financial statements, were authorized by the Board of Directors and communicated to the Pakistan Stock Exchange within fifty-three (53) days from the close of the financial year. Additionally, all important disclosures, including the financial statements, were made on the Company's website to keep the stakeholders duly informed.

Board Evaluation

The Board of Directors has formulated a policy to evaluate its performance, the salient features of which are as follows:

1. The Board Evaluation methodology to be adopted as a self-evaluation of the Board as a whole and for individual directors through agreed-upon questionnaires.
2. The evaluation exercise is to be carried out every year.
3. The evaluation system is designed to address areas of critical importance and includes, but is not limited to, the following:
   a) Appraising the basic organization of the Board of Directors,
   b) The effectiveness and efficiency of the operation of the Board and its committees
   c) Assess the Board's overall scope of responsibilities,
   d) Evaluate the flow of information, an
   e) Validate the information provided by the management.
4. The Board reviews business results and suggests measures to improve the areas identified for improvement

The Board has continued its self-evaluation for many years as a part of good governance and has identified areas for further improvement in line with global best practices. The main focus remained on strategic growth, business opportunities, risk management, board composition, and providing oversight to the management.

Directors' Remuneration Policy

A formal policy to review and approve the remuneration of non-executive directors is in place. The Company believes in remunerating its non-executive directors and Chairman adequately to justify their continued guidance and contributions to the Company's objectives, good corporate governance, and sustained long-term value creation for shareholders while maintaining their independent status.

Risk and Opportunity Management

The company understands that risk is inherent in its business operations and recognizes that taking risks is necessary to achieve goals and objectives. It is committed to managing risks in a prudent and responsible manner to maintain a balance between risks and rewards. It is willing to take on reasonable and calculated risks that are consistent with the overall risk management framework and that allow it to achieve its strategic objectives.

Internal Control Framework

The Company upholds a well-defined control framework consisting of distinct structures, delegation of authority and assigned responsibilities. It maintains comprehensive policies, procedures, and budgeting mechanisms for conducting regular reviews. All control measures and policies are duly recorded. The Board sets the corporate strategy and defines the business goals of the Company.

The Board Audit Committee (BAC) has been entrusted with the primary responsibility of internal controls. It receives audit reports from the internal and external auditors and, after detailed deliberations and suggesting improvements, periodic reports are submitted to the Board of Directors. The Company places a high value on transparency, both internally and externally, in its corporate management. It focuses consistently on the implementation of efficient management practices for the purpose of achieving clear and quantifiable commitments

The management has placed an explicit internal control framework with clear structures, authority limits and accountabilities, well-defined policies and detailed procedures enabling the BAC and the Board to have a clear understanding of risk areas and to place effective controls to mitigate risks.

External Oversight of Functions

Along with in-house monitoring mechanisms, the Company engages with external entities that are not directly affiliated with the Company for oversight of various corporate functions. These external oversight entities include government regulatory agencies, consultants for information security, quality auditors like ISO and API, statutory auditors, and external consultants assuring manufacturing processes. During the year, these external entities have helped the Company in safeguarding assets, ensuring transparency, compliance with applicable laws, and manufacturing while ensuring best practices and standards in the industry.

Disclosure of Conflict of Interest

The Company has taken measures to prevent conflicts of interest between directors, employees, and the organization. In this regard, a clear policy on conflict of interest is contained in the Code of Conduct duly approved by the Board of Directors which is placed on page No. 67. As per the Listed Companies (Code of Corporate Governance) Regulation, 2019 the Company annually circulates the Code of Conduct and takes appropriate steps to disseminate it across all ranks. Further, the directors and key employees are reminded of insider trading rules and of avoiding dealing in Company shares during the closing period.

Every director is required to bring to the attention of the Board complete details regarding any material transaction that has a conflict of interest for prior approval of the Board. The interested directors neither participate in discussions nor vote on such matters.

Complete details of all transactions with related parties are submitted to the Board Audit Committee, which recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statements of the Company

Corporate Social Responsibility

The Company has implemented comprehensive policies on Occupational Health, Safety and Environment and Corporate Social Responsibility, and Sustainable Development to meet its corporate and societal responsibilities. This reflects the Company's recognition that there is a strong positive correlation between financial performance and corporate, social, and environmental responsibility.

Our role as a responsible corporate citizen is as important to us as the satisfaction of our customers and earning a fair return for our shareholders. We are committed to working for the betterment and prosperity of all our stakeholders. The management has endeavored to provide a safe and healthy work atmosphere by adopting practices and creating working conditions that are safe and healthy for our employees, vendors, contractors, suppliers, and customers.

We are committed to providing better education and health facilities to the less fortunate, especially within our stakeholder community.

In line with our CSR philosophy, we maintain and support the TCF school Campus in Landhi, adjacent to our factory, for a better tomorrow for our younger generation. We also support NGOs like SINA Foundation , Indus Hospital, and Amir Sultan Chinoy Foundation to help the vulnerable.

Sustainability Measures

All aspects of sustainability, including efficient operational procedures, effective internal controls, ethical behavior, and energy conservation, are an integral part of our business model. We also believe that employees are most critical to the progress, growth, and sustainability of our organization. For more details, please refer to our Sustainability Report, which is available on our website (www.iil.com.pk)

Engaging Stakeholders and Transparency

The nurturing of stakeholder relationships is of paramount importance to the Company. Building stakeholder engagement, compliance with regulatory requirements, and terms and conditions are some of the main business principles by which we abide.

To bring an accurate understanding of the management's policies and business activities to all its stakeholders, the Company strives to make full disclosure of all material information to all stakeholders by various announcements on its website, to the Stock Exchange, social media, and other sources available to help investors make informed decisions. The Company encourages full participation of the members in the Annual General Meetings by sending corporate results and sufficient information following prescribed timelines to enable shareholders to participate on an informed basis. By increasing management transparency, it aims to strengthen its relationships and trust with shareholders and investors.

Our stakeholders include but are not limited to customers, employees, government, shareholders, suppliers, local communities, and banks.

Corporate Briefing Session

In compliance with the listing regulations of the Pakistan Stock Exchange, the Company arranges corporate briefing sessions (s) to answer queries of the various stakeholders, including investors and financial analysts

The last Corporate Briefing Session was held on Friday, September 27, 2024, to brief investors/ analysts/ shareholders about the financial performance and future outlook of the Company

Policy for Investor Grievances

The Company has an Investor Relations Policy that sets out the principles for providing shareholders and prospective investors with the necessary information to make well-informed investment decisions and to ensure a level playing field. Investor grievances and complaints are very important and are properly reviewed to minimize recurrence. The following principles are adhered to regarding investor grievances:

1. Investors are always treated fairly.
2. Complaints raised are addressed in a courteous and timely manner.
3. Various modes of communication, including email, telephone, meetings, and raising matters at the Annual General Meeting, are available to investors to raise grievances.
4. Queries and complaints are treated fairly and efficiently
5. Employees work in good faith and without prejudice towards the interest of the shareholders.
6. Detailed information, including financial highlights, investor information, and other requisite information specified under relevant regulations, has been placed on the corporate website of the Company, which is updated regularly.

Safety of Company Records

The Company has a clear Document and Record Control Policy for establishing, approving, reviewing, changing, maintaining, replacing, retrieving, retaining, distributing and administering control of all documents and data that relate to the Company and has taken the following measures to ensure the safety/security of the records and promote a paperless environment:

- All important documents such as minutes and proceedings of the Board and its sub-committees, Annual General Meetings, statutory certificates, title documents of the Company's properties, all other important communications & records are digitally scanned and archived on secure company servers.
- All important original documents are placed in a neutral, secure, and documented vault.
- All financial and non-financial records are maintained as per regulatory requirement

Human Resource Management Policies and Succession Planning

A comprehensive set of policies has been implemented to cover all HR matters including but not limited to code of conduct, anti harrasement and gender diversity policies. The main focus of the policies is to train, motivate, and retain valuable human assets for the future growth of the Company. In order to maintain continuity of the business operations, particularly in senior management and key managerial positions, a well-defined succession policy is in place

Gender Diversity Policy

The Company has a clear policy to actively promote the participation of women at all levels of the organization. The Company recognizes that achieving gender balanced representation is essential to driving inclusive growth, foster innovation, and organizational excellence. Through targeted initiatives, supportive policies, and a culture of equity and inclusion, the Company aims to create an environment where women can thrive, lead, and contribute meaningfully to our collective success.

Policy on Behaviour, Conduct and Responsibilities

The Company believes that sustainable growth can be achieved by ensuring the right behaviour and conduct of the Company and its employees. A detailed policy on the behaviour, conduct and responsibilities has been implemented, which also ensure the Company's commitment to comply with the Protection Against Harassment of Women at Workplace Act, 2010 to eliminate all forms of discrimination, bullying, harassment and victimization in the Company that can create a threatening and intimidating work environment and adversely affect job performance, health and well being of female employees.
The Company is dedicated to fostering a diverse, equitable, inclusive, and supportive environment where all individuals are valued and respected.

Information Technology Policy

A clearly-defined Information Technology Policy is in place to help achieve efficient and effective use of IT resources so as to establish priorities, increase productivity, and deliver the right services to users. The Head of IT is responsible for ensuring the communication of IT security policies to all users. Further, the Internal Audit department is responsible for monitoring compliance with IT policies.

Whistleblowing Policy

We are committed to creating an atmosphere in which our people can freely communicate their concerns to their supervisors and functional heads. Our Whistle-blowing Policy has been in place for several years to encourage the reporting of any corrupt or unethical behavior if employees feel that they are not able to use normal management routes.

Policy for Security Clearance of Foreign Directors

The Company has no foreign directors on its Board.

Matters Raised at the Last AGM

While general clarifications were sought by shareholders on the Company's published financial statements during the 76th Annual General Meeting held on September 27, 2024, no significant issues were raised

Dividends

The Board of Directors has recommended a final dividend of 40% (Rs. 4.00per share) in respect of the financial year ended June 30, 2025, which is subject to shareholders' approval.

Pattern of Shareholding

A statement on the pattern of shareholding along with categories of shareholders, where disclosure is required under the reporting framework and the statement of shares held by the directors and executives as on June 30, 2025, is placed on Page 396.

Gender Pay Gap Statement under Circular 10 of 2025

The following is the gender pay gap calculated for the year ended June 30, 2025

i. Mean Gender Pay Gap: 11.90%
ii. Median Gender Pay Gap: 33.40%
iii. Any other data/details as deemed relevant. NIL

Board Review Statement on Business Continuity plan and Disaster Recovery Plan

The Board of Directors of International Industries recognizes the critical importance of having a robust Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to ensure the organization's resilience and ability to maintain operations during and after any disruptive events.

Business Continuity Plan (BCP) Overview

The BCP is designed to provide a structured response to any event that could significantly disrupt our business operations, including natural disasters, technological failures, supply chain interruptions, and other unforeseen circumstances. The plan is comprehensive and covers the following key areas:

- Risk Assessment: Identifying potential risks that could impact the Company's operations and assessing their likelihood and potential severity.
- Critical Functions: Prioritizing essential business functions and processes to ensure that they can continue or be rapidly restored in the event of a disruption.
- Contingency Planning: Developing contingency plans for critical functions, including alternative suppliers, backup facilities, and remote work capabilities.
- Communication Strategy: Establishing clear communication protocols to keep employees, customers, and stakeholders informed during a crisis.
- Training and Awareness: Regular training sessions and drills to ensure that all employees are aware of their roles and responsibilities during a disruption.
- Review and Update: Continuous review and updating of the BCP to reflect new risks, changing business environments, and lessons learned from past incidents.

Disaster Recovery Plan (DRP) Overview

The DRP is an integral part of our BCP and focuses specifically on the recovery of IT systems, data, and infrastructure following a disruptive event. Key components of the DRP include:

- Data Backup: Regular backups of critical data, stored securely both on-site and off-site, to ensure data integrity and availability.
- System Redundancy: Implementing redundant systems and infrastructure to minimize downtime and ensure quick recovery of IT services.
- Recovery Procedures: Detailed procedures for the restoration of IT systems and applications, prioritizing those essential for business operations.
- Testing and Validation: Routine testing of the DRP to validate its effectiveness and ensure readiness for implementation in a real-world scenario.

Board Review and Oversight

The Board of Directors periodically reviews the Business Continuity Plan and Disaster Recovery Plan to ensure they remain robust, effective, and aligned with the strategic objectives. The Board's review process includes:

- Annual Review: A formal review of the BCP and DRP is conducted at least once a year to ensure they remain current and effective.
- Audit and Compliance: Regular audits are performed to assess the adequacy of the plans and ensure compliance with industry standards and regulatory requirements.
- Continuous Improvement: Based on the outcomes of reviews, audits, and testing exercises, the Board directs continuous improvements to the plans to address emerging risks and challenges.
- Stakeholder Engagement: The Board ensures that the BCP and DRP consider the needs and expectations of all stakeholders, including employees, customers, suppliers, and regulators.

The Board of Directors is confident that the Business Continuity Plan and Disaster Recovery Plan are well-structured and capable of addressing potential disruptions to the business. By maintaining a proactive approach to risk management and resilience, the Company is well-prepared to safeguard its operations, protect its stakeholders, and ensure long-term business sustainability.

Board Committees

The Board is assisted by the following four committees to support its decision-making in their respective domains::

A. Board Audit Committee (BAC)

1.	Mr. Jehangir Shah	Chairman BAC	Independent Director
2.	Mr. Haider Rashid	Member	Independent Director
3.	Mr. Mansur Khan	Member	Independent Director
4.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5.	Mr. Muhammad Atif Khan	Secretary	Chief Internal Auditor

The BAC comprises three (3) independent directors and one (1) non-executive director. The Chairman of the Committee is an independent director and has over forty years of experience in commercial, private & personal banking and leasing. The Chief Financial Officer (CFO) and the Chief Internal Auditor attend the BAC meetings, while the Chief Executive Officer is invited to attend the meetings. The BAC also separately meets the internal and external auditors at least once a year without the presence of the management.

Meetings of the BAC are held at least once every quarter. The recommendations of the BAC and the financial results of the Company are then submitted for approval by the Board. During the year 2024-25, the BAC held four (4) meetings. The minutes of the BAC meetings are provided to all members, directors, and the CFO.

The Board has tasked the Board Audit Committee to oversee risk management-related matters of the Company. The Chief Internal Auditor meets the BAC, without the presence of the management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are referred to the respective departments and corrective actions are then implemented.

The BAC has concluded its self-evaluation process. The evaluation involved collecting individual responses from each member, based on a thorough assessment checklist. The outcomes of the evaluation were deemed satisfactory.

Terms of Reference of the BAC

The BAC is mainly responsible for reviewing the financial statements, ensuring proper internal controls to align operations in accordance with the mission, vision and business plans and monitoring compliance with all applicable laws and regulations and accounting and financial reporting standards

The salient features of the terms of reference of the BAC are as follows:

1. Recommending the appointment of internal and external auditors to the Board.
2. Consideration of questions regarding resignation or removal of external auditors, audit fees and provision by the external auditors of any services to the Company in addition to the audit of financial statements
3. Determination of appropriate measures to safeguard the Company's assets.
4. Review of quarterly, half-yearly and annual financial statements of the Company prior to their approval by the Board, focusing on major judgment areas, significant adjustments resulting from the audit, any changes in accounting policies and practices, compliance with applicable accounting standards and compliance with listing regulations and other statutory and regulatory requirements.
5. Facilitating the external audit and discussion with external auditors on major observations arising from the audit and any matter that the auditors may wish to highlight (without the presence of the management, where necessary).
6. Review of the Management Letter issued by external auditors and the management's response thereto.
7. Ensuring coordination between the internal and external auditors of the Company.
8. Review of the scope and extent of the internal audit and ensure that an adequately resourced internal audit function is placed within the organization.
9. Consideration of major findings of internal investigations and the management's response thereto
10. Ascertaining that the internal control system including financial and operational controls accounting system and reporting structure are adequate and effective.
11. Review of the Company's statement on the internal control systems prior to endorsement by the Board.

12. Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the Chief Executive, and consider remittance of any matter to the external auditors or to any other external body.
13. Determination of compliance with relevant statutory requirements review of periodic financial statements and preliminary announcements of results prior to the external communication and publication.
14. Monitoring compliance together with the external auditors and internal audit with the best practices of corporate governance and identification of significant violations such as fraud, corruption and abuse of power thereof.
15. Consideration of any other issue or matter as may be assigned by the Board.
16. Chairman BAC to organize and oversee the annual evaluation of Committee's effectiveness.

B. Board Human Resource & Remuneration Committee (HRRC)

1.	Mr. Mansur Khan	Chairman HRRC	Independent Director
2.	Mr. Haider Rashid	Member	Independent Director
3.	Mr. Kamal A. Chinoy	Member	Non-Executive Director
4.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5.	Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Officer (CEO
6.	Ms. Samon Babar	Secretary	Chief Human Resources Office

The HRRC comprises of two (2) independent directors, including the Chairman, two (2) non-executive directors, and the CEO. Meetings are conducted at such frequency as the Chairman may determine. The Chief Human Resource Officer is the secretary of the HRRC. The minutes of the meetings of the HRRC meetings are provided to all members and directors. The Committee held two (2) meetings during the year 2024-25.

Terms of Reference of the HRRC

The Committee defines the HR policy framework and makes recommendations to the Board in the evaluation and approval of employee remuneration, benefit plans, and succession planning

The salient features of the Terms of Reference of HRRC are as follows:
1. Major HR Policy/framework including compensation.
2. Overall organizational structure.
3. Organization model and periodic assessment of the same.
4. Succession planning for key executives, including the CEO.
5. Recruitment, remuneration and evaluation of the CEO and his/her direct reports, including the CFO, Chief Internal Auditor and Company Secretary.
6. The CEO, being a member of the HRRC shall not be a part of committee meetings, when her/his compensation/performance is being discussed/ evaluated.
7. Charter of demands and negotiated settlements with the CBA.
8. Compensation of the Non-Executive Directors.
9. Board Remuneration Policy & Procedure.
10. Board Evaluation Policy and Procedure for the Board as a whole and for the individual directors.

C. Board Strategy Committee (BSC)

1.	Mr. Kamal A. Chinoy	Chairman BSC	Non-Executive Director
2.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director
3.	Mr. Haider Rashid	Member	Independent Director
4.	Mrs. Selina R. Khan	Member	Non-Executive Director
5.	Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Officer
6.	Mr. M. Irfan Bhatti	Secretary	Company Secretary

The BSC comprises three (3) non-executive directors, including the Chairman, one (1) independent director, and the CEO. Meetings are conducted at such frequency as the Chairman may determine. The Company Secretary is the secretary of the BSC. The minutes of the meetings of the BSC meetings are provided to all members and directors.

Terms of Reference of the BSC

The Committee defines the strategic direction and makes recommendations to the Board to decide the way forward

The salient features of the Terms of Reference of BSC are as follows:

1. Review and recommend the long-term strategic vision and plan.
2. Ensure alignment of the annual strategy plan with the long-term strategic plan.
3. Monitor the execution of the annual strategy plan and report on progress.
4. Facilitate an annual Board review of the Company's strategy and strategic options, and ensure the Board is regularly apprised of the Company's progress with respect to implementation of the approved strategy.
5. To review and assess strategic plans, proposals and implementation of major strategic actions, capital expenditures, and infrastructure development and make recommendations to management and to the Board on these matters.
6. Review the company's performance against strategic goals and key performance indicators (KPIs).
7. Benchmark the company's operational performance against competitors
8. Review and evaluate investment propositions and strategic partnerships.
9. Review with management the key issues and external developments impacting the Company's Strategy
10. Identify and assess strategic risks and ensure appropriate mitigation strategies are in place.
11. Review risks and opportunities of the strategy as identified by the Company's strategic risk assessment and other processes, and the impact of emerging or evolving competitive activity, governmental or legislative developments and global economic conditions.
12. Advise the Board on strategic matters, including matters related with subsidiaries, mergers, acquisitions, and other significant business opportunities

D. Board Sustainability Committee (BSUC)

1.	Mr. Asif Jooma	Chairman BSUC	Independent Director
2.	Mrs. Selina R. Khan	Member	Non-Executive Director
3.	Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Officer
4.	Mr. Muhammad Atif Khan	Secretary	Chief Internal Auditor

The BSUC comprises one (1) independent director who is the Chairman of the BSUC, one (1) non-executive director, and the CEO. Meetings are conducted at such frequency as the Chairman may determine. The Chief Internal Auditor is the secretary of the BSUC. The minutes of the meetings of the BSUC meetings are provided to all members and directors.
Terms of Reference of the BSUC

The salient features of the Terms of Reference of BSUC are as follows:

1. Review and recommend the Company's sustainability strategy and key policies.
2. Ensure alignment of initiatives with long-term goals and risk appetite of the company.
3. Provide guidance on climate-related risks, opportunities, and capital allocation.
4. Oversee environmental policies, including climate risk, energy, water, waste, and emissions.
5. Monitor implementation of systems for measuring and reporting carbon footprint, GHG emissions, and energy usage.
6. Review policies related to workforce diversity, equal opportunity, workplace safety, and employee well-being.
7. Oversee mechanisms for grievance handling, non-discrimination, and inclusion.
8. Oversee frameworks related to ethics, data privacy, anti-corruption, and responsible business practices.
9. Ensure sustainability is integrated into the overall risk management and governance framework.
10. Monitor progress against sustainability KPIs and targets.
11. Review sustainability-related disclosures and performance reports.
12. Ensure compliance with local/international sustainability standards.
13. Oversee the preparation of the Company's annual sustainability report.
14. Encourage transparency and dialogue with stakeholders.
15. Review stakeholder feedback relevant to sustainability.

Meetings of the Board Directors

Meetings of the Board of Directors and sub-committees were held according to an annual schedule circulated before each financial year to maximize directors' participation

Directors	Board	Audit Committee	Human Resource & Remuneration Committee
Meetings held during FY 2024-25	9	4	2
Mr. Kamal A. Chinoy	9/9	-	2/2
Mr. Mustapha A. Chinoy	9/9	4/4	2/2
Mr. Adnan Afridi *	8/8	4/4	-
Mr. Asif Jooma	8/9	-	-
Mr. Haider Rashid	9/9	3/4	2/2
Mr. Jehangir Shah	9/9	4/4	
Mr. Mansur Khan	9/9	4/4	2/2
Mrs. Selina R. Khan	9/9	-	-
Mr. Shoaib Mir**	1/1	-	-
Mr. Yousuf H. Mirza**	6/6	-	1/1
Mr. Sohail R. Bhojani *	3/3	-	1/1

* Resigned during the year

** Filled the casual vacancy during the year

Executive Management Team (EMT)

The aim of the Executive Management Team (EMT) is to support the CEO in determining and implementing business policies within the strategy approved by the Board of Directors. EMT reviews all operational and financial aspects of the business, advises improvements to operational policies/procedures, and monitors the implementation of the same. The EMT meets every month to review operational performance and to consider various policies and procedures.

Composition of the EMT

1.	Mr. Yousuf H. Mirza	Chairman EMT	Chief Executive Office
2.	Mr. Zain K. Chinoy	Member	Director Global Business
3.	Mr. Salman Najeeb	Member	Chief Financial Office
4.	Mr. Imran Sharif	Member	Country Head Sales
5.	Mr. Muhammad Imran Siddiqui	Member	Chief Manufacturing Office
6.	Ms. Samon Babar	Member	Chief Human Resource Office
7.	Mr. Ghazanfar Ali Shah	Member	Business Unit Head Engineering Solutions & GM Supply Chain
8.	Mr. Nasir Raja	Member	Head of Polymers, Quality & OHSE
9.	Mr. Faraz Hameed	Member	Head of Information Technology
10.	Mr. Mohammad Irfan Bhatti	Member & Secretary	Company Secretary & Head of Legal Affairs

Role of the EMT

The forum is responsible for the following:

1. Reviewing organizational structure and resource planning.
2. Establishing specific committees and task groups and setting their TORs
3. Reviewing the annual budget of the Company.
4. Reviewing business principles, strategic priorities, risk analysis, business plan, as well as key performance indicators, financial performance, annual targets, and variances
5. Reviewing the Company's Management Information System.

Other Key Committees

These include:

1. Management Group
2. IT Steering Committee
3. Raw Material Purchase Committee
4. Production Trends Analysis Committee
5. OHSE Committee

Report of the Board Audit Committee in Adherence to the Listed Companies (Code of Corporate Governance) Regulations, 2019

The Board Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2025 and reports that:

Corporate Governance

1. The Company has adhered in full, without any material departure, to both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, 2019 the Company's Code of Conduct and Values, and the international best practices of governance throughout the year.
2. The Company has issued a Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, which has also been reviewed and certified by the auditors of the Company
3. Appropriate accounting policies have been consistently applied except those disclosed in the financial statements. Applicable accounting standards were followed in the preparation of the financial statements of the Company on a going concern basis for the financial year ended June 30, 2025, which fairly presents the state of affairs, results of operations, profits, cash flows, and changes in equity of the Company for the year under revie
4. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Compan and the Chairman and Directors' Reports. They acknowledge their responsibility for a true and fair presentation of the financial statements, the accuracy of reporting, compliance with regulations and applicable accounting standards, and the establishment and maintenance of internal controls and systems of the Company.
5. Accounting estimates are based on reasonable and prudent judgment. Proper, accurate, and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
6. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017, and applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) notified by the SECP
7. All direct and indirect trading in and holdings of the Company's shares by directors and executives or their spouses were duly notified in writing to the Company Secretary along with the price, the number of shares, the form of shares, and the nature of the transaction. All such transactions were disclosed at the PSX and reported to the Board of Directors.

Risk Management and Internal Control

1. The Company has in place a Risk Management Framework through which risks are identified, analyzed, evaluated and mitigated through appropriate actions in the form of policies and procedures. The company periodically monitors the emerging risks, suggests actions and obtains reports on the implementation status of risk mitigating actions.
2. Identified risks and actions to mitigate such risks are also periodically reported to and monitored by the Audit Committee.
3. No material risk was noted during the period that has not been appropriately mitigated by the management.

Internal Audit Function

1. The Company has a well-resourced in-house Internal Audit function which is led by a suitably qualified Chief Internal Auditor in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. To ensure its independence, the Chief Internal Auditor reports functionally to the Chairman of the Board Audit Committee and administratively to the CEO.
2. The Internal Audit function continually evaluates the Company's system of internal control to ensure its effectiveness as per the Audit Plan. This is done by following a risk-based audit approach whereby Internal Audit focuses and provides reasonable assurance on risks that matter most to the business.

3. The Board Audit Committee has ensured the achievement of operational, compliance, and financial reporting objectives, safeguarding the assets of the Company and shareholders' wealth through effective financial, operational, and compliance controls and risk management at all levels within the Company.
4. Coordination between the external and internal auditors was facilitated to ensure efficiency and Contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations
5. During the year, undeterred access to the BAC was provided to the Chief Internal Auditor. Further, BAC met the Chief Internal Auditor in the absence of the CFO, CEO, and External Auditors to comply with the regulatory requirements. However, no material issue warranting mitigating actions was highlighted by the CIA during such interaction.
6. The BAC has reviewed the performance of the Internal Audit Function based on the coverage of the Annual Audit Plan and management feedback against the value added by the Internal Audit function.

Whistle Blowing Policy

The company has implemented a comprehensive Whistleblowing Policy to strengthen governance. It provides a platform for all stakeholders to raise alerts transparently and efficiently to maintain accountability and integrity in all areas of Company operations.

Any employee or volunteer wishing to report a matter of concern shall approach the Chairman Board Audit Committee directly to raise concerns.

External Auditors

1. The statutory auditors of the Company, A.F. Ferguson & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2025, and shall retire on the conclusion of the 77th Annual General Meeting
2. The final Management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the listing regulations and the Listed Companies (Code of Corporate Governance) Regulations 2019 and shall therefore be discussed at the next Board Audit Committee meeting.
3. The audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
4. Being eligible for reappointment under the listing regulations and the Listed Companies (Code of Corporate Governance) Regulations, 2019, M/S A.F. Ferguson & Co., Chartered Accountants have given their consent and the Board Audit Committee recommended their reappointment for the financial year ending June 30, 2026, on the terms and remuneration negotiated by the Chief Executive Officer..

Annual Report 2025

The Company has issued a very comprehensive Annual Report, which gives fair, balanced, and understandable information over the regulatory requirements to offer an in-depth understanding of the management style, the policies set in place by the Company, its performance during the year, and prospects to various stakeholders of the Company. The Audit Committee believes that the Annual Report 2025 includes both financial and non-financial performance, risks and opportunities, and outcomes attributable to the Company's activities and key stakeholders having significant influence on its value creation ability

Jehangir Shah
Chairman-Board Audit Committee

Dated: August 18, 2025
Karachi

Mechanism for Providing Information

Formal Reporting Line

The current organizational structure of the Company consists of various departments, each of which is led by a head.

Employees

Employees are encouraged to express their views and forward their suggestions, and we follow an open-door policy. Employees are encouraged to raise grievances and concerns with the Company. In case the matter is of a significant nature, it is addressed in the meetings of the Executive Management Team, the Board of Directors or the relevant board committees.

The Company also has a Whistle-blowing Policy to enable employees to raise serious concerns at the relevant forum without fear of repercussions.

Town hall meetings are conducted regularly during which the CEO shares information about the Company's results, plans and strategic directions with employees. Enthusiastic participation and candid Q&A is encouraged at this forum.

Shareholders

Every year, the Annual General Meeting of shareholders is held in accordance with the requirements of the Companies' Act, 2017, which is attended by the Board, CEO, Company Secretary, CFO and the senior management of the Company.

The interactive session with the shareholders allows them to ask questions on financial, economic, social and other issues and also give suggestions and recommendations. Corporate Investor briefings are also organised at which the CEO interacts with the investor and analyst community and provides insight into the Company's strategy, operations and prospects.

The Company has also provided contact details of all relevant personnel for queries on its website.

Managing Conflict of Interest

As per the Listed Companies (Code of Corporate Governance) Regulations, 2019 the Company annually circulates the Code of Conduct amongst all employees and directors. Further, the directors and key employees are reminded of insider trading rules and to avoid dealing in shares during closed periods.

Directors are required to bring to the attention of the Board complete details regarding any transaction that has a conflict of interest for prior approval of the Board. The interested director(s) neither participate in discussions nor vote on such matters.

Complete details of all transactions with related parties are provided to the Board for approval. These transactions are also fully disclosed in the annual financial statements of the Company

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL 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 International Industries Limited (the Company) for the year ended June 30, 2025 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 ref ects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any noncompliance 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, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately ref ect 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, 2025.

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 4, 2025

UDIN: CR202510073Ix1UMOIRX

Statement of Compliance

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

International Industries Limited
June 30, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are nine (9) as per the following:

a	Female	One (1)
b	Male	Eight (8)

2. The composition of the Board is as follows:

Category	Names
Independent directors	Mr. Asif Jooma Mr. Haider Rashid Mr. Jehangir Shah Mr. Mansur Khan
Non-executive directors	Mr. Kamal A. Chinoy Mr. Mustapha A. Chinoy Mr. Shoaib Mir**
Female director (Non-executive director)	Mrs. Selina R. Khan
Chief Executive Officer	Mr. Yousuf H. Mirza*

*Mr. Yousuf H. Mirza was appointed as the Chief Executive Officer of the Company to fill the casual vacancy created due to resignation of Mr. Sohail R. Bhojani. Mr. Yousuf H. Mirza is a deemed director as defined in Section 188(3) of the Companies Act, 2017

**Mr. Shoaib Mir was appointed as a Director of the Company to fill the casual vacancy created due to resignation of Mr. Adnan fridi.

3. The directors have confirmed that none of them are serving as a director in more than seven listed companies, including this company.
4. The Company has prepared a Code of Conduct and 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 vision/mission statements, overall corporate strategy and significant policies of the Company. The Board has ensured that a 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 and these Regulations.
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;
9. Out of the nine Directors, the following eight Directors have obtained a certificate of Directors' Training Program:
   i. Mr. Kamal A. Chinoy
   ii. Mr. Asif Jooma
   iii. Mr. Haider Rashid
   iv. Mr. Jehangir Shah
   v. Mr. Mansur Khan
   vi. Mrs. Selina R. Khan
   vii. Mr. Shoaib Mir
   viii. Mr. Yousuf H. Mirza

   Mr. Mustapha A. Chinoy is exempt from the requirement of Directors' Training Program as per the Regulations.

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval o the Board;
12. The Board has formed four sub-committees comprising of the following members:

A) Board Audit Committee

1.	Mr. Jehangir Shah	Chairman BAC	Independent Director
3.	Mr. Haider Rashid	Member	Independent Director
4.	Mr. Mansur Khan	Member	Independent Director
5.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director

B) Human Resource & Remuneration Committee

1.	Mr. Mansur Khan	Chairman HRRC	Independent Director
2.	Mr. Haider Rashid	Member	Independent Director
3.	Mr. Kamal A. Chinoy	Member	Non-Executive Director
4.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director
5.	Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Office

C) Strategy Committee

1.	Mr. Kamal A. Chinoy	Chairman BSC	Non-Executive Director
2.	Mr. Mustapha A. Chinoy	Member	Non-Executive Director
3.	Mr. Haider Rashid	Member	Independent Director
4.	Mrs. Selina R. Khan	Member	Non-Executive Director
5.	Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Officer (CEO

D) Sustainability Committee

1.	Mr. Asif Jooma	Chairman BSUC	Independent Director
2.	Mrs. Selina R. Khan	Member	Non-Executive Director
3.	Mr. Yousuf H. Mirza	Ex-Officio-Member	Chief Executive Officer

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees was as follows:
    i. Board Audit Committee: Quarterly
    ii. Human Resource & Remuneration Committee: Quarterly or as and when needed
    iii. Strategy Committee : Once in a year or as and when needed
    iv. Sustainability Committee : Once in a year or as and when needed
15. The Board has set up an effective Internal Audit function and is 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 (ICAP) and registered with the 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 ICAP and that they and the partners of the firm involved in the 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 an 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 requirements of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 (non-mandatory requirements) are as follows:

S.No.	Requirement	Explanation	Reg.No
1	All directors of a company shall attend its general meeting(s), (ordinary & extra-ordinary unless precluded from doing so due to any reasonable cause.	Six (6) directors of the Board attended the 76th Annual General Meeting. Mr. Kamal A. Chinoy, Mr. Haider Rashid, Mr. Jehangir Shah were granted leave of absence due to personal reasons. Eight (8) directors of the Board attended the Extra Ordinary General Meeting. Mr. Asif Jooma was granted leave of absence due to personal reasons.	10
2	Role of the Board and its members to address Sustainability Risks and Opportunities: The committee shall submit to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	The matter of compliance with requirements of clause 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019 was discussed in the meeting of the Board of Directors and consequently, Sustainability Committee was formed during the year. The committee is to meet and submit the required report to the board in due time.	10A
3	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being addressed at Board level and when needed so a separate committee is not considered to be necessary.	29
4	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate it its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has tasked the Board Audit Committee to oversee risk management related matters of the company.	30

On behalf of the Board
International Industries Ltd.

Yousuf H. Mirza
Chief Executive Office

Kamal A. Chinoy
Chairman

Karachi
August 21, 2025

Chairman's Review

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the audited annual financial statements of your Company for the year ended June 30, 2025.

This year, the Board approved updated Vision and Mission statements, core corporate values, and a refreshed brand identity. Developed through a comprehensive, research-driven, bottom-up process, the exercise engaged multiple stakeholders to ensure alignment across the organization and with our markets.

The initiative represents an evolution of our brand identity, retaining the elements that carry strong brand equity, such as our name, while introducing revitalized brand imagery to enhance relevance and position the Company for the future.

Together, the renewed Vision, Mission, Values, and brand identity build on the Company's 77-year legacy and reinforce its leadership. They reflect our corporate slogan, ***'built on trust'***, by embedding shared values more deeply in our culture, fostering accountability across the organization, and inspiring confidence among stakeholders. Most importantly, they signal the Company's readiness to lead in a rapidly changing business landscape.

The global economic landscape remains challenging, with heightened volatility following the imposition of trade tariffs by the United States on key partners, including China, the European Union, India, and others. These developments have contributed to inflationary pressures globally and diminished prospects for interest rate reductions in major economies. Additionally, the imposition of 50% tariffs on steel imports into the United States, alongside protective measures in other regions, has significantly disrupted global pricing dynamics and supply chains

At the national level, Pakistan's economy showed signs of stabilization, primarily due to the successful implementation of the IMF's Extended Fund Facility (EFF) and the completion of periodic reviews. Inflation moderated to 4.6% annually, allowing the State Bank of Pakistan (SBP) to reduce the policy rate to 11%. The exchange rate remained relatively stable around RS 284/USD, supported by lower commodity prices and improved foreign exchange reserves. A current account surplus of USD 1.9 billion—the highest in recent years—was achieved, driven by strong remittance inflows and steady exports. The economy grew modestly by 2.68%, though large-scale manufacturing remained under pressure, contracting by 1.5%.

In this context, your Company delivered a strong performance in the second half and has overcome the challenges of the first half. For the year ended 30 June 2025 the Company recorded net sales of RS 25.1 billion, profit after tax of Rs. 1.1 billion, and earnings per share (EPS) of Rs.8.37 compared to same period last year net sales of Rs.29.2 Bn, PAT Rs.1.47 Bn translating into EPS of Rs.11.17.

The Board of Directors has recommended a final cash dividend of Rs. 4.00 (40%) per ordinary share of Rs. 10 each (FY24: Rs. 5.50).

Together, International Industries and its major subsidiary, International Steels Limited (ISL), achieved a consolidated turnover of Rs. 85.8 billion during the year. The combined contribution to the national exchequer was approximately Rs.21.2 Bn. ISL reported gross turnover of Rs.62.3 Bn, profit after tax of Rs 1.56 Bn and EPS of Rs.3.65 compared to last year gross turnover of Rs. 69.3 Bn and profit after tax of Rs.3.65 Bn and EPS of Rs.8.39.

Changes to the Board and Management

During the year, Mr. Shoaib Mir joined the Board to fill the casual vacancy created by the resignation of Mr. Adnan Afridi. The Board acknowledges and appreciates Mr. Afridi's valuable contributions and wishes him well in his future endeavors. As the Board's three-year term concludes on September 30, 2025, a new Board will be elected at the upcoming Annual General Meeting scheduled for September 26, 2025.

Furthermore, Mr. Yousuf H. Mirza was appointed as the Chief Executive Officer of your Company effective October 1, 2024, succeeding Mr. Sohail R. Bhojani. The Board thanks Mr. Bhojani for his leadership and wishes the incoming CEO success in the new assignment.

Board Performance and Governance

The Board has discharged its responsibilities diligently, providing strategic oversight, ensuring robust governance, and actively monitoring risk and management performance. It remained fully engaged in shaping the Company's long-term vision and strategic direction.

The Board places strong emphasis on maintaining the highest standards of corporate governance and transparency. All directors, including independent members, actively contributed to Board deliberations, fostering informed and collaborative decision-making.

As Chairman, I remain committed to fostering a culture of openness, constructive dialogue, and accountability. I will continue to ensure the Board receives timely and comprehensive information to support effective governance and value creation for all stakeholders.

The Company maintains a robust internal control framework and follows a risk-based audit approach, overseen by an independent Internal Audit function. The Board Audit Committee (BAC) reviews audit findings quarterly and ensures timely implementation of recommended improvements.

Annual self-evaluation exercises were conducted by the Board, the BAC, and the Human Resource & Remuneration Committee (HRRC), identifying key areas for continued enhancement in line with global best practices. Strategic growth, risk management, and organizational development remained core areas of focus.

The BAC and HRRC, chaired by independent directors Mr. Jehangir Shah and Mr. Mansur Khan respectively, continue to play a vital role in governance and oversight. The Board met regularly, including quarterly reviews of operational performance, an annual strategy session, and the annual budgeting process.

Future Outlook

Your Company remains committed to growth and diversification, and undertook several strategic initiatives during the year:

- Invested in Chinoy Engineering & Construction (Pvt.) Ltd., acquiring a combined direct and indirect 34% stake (including through ISL), to participate in the development of Reko Diq—one of Pakistan's largest mining projects.
- Launched IIL Trading (Pvt.) Ltd., a wholly owned subsidiary, to enhance domestic market presence across diversified industrial sectors
- Established INIL Europe Ltd., expanding the Company's footprint in the European Union, one of the world's most promising markets.
- Completed the installation of 4 MW solar power plants across all three manufacturing sites, reaffirming the Company's commitment to sustainability and clean energy

With GDP growth projected at 3.6% in FY26 and a forecasted 26% increase in public sector revenue, economic activity is expected to accelerate, particularly in infrastructure development. These trends are likely to drive greater demand for steel and associated products.

Your Board and management remain optimistic about the future and are well-positioned to capitalize on emerging opportunities with agility and resilience. We remain focused on delivering long-term value for our shareholders through prudent financial management, strategic investments, and operational excellence

On behalf of the Board of Directors, I extend my sincere appreciation to our shareholders, customers, employees, bankers, suppliers, and business partners for their continued trust and support.

Kamal A. Chinoy
Chairman

Karachi
August 21, 2025

بورڈ آڈٹ کمیٹی (BAC) اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRRC) کی سربراہی بالترتیب خودمختار ڈائریکٹرز جناب جہانگیر شاہ اور جناب منصور خان کرتے ہیں اور گورننس اور نگرانی میں اہم کردار ادا کرتے ہیں۔ بورڈ کی باقاعدگی کے ساتھ میٹنگز کے ساتھ آپریشنز کی کارکردگی سے متعلق سہ ماہی جائزہ اور ایک سالانہ حکمت عملی کا اجلاس اور سالانہ بجٹ کے پروسیس کی میٹنگ بھی ہوتی ہے۔

مستقبل کا منظر نامہ

آپ کی کمپنی ترقی اور تنوع کیلئے پرعزم ہے اور اس نے سال کے دوران میں حکمت عملی کے کئی اقدامات کئے ہیں۔

- چنائے انجینئرنگ اینڈ کنسٹرکشن (پرائیویٹ) لمیٹڈ میں سرمایہ کاری کی ہے اور پاکستان کے مائننگ پروجیکٹس میں سے ایک پروجیکٹ ریکوڈک کی ڈیولپمنٹ میں شرکت کیلئے براہ راست اور بالواسطہ (بذریعہ ISL) %34 کی حصہ داری کی ہے۔
- متنوع صنعتی شعبہ جات میں مقامی مارکیٹ کی موجودگی کو وسعت دینے کیلئے IIL ٹریڈنگ (پرائیویٹ) لمیٹڈ کا افتتاح کیا، جو ایک کل ملکیتی ذیلی کمپنی ہے
- INIL یورپ لمیٹڈ کا قیام: دنیا کی سب سے زیادہ کامیاب مارکیٹس میں سے ایک یورپین یونین میں کمپنی کی موجودگی کو وسعت دینے کی غرض سے قائم کی گئی۔
- تمام تینوں مینوفیکچرنگ سائٹس پر MW 4 سولر پاور پلانٹس کی تنصیب مکمل کی گئی، جو کمپنی کی پائیدار اور صاف توانائی کے استعمال کے عزم کی تصدیق کرتی ہے۔

مالی سال 26 کے لئے %3.6 جی ڈی پی کی نمو کی پیش گوئی کی گئی ہے اور پبلک سیکٹر کی آمدنی میں %26 اضافے کی پیش گوئی کی گئی ہے۔؛ معاشی سرگرمی، خاص طور پر انفرااسٹرکچر کی ترقی میں بھی اضافے کی توقع ہے۔ ان رجحانات سے اسٹیل اور متعلقہ پروڈکٹس کی طلب میں بڑے اضافے کے امکانات ہیں۔

آپ کا بورڈ اور چیئرمین مستقبل کیلئے پرامید ہیں اور نئے ابھرتے ہوئے مواقع کے حصول کے لئے سمجھداری اور سرعت کے ساتھ پوری طرح تیار ہیں۔ ہم اپنے شیئر ہولڈرز کیلئے دانشمندانہ مالیاتی منیجمنٹ، حکمت عملی پر مبنی سرمایہ کاری اور آپریشنز کی مہارت کے ساتھ طویل المدت اقدار پیش کرنے پر توجہ مرکوز کئے ہوئے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے شیئر ہولڈرز، کسٹمرز، ایمپلائز، بینکرز، سپلائرز اور بزنس پارٹنرز کا ان کے ہم پر مسلسل اعتماد اور تعاون کیلئے دلی طور پر ممنون ہوں۔

کمال اے چنائے
چیئرمین

کراچی
21 اگست 2025

جس میں پورے ادارے میں احتساب اور اسٹیک ہولڈرز کے بھروسہ کا اظہار ہوتا ہے۔ سب سے اہم یہ کہ یہ تیزی سے بدلتے ہوئے کاروباری منظرنامے میں قیادت کے لئے مکمل طور پر تیار رہنے کی علامت ہیں۔

اس سلسلے میں آپ کی کمپنی نے دوسری سہ ماہی میں مضبوط کارکردگی کا مظاہرہ کیا ہے اور پہلی سہ ماہی کے چیلنجز پر قابو پالیا ہے۔ سال مختتمہ 30 جون 2025 کے لئے کمپنی نے 25.1 بلین روپے کی خالص سیلز، بعداز ٹیکس 1.1 بلین روپے منافع اور فی شیئر آمدنی (EPS) 8.37 روپے حاصل کی جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت میں خالص سیلز 29.2 بلین روپے، بعداز ٹیکس منافع 1.47 بلین روپے تھا جس کے مطابق فی شیئر آمدنی 11.17 روپے رہی۔

بورڈ آف ڈائریکٹرز نے حتمی نقد منافع منقسمہ 4 روپے (40%) برائے 10 روپے والے فی عمومی شیئر کی سفارش کی ہے۔ (مالی سال 24: 5.50 روپے) سال کے دوران میں کمپنی اور اس کی بڑی ذیلی کمپنی انٹرنیشنل اسٹیلز لمیٹڈ (ISL) نے مل کر مجموعی طور پر 85.8 بلین روپے کی آمدنی حاصل کی۔ مشترکہ طور پر قومی خزانے میں تقریباً 21.2 بلین روپے جمع کرائے۔ ISL کی مجموعی آمدنی 62.3 بلین روپے بعداز ٹیکس منافع 1.56 بلین روپے اور فی شیئر آمدنی 3.65 رہی جبکہ گزشتہ سال مجموعی آمدنی 69.3 بلین روپے، بعداز ٹیکس منافع 3.65 بلین روپے اور فی شیئر آمدنی 8.39 روپے تھی۔

بورڈ آف ڈائریکٹرز اور مینجمنٹ میں تبدیلیاں

سال کے دوران میں جناب شعیب میر نے جناب عدنان آفریدی کے استعفے سے خالی ہونے والی جگہ پر بورڈ میں شمولیت اختیار کی۔ بورڈ جناب آفریدی کی قابل قدر خدمات کا اعتراف کرتا ہے اور سراہتا ہے اور مستقبل میں ان کی کامیابیوں کیلئے دعاگو ہے۔ موجودہ بورڈ کی تین سالہ مدت 30 ستمبر 2025 کو ختم ہو رہی ہے، اس لئے آنے والے سالانہ اجلاس عام میں نئے بورڈ کا انتخاب کیا جائے گا، جو 26 ستمبر 2025 کو منعقد ہوگا۔

اس کے علاوہ جناب سہیل آر بھوجانی کی جگہ یکم اکتوبر 2024 سے یوسف ایچ مرزا کو آپ کی کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا گیا ہے۔ بورڈ جناب بھوجانی کی قیادت پر ان کا شکریہ ادا کرتا ہے اور آنے والے سی ای او کیلئے اس نئے عہدے پر کامیابیوں کا خواہشمند ہے۔

بورڈ کی کارکردگی اور گورننس

بورڈ نے اپنی ذمہ داریاں بحسن وخوبی ادا کی ہیں اور حکمت عملی کے امور کی نگرانی فراہم کر کے مضبوط گورننس کو یقینی بنایا ہے اور فعال طور پر خدشات کی نگرانی اور انتظامی کارکردگی کا مظاہرہ کیا ہے۔ بورڈ مکمل طور پر کمپنی کے طویل المدت وژن اور حکمت عملی کی سمت کی تشکیل میں مصروف عمل رہا ہے۔

بورڈ کارپوریٹ گورننس اور شفافیت کے اعلیٰ ترین معیار کو قائم رکھنے پر بھرپور زور دیتا ہے۔

تمام ڈائریکٹرز، بشمول خودمختار ممبرز فعال طور پر بورڈ کے ساتھ مشاورت کرتے ہیں، اور معلومات کے ساتھ اور باہمی تعاون سے فیصلہ سازی میں مدد دیتے ہیں۔

چیئرمین کی حیثیت سے، میں کھلے ذہن کے ساتھ، تعمیری ڈائیلاگ اور احتساب کے کلچر کو فروغ دینے کیلئے پرعزم ہوں۔ میں اس بات کو یقینی بناؤں گا کہ بورڈ کو بروقت اور جامع معلومات فراہم کی جائیں تاکہ تمام اسٹیک ہولڈرز کیلئے موثر گورننس اور اقدار کی تخلیق میں مدد ملے۔

کمپنی کا ایک مضبوط اندرونی کنٹرول کا فریم ورک موجود ہے اور یہ خدشات پر مبنی آڈٹ کے نقطہ نظر کی پیروی کرتا ہے، جس کو ایک خودمختار اندرونی آڈٹ کے نظام کے ذریعے نگرانی کی جاتی ہے۔ بورڈ آڈٹ کمیٹی (BAC) ہر سہ ماہی میں آڈٹ کے نتائج کا جائزہ لیتی ہے اور سفارش کردہ بہتری کے امور پر بروقت عمل درآمد کو یقینی بناتی ہے۔

بورڈ کی جانب سے سالانہ خود تشخیصی کی جاتی ہے، بورڈ آڈٹ کمیٹی (BAC) اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRRC) عالمی بہترین معیار کے مطابق مسلسل ترقی کیلئے اہم ایریاز کی شناخت کرتی ہیں۔ حکمت عملی پر مبنی نمو، خدشات کی مینجمنٹ اور اداراتی ترقی وتوجہ کا مرکز بنے رہے۔

چیئرمین کا جائزہ

عزیز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی جانب سے مجھے آپ کی کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس برائے سال مختتمہ 30 جون 2025 پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

اس سال بورڈ نے تازہ ترین وژن اور مشن اسٹیٹمنٹس، بنیادی کارپوریٹ اقدار اور نئے انداز کے ساتھ برانڈ کی شناخت کی منظوری دی۔ یہ ایک جامع تحقیق، بہتر پروسیس کے ذریعے تیار کیا گیا ہے اور اس کی مشق میں متعدد اسٹیک ہولڈرز کو شریک کیا گیا تاکہ ادارے اور ہماری مارکیٹس کے ساتھ ہم آہنگی کو یقینی بنایا جا سکے۔

یہ اقدام ہمارے برانڈ کی شناخت کا ارتقاء ہے جس کے عناصر برانڈ کی مضبوط شناخت پیش کرتے ہیں، جیسے ہمارا نام، جو برانڈ کی مضبوط تر عکاسی کرتا ہے اور مستقبل کیلئے کمپنی کی پوزیشن اور تعلق کو بلند تر کرتا ہے۔

تجدید شدہ وژن، مشن، اقدار اور برانڈ کی شناخت، سب مل کر کمپنی کی 77 سالہ میراث کو نمایاں اور اس کی قیادت کو تقویت دیتے ہیں۔ وہ ہمارے کارپوریٹ سلوگن ۔ بنیاد اعتماد کی ۔ کی عکاسی کرتے ہیں جس میں ہماری مشترکہ اقدار اور ہماری ثقافت سے گہری وابستگی ظاہر ہوتی ہے۔

عالمی معاشی منظر نامہ میں شدید تغیر پذیری رہی جو کہ امریکہ کی جانب سے اہم تجارتی پارٹنرز بشمول چین، یورپین یونین، انڈیا اور دیگر ممالک پر ٹریڈ ٹیرف نافذ ہونے کی وجہ سے بڑھ گئی۔ ان تبدیلیوں نے عالمی سطح پر افراط زر کا دباؤ اور بڑی معیشتوں میں شرح سود میں کمی کے امکانات کم کر دیئے۔ اس کے ساتھ ساتھ امریکہ میں اسٹیل کی درآمد پر 50% ٹیرف کے نفاذ کے علاوہ دوسرے خطوں میں تحفظ کے اقدامات نے نمایاں طور پر عالمی سطح پر قیمتوں اور سپلائی چینز میں رکاوٹیں پیدا کر دیں۔

قومی سطح پر، پاکستان کی معیشت میں استحکام کے آثار نظر آنے لگے جو ابتدائی طور پر IMF کے توسیعی فنڈ کی سہولت (EFF) کے نافذ ہونے اور متواتر جائزوں کے مکمل ہونے کے سبب ظاہر ہوئے۔ افراط زر کی شرح اعتدال کے ساتھ 4.6% سالانہ تک پہنچ گئی جس سے اسٹیٹ بینک آف پاکستان (SBP) کو پالیسی ریٹ 11% تک کم کرنے کا موقع ملا۔ زرمبادلہ کی شرح نسبتاً 248/USD روپے تک مستحکم رہی جس کی وجہ سے روزمرہ کی قیمتوں میں کمی اور زرمبادلہ کے ذخائر میں بہتری میں مدد ملی۔ کرنٹ اکاؤنٹ 1.9 بلین یو ایس ڈالر سرپلس کی حد تک پہنچ گیا جو حالیہ برسوں میں بلند ترین ہے جس کی وجہ ترسیلات زر کی بڑی تعداد میں وصولی اور برآمدات میں استحکام آنا ہے۔ معیشت میں 2.68% کا خاطر خواہ اضافہ ہو، اگرچہ بڑے پیمانے کی مینوفیکچرنگ دباؤ میں رہی اور اس میں 1.5% کی شرح سے کمی ہوئی۔

Directors' Report

The Directors of International Industries Limited are pleased to present their report, along with the audited financial statements of the Company, for the year ended June 30, 2025.

Renewed Brand Identity

During the year, the Company undertook a strategic refresh of its Vision and Mission statements, core corporate values, and brand identity. This initiative was guided by a comprehensive, research-driven, and inclusive process, engaging a broad spectrum of internal and external stakeholders to ensure alignment with the Company's evolving strategic objectives and market positioning.

The company undertook a strategic refresh of its vision, mission, values, and brand identity.

The refreshed brand identity reflects an evolution, retaining key elements of the Company's established brand equity, including its name, while introducing modern visual assets to enhance relevance and support future growth. Collectively, the renewed Vision, Mission, and values build on the Company's 77-year legacy of excellence and reaffirm its leadership in the industry. Anchored in the corporate promise Built on Trust, these enhancements foster deeper cultural alignment, reinforce organizational accountability, and strengthen stakeholder confidence. Above all, they underscore the Company's continued commitment to lead with clarity, purpose, and resilience in an increasingly dynamic and competitive landscape.

Board Composition & Remuneration

The composition of the Board of Directors and its sub-committees is presented on pages 170 & 189 (Corporate Governance) of the Annual Report. The Company has well-documented policies and procedures for directors' remuneration (note 37 of the unconsolidated financial statements) in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Global Economy

In 2025, the global economy is projected to expand at a moderate pace of approximately 3.0%, influenced by escalating geopolitical tensions, shifting trade policies, and cautious monetary policy adjustments. Growth in advanced economies, notably the United States and the Eurozone, is expected to remain subdued at 1.6% and 1.0%, respectively, due to persistent financial constraints and policy uncertainties. Conversely, emerging markets, including India and Indonesia, continue to underpin global growth, with India projected to grow around 6.3%, while China's economy decelerates to 4.6% amid structural and demographic challenges. Global trade activity has softened as a result of protectionist measures and supply chain realignments, prompting businesses to increasingly emphasize diversification and resilience. Inflationary pressures have eased to approximately 4.6%, facilitating measured monetary easing, while energy demand remains stable alongside accelerated investments in green and digital infrastructure.

Looking forward, the IMF forecasts global growth of approximately 3.0% in both 2025 and 2026, supported by fiscal stimulus, improved financial conditions, and preemptive activity ahead of tariff implementations. Despite expectations of a global moderation in inflation, inflationary pressures in the United States are likely to remain elevated, necessitating continued monetary policy vigilance. The global outlook remains subject to downside risks from escalating trade tensions, geopolitical uncertainty, and macroeconomic volatility. For Pakistan, GDP growth is projected at 2.7% in 2025 and 3.6% in 2026. In this context, the Board emphasizes the critical importance of strategic agility, coordinated policy responses, and supply chain resilience to effectively navigate the complexities of the evolving global economic landscape.

Domestic Economy

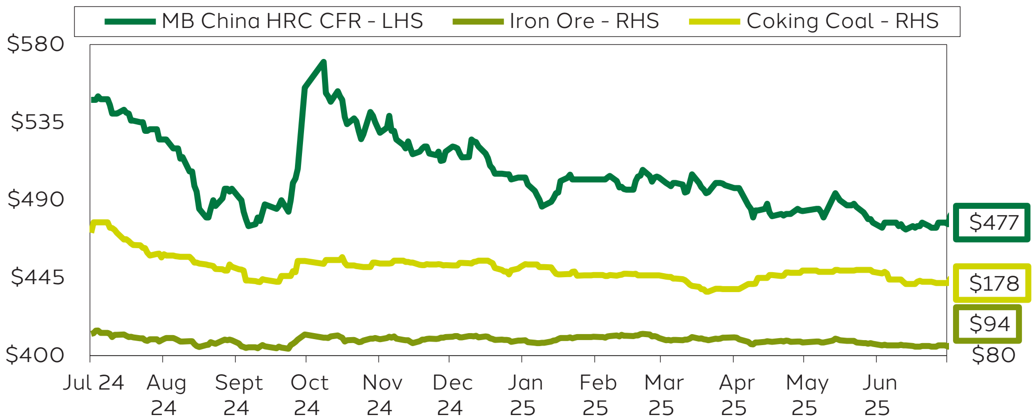
Pakistan's economy has entered a fragile yet notable phase of stabilization, with real GDP growth projected at 2.6% to 2.7%, aligning with forecasts by the IMF and World Bank, albeit below government targets. Key macroecomic indicators have improved owing to disciplined fiscal management and external support. Inflation has declined substantially from over 25% in 2023 to 4.6% in 2025, enabling the State Bank of Pakistan to ease interest rates by 1100 basis points, which has alleviated household burdens and bolstered business confidence. Fiscal consolidation efforts, including enhanced revenue collection and subsidy rationalization, have narrowed the fiscal deficit to 2.6% of GDP, resulting in a rare primary surplus. The external sector has shown resilience, supported by record remittances of USD 38 Bn and controlled imports, generating a current account surplus of USD 1.9 Bn and stabilizing foreign exchange reserves. Despite these positive developments, external financing requirements remain substantial, with approximately USD 23 Bn in debt repayments due, necessitating ongoing reliance on rollovers and multilateral assistance. In recognition of these improvements, S&P Global upgraded Pakistan's long-term sovereign credit rating to 'B' (Stable) in July 2025.

Notwithstanding these advances, structural challenges persist and pose risks to sustained growth. Both the IMF and World Bank emphasize the critical need for comprehensive reforms in taxation, energy pricing, governance, and state-owned enterprises. Furthermore, contraction in the agricultural sector and elevated youth unemployment levels remain areas of concern. While the macroeconomic stabilization achieved in 2025 lays the groundwork for renewed growth, the Board underscores that long-term economic resilience will depend on continued policy consistency and the implementation of deep structural reforms. The improving economic environment, characterized by reduced financing costs, stable exchange rates, and increased investor confidence, positions the Company favorably to pursue strategic growth opportunities domestically and internationally.

Global Steel Scenario

Steel prices are expected to remain under pressure in the medium term due to sluggish global demand growth and persistent overcapacity, particularly driven by a sharp contraction in China's construction sector and broader economic shifts. Despite the Chinese government's repeated stimulus efforts, demand has continued to weaken, resulting in excess supply and a surge in low-priced Chinese steel exports. This has triggered a wave of global trade measures, with 81 antidumping investigations initiated in 2024, mostly targeting China. In response, the U.S. reinstated and escalated Section 232 tariffs on steel and aluminum, reaching 50% by May 2025. While prices trended downward through FY 2024–25, the pace of decline has recently moderated, partly due to China's environmental regulations mandating the closure of sub-standard steel capacities, which may offer short-term price support.

Steel, Iron Ore & Coking Coal



Steel Tube & Pipe Industry

According to the International Tube Association, global steel tube and pipe production reached approximately 154 Mn tons last year, marking an 8% year-on-year decline and representing around 8% of total crude steel output. Welded pipes accounted for 73% of production, with seamless pipes comprising 27%. China remained the leading producer with 87 Mn tons. In Pakistan, the steel tube and pipe market is estimated at 825,000 MT within a broader steel market of 9–10 Mn tons. The domestic industry remains fragmented, with growing demand for lower-cost, non-standard pipes and a gradual shift toward polymer alternatives, reflecting evolving market dynamics

Polymers

Pakistan's polymer pipe market is expanding, driven by infrastructure development, urbanization, and agricultural demand. PVC and PE pipes dominate due to their cost-effectiveness, while CPVC, PP, and PB pipes cater to specialized applications. The Company's polymer division produces pipes and fittings for water, gas, telecom, and ducting, with a strategic focus on capacity expansion and market growth. The outlook remains positive, supported by improving political stability and favorable macroeconomic conditions.

Strategies, Objectives and Critical Performance Indicators

The Company remains committed to creating long-term stakeholder value by adhering to global best practices and continuously improving its products and processes. As a leading player in Pakistan's tubes and pipes industry, the Company focuses on customer satisfaction and sustainable shareholder returns. Strategic goals and performance indicators are detailed on page 92.

Company Operations

Our Products

Your Company remains the leading manufacturer of tubes and pipes in the domestic market, offering the widest product range across key segments, including Galvanized Iron (GI) pipes, Cold Rolled (CR) tubes, Stainless Steel tubes and pipes, Hollow Structural Sections (HSS), Black and Scaffolding pipes, and polymer pipes. Through its Engineering Solutions division, the Company also provides customized, value-added solutions tailored to industry needs. The Company's brand name continues to serve as a benchmark for quality and reliability, having earned enduring trust and loyalty from customers, dealers, and business partners over several decades.

Gross Sales

Sales revenue declined by 14% to Rs. 25.1 Bn (FY24: Rs. 29.20 Bn), primarily driven by the challenging macroeconomic environment and the imposition of trade protection measures by key global economies. These factors contributed to significant volatility in raw material prices, adversely impacting overall sales

Domestic Sales

Domestic sales decreased by 10% to Rs. 22.0 Bn (FY24: Rs. 24.4 Bn), with volumes contracting by 6% to 70,297 MT. The Company strengthened its market leadership in polymers, particularly across PPRC, HDPE, and MDPE segments, and anticipates growth supported by increased public sector infrastructure spending. However, the continued misuse of sales tax exemptions on imports in the FATA and PATA regions negatively affected the organized sector. This exemption is scheduled for phased removal over the next four years, as outlined in the Federal Budget FY 2026.

The Company remains focused on expanding its distribution network and enhancing engagement with commercial and institutional customers through nationwide events, sponsorships, and direct outreach programs. This customer-centric strategy reinforces its ability to anticipate and respond to evolving market demands.

Engineering Solutions

The Company successfully introduced value-added coated steel structural solutions tailored for the solar power industry, securing projects worth Rs. 353 Mn with leading industry players. This segment is poised for steady growth in the coming years. Additional solutions targeting the construction, engineering, and agriculture sectors are currently under development to address specific industry needs

Export Steel Sales

The US government's 50% tariff on steel imports triggered similar protectionist measures in other major markets, leading to global oversupply and significant price volatility. As a result, the Company's exports contracted by 36%, totaling USD 10.8 Mn (Rs. 3.1 Bn), compared to USD 16.97 Mn (Rs. 4.8 Bn) in the prior year. Despite ongoing uncertainties surrounding protectionist policies, the Company remains committed to expanding its international footprint.

IIL Australia Pty Limited, Melbourne, Australia

IIL Australia, a wholly owned subsidiary of International Industries Limited, was established to secure a stable export presence in a mature and highly developed market. However, sales volumes remained subdued due to the broader economic slowdown in Australia and a market preference for lower-priced imports benefiting from free trade agreements with India, Vietnam, and the UAE. Consequently, net sales declined to USD 5.2 Mn (FY24: USD 8.9 Mn). The subsidiary is actively exploring diversification opportunities to achieve sustainable growth

IIL Americas Inc., Toronto, Canada

The ongoing tariff disputes between the US and Canada have significantly impacted the Canadian steel market, closely linked to the US economy. This has led to a substantial contraction in demand, which is expected to continue unless a trade agreement is reached. As a result, sales declined by 62% to USD 3.1 Mn (FY24: USD 8.2 Mn).

INIL Europe Limited, Ireland

Established in 2025, INIL Europe Limited extends the Company's reach into the European Union, one of the world's most strategic markets. Based in Ireland, it strengthens regional access, regulatory compliance, and customer engagement. The expansion underscores the Company's commitment to global growth and operational excellence.

IIL Trading (Pvt) Ltd., Pakistan

IIL Trading (Pvt) Ltd., a wholly owned subsidiary, commenced operations in January 2025. During the year, it successfully established display centers in Karachi, Lahore, and Islamabad, targeting industrial customers, including the construction chemicals sector. The subsidiary recorded net sales of Rs. 70.9 Mn in its inaugural year.

Manufacturing
The Company continued to enhance manufacturing efficiency through a series of productivity initiatives focusing on energy management, waste reduction, and ongoing training and development of the manufacturing workforce. Despite significant inflationary pressures, manufacturing costs declined by 8.4%. Demonstrating commitment to environmental sustainability, the Company installed solar power plants at all three manufacturing facilities, with a combined capacity of 4 MW.

Company Results
During the year, the Company reported net sales of Rs. 25.1 Bn, reflecting a 14% decline compared to the previous year. Gross profit stood at Rs. 3,147 Mn, with Profit Before Tax of Rs. 1,565 Mn and Profit After Tax of Rs. 1,104 Mn, resulting in Earnings Per Share (EPS) of Rs. 8.37. Despite lower sales volumes, the Company maintained strong margins driven by cost optimization and dividend income from major subsidiaries and investments.

The cost of sales was Rs. 21,949 Mn, accounting for 87% of net sales and reflecting a 13% decrease aligned with reduced sales volume. Selling and distribution expenses decreased marginally by 2% to Rs. 1,332 Mn, while administrative expenses increased slightly to Rs. 432 Mn, mainly due to inflationary impacts on operating costs

Other income declined by 36% to Rs. 864 Mn, primarily due to lower dividend income and foreign exchange losses on export proceeds. Finance costs were significantly reduced by 59% to Rs. 609 Mn, benefiting from lower interest rates and efficient working capital management

Cash Flow Management and Borrowing Strategy

Effective financial management continues to be a fundamental pillar of the Company's overall strategy, particularly amid challenging external conditions such as elevated interest rates and persistent inflationary pressures. The Company successfully mitigated financial risks by strategically reducing borrowings and consistently deleveraging its balance sheet. This was achieved through disciplined inventory control and empowering subsidiaries to meet their working capital requirements via well-structured and negotiated bank financing arrangements within their respective jurisdictions

As a result of these concerted efforts, the Company improved its debt-to-equity ratio to 66%, representing a 14% enhancement year-over-year. This significant achievement underscores the effectiveness of our focused approach to working capital management, rigorous cash conservation measures, and stringent control over fixed costs and capital expenditures, collectively enabling a substantial reduction in bank borrowings.

Dividend

Your Board of Directors has recommended a final cash dividend of Rs. 4.00 (40%) per share for the financial year ended 30 June 2025 (FY24: Rs.5.5) per ordinary share of Rs. 10 each.

Appropriations 2024

	2025	2024
	Rupees in '000	
Profit after tax for the year	**1,104,324**	1,473,131
Interim Dividend **2025: Nil** (2024: Rs. 2.00 per share)	**-**	(263,764)
Final Dividend **2025: Rs. 4.00 per share** (2024: Rs. 3.50 per share)	**(527,528)**	(461,587)

Auditors

The reappointment of A.F. Ferguson & Co., Chartered Accountants, as the Company's auditors for FY 2026 has been approved, based on the recommendation of the Board Audit Committee (refer to page 195 for the Committee's report on compliance with the Code of Corporate Governance).

Information Systems

Your Company remains committed to continuously upgrading and enhancing its IT infrastructure, advancing toward greater process automation and digitalization. During the year under review, significant efforts were made to improve and integrate the ERP system to better support business operations. Key initiatives included the implementation of barcode systems for inventory management, a transport management system providing real-time shipment tracking, and the adoption of digital platforms for e-invoicing and customer feedback management, all aimed at increasing operational efficiency

Social Impact

International Industries Limited takes pride in its role as a responsible corporate citizen, actively contributing to the communities it serves and society at large. A detailed overview of our social, philanthropic, and environmental initiatives is available in the Sustainability Report published on the Company's website.

Human Resource Management

At International Industries, we recognize our employees as our most valuable asset. Our human resource philosophy is centered on empowering the workforce through meaningful roles, challenging assignments, comprehensive learning and development programs, and inclusive growth opportunities that drive organizational success.

- **Learning and Development**

  We maintain a strong commitment to continuous employee development, leveraging robust learning platforms that deliver practical, hands-on experience and equip our workforce with the skills needed to meet evolving business demands.

- **Employee Engagement**

  The Company cultivates a dynamic organizational culture that prioritizes teamwork, agility, and employee engagement. Regular recreational activities, recognition programs, and celebrations of achievements throughout the year strengthen interpersonal relationships, boost morale, and foster a strong sense of belonging across all levels of the organization.

- **Diversity, Equity, and Inclusion (DEI)**

  Your Company is deeply committed to fostering a diverse and inclusive workplace where talent thrives regardless of gender. The WISE (Women in Science and Engineering) program is a cornerstone initiative aimed at increasing female representation in technical fields through targeted mentorship, leadership training, and career advancement pathways. The successful induction of the first batch of high-performing female engineers reflects meaningful progress toward building an inclusive, future-ready talent pipeline.

  Furthermore, our active inclusion of differently-abled employees underscores our commitment to accessibility and equal opportunity, ensuring a workplace that embraces and values all talents.

- **Employee Well-being and Safety**

  At International Industries, the health, safety, and well-being of our employees are at the heart of everything we do. Our comprehensive Occupational Health, Safety, and Environment (OHSE) Management System ensures we consistently meet the highest standards and regulatory requirements.

  We are also deeply committed to fostering a workplace free from harassment, where every individual feels safe, respected, and valued.

- **Talent Acquisition and Succession Planning**

  We actively recruit high-potential candidates by participating in recruitment fairs at top educational institutions, supporting our goal to build a strong talent pipeline. Our succession planning process, overseen by the Board's Human Resource & Remuneration Committee, systematically identifies and develops future leaders through focused training programs and ongoing performance management.

- **Performance Management and Employee Recognition**

  Your Company has implemented a cloud-based digital Performance Management System that facilitates transparent and efficient monitoring of employee performance and development. Complementing this, our comprehensive recognition programs such as performance bonuses, incentive schemes, education support, Employee of the Year, and Long Service Awards cultivate a culture of excellence by rewarding sustained dedication and outstanding contributions.

- **Employer of the Year – Gold Recognition Award**

  Your Company was honored with the prestigious Employer of the Year Gold Recognition Award (National category) by the Employers' Federation of Pakistan. This distinguished accolade reflects the Company's unwavering commitment to excellence in employee benefits, learning and development, diversity, and comprehensive welfare programs.

- **Women Empowerment and Gender Equality – Gold Recognition Award**
  Your Company was awarded the Gold Recognition Award at the 5th Women Empowerment and Gender Equality Awards 2025, organized by the Employers' Federation of Pakistan. This prestigious accolade highlights our unwavering commitment to gender equality, women's empowerment, and cultivating a safe, inclusive workplace across all levels of the organization.

Contribution to the National Exchequer

The Company registered with the Large Taxpayers Unit (LTU), contributed approximately Rs. 5.9 Bn to the national exchequer through Income Tax, Sales Tax, and other levies during the financial year

Internal Control Framework

An effective internal control framework is in place to safeguard assets and ensure accurate financial reporting. Details of this framework can be found on page 184 of this report.

Risk, Opportunity, and Mitigation Report

Management, in consultation with the Board of Directors, continuously strengthens capabilities to anticipate risks and implement mitigation strategies. A comprehensive Risk & Opportunity Report is presented on page 112.

Relationship with Stakeholders

Your Company prioritizes its stakeholders and is committed to fostering robust, positive relationships through transparent, timely, and open communication. This commitment is reflected in regular CEO-led town hall meetings, which facilitate direct engagement and constructive dialogue across all levels of the organization.

Quarterly and Annual Financial Statements

Quarterly unaudited financial statements and Directors' Reviews were promptly approved and shared with shareholders. Half-yearly financials received limited external auditor reviews, while the annual audited statements, Board-approved, will be presented at the AGM. All financials are endorsed by the CEO and CFO and reviewed by external auditors before Board and Audit Committee approval.

Chief Financial Officer, Company Secretary, and Head of Internal Audit

The CFO and Head of Internal Audit meet the qualifications stipulated by the Code of Corporate Governance, while the Company Secretary fulfills requirements set by the Companies Act, 2017. Their appointments, remuneration, and terms are determined by the Board, with removal subject to Board approval.

Compliance

Your Company remains firmly committed to upholding the highest standards of corporate governance and ethical conduct. The Board undertakes regular and thorough reviews of the Company's strategic direction and operational performance to ensure continued alignment with these principles. The Board Audit Committee (BAC) provides robust oversight of compliance with the Code of Corporate Governance and conducts meticulous evaluations of all related party transactions prior to their submission for Board approval.

Credit Rating

VIS Credit Rating Company Limited has reaffirmed the Company's strong entity ratings at 'AA-/A-1' (Double A minus / A-One), reflecting the Company's robust financial position and operational stability, with a stable outloo

Investments

The Company holds a 56.33% equity stake in International Steels Limited (ISL). Additionally, the Company owns a 17.12% interest in Pakistan Cables Limited (PCL), a leading manufacturer of copper rods, wires, and cables.

Furthermore, the Company wholly owns four subsidiaries: IIL Australia Pty Ltd., IIL Americas Inc., IIL Trading (Pvt) Ltd., and INIL Europe Ltd. The Company also maintains a 17% equity stake in Chinoy Engineering & Construction (Pvt) Ltd. (CECL)

Future Prospects

Your Company remains focused on sustainable growth, diversification, and long-term value creation. During the year, several key strategic initiatives were undertaken to strengthen our market presence and enhance resilience.

A combined 34% stake was acquired in Chinoy Engineering & Construction (Pvt.) Ltd. (including via ISL), enabling participation in the Reko Diq project, one of Pakistan's largest mining developments. Domestically, IIL Trading (Pvt.) Ltd. was launched to expand reach across diverse industrial sectors, while internationally, INIL Europe Ltd. was established to tap into the high-potential EU market. The Company also installed 4 MW of solar power across all three manufacturing sites, reaffirming our commitment to clean energy and operational efficienc

With GDP growth projected at 3.6% in FY26 and a 26% increase in public revenue expected, infrastructure activity is set to rise, boosting steel demand. Your Board and management are confident in navigating this growth phase with agility, strategic focus, and a commitment to delivering long-term shareholder value.

Your Company is well-positioned to regain historical sales volumes by leveraging its expertise and experience. Expansion into value-added segments will also provide new revenue streams to strengthen profitability

Acknowledgement

We thank our shareholders, customers, employees, bankers, and suppliers for their continued support and commitment. We look forward to achieving greater success together in the years ahead.

We remain hopeful for the Company's continued growth, the well-being of all stakeholders, and the prosperity of our country.

For and on behalf of the Board of Directors

Yousuf H. Mirza
Chief Executive Office

Kamal A. Chinoy
Chairman

Karachi
August 21, 2025

مستقبل کے مواقع

آپ کی کمپنی مستحکم نمو، تنوع اور طویل المدت اقدار کی ترقی پر توجہ مرکوز رکھتی ہے۔ سال کے دوران مارکیٹ میں اپنی موجودگی کو تقویت دینے اور استقامت میں اضافے کیلئے اہم حکمت عملی کے اقدامات اٹھائے گئے۔

چنائے انجینئرنگ اینڈ کنسٹرکشن (پرائیویٹ) لمیٹڈ میں مشترکہ طور پر 34% شیئرز (بشمول بذریعہ ISL) کی خریداری کی گئی، جس سے ریکوڈک پروجیکٹ میں، جو پاکستان کی سب سے بڑی کان کنی کی ڈیولپمنٹ میں سے ہے، شرکت کرنے کا موقع ملا۔ مقامی طور پر متنوع صنعتی شعبہ جات میں وسیع رسائی کیلئے IIL ٹریڈنگ (پرائیویٹ) لمیٹڈ کا قیام عمل میں لایا گیا جبکہ بین الاقوامی سطح پر بڑی گنجائش کی یورپین یونین پارکیٹ میں رسائی کیلئے INIL یورپ لمیٹڈ قائم کی گئی۔ کمپنی نے اپنی تینوں مینوفیکچرنگ کی سائٹس پر 4 MW کے سولر پاور پلانٹ نصب کر دیئے ہیں، جو ہمارے صاف توانائی اور آپریشنز کی استعداد بڑھانے کے عزم کی تصدیق نو ہے۔

مالی سال 26 کیلئے جی ڈی پی میں 3.6% نمو کی اور پبلک ریوینیو میں 26% اضافے کی توقع اور انفرا اسٹرکچر کی سرگرمیوں کے بڑھنے کی پیش گوئی ہے، جس سے اسٹیل کی طلب میں اضافے کا امکان ے۔ آپ کے بورڈ اور انتظامیہ کو بھروسہ ہے کہ نمو کے اس مرحلے سے چستی، حکمت عملی پر توجہ کے ساتھ شیئر ہولڈرز کے طویل المدت فائدے کے لیے آگے بڑھ سکتے ہیں۔ آپ کی کمپنی اپنی مہارت اور تجربہ میں اضافے کے ساتھ تاریخی سیلز حجم دوبارہ حاصل کرنے کی بہتر پوزیشن میں ہے۔ اضافی خوبیوں کے شعبہ میں توسیع بھی منافع کا مضبوط کرنے میں نئی آمدنی کے ذرائع فراہم کرے گی۔

اعتراف

ہم اپنے شیئر ہولڈرز، کسٹمرز، ایمپلائز، بینکرز اور سپلائرز کی جانب سے مسلسل تعاون اور عہد پر ان کا شکریہ ادا کرتے ہیں۔ ہم آنے والے برسوں میں اکٹھے مل کر زیادہ بڑی کامیابیاں حاصل کرنے کے لئے پرامید ہیں۔

ہم کمپنی کی مسلسل نمو، تمام اسٹیک ہولڈرز کی بہتر زندگی اور اپنے ملک کی خوشحالی کیلئے دعا گو ہیں۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

یوسف ایچ۔ مرزا
چیف ایگزیکٹیو آفیسر
کراچی

کمال اے چنائے
چیئرمین

مورخہ 21 اگست 2025

سہ ماہی اور سالانہ مالیاتی اسٹیٹمنٹس

سہ ماہی غیر آڈٹ شدہ مالیاتی اسٹیٹمنٹس اور ڈائریکٹرز کے جائزے فوری طور پر منظور کر لئے گئے اور شیئر ہولڈرز کے ساتھ شیئر کر دئے گئے۔ ششماہی مالیاتی دستاویز پر بیرونی آڈیٹرز نے مختصر جائزے پیش کئے جبکہ سالانہ آڈٹ شدہ اسٹیٹمنٹس، جو بورڈ سے منظور شدہ ہیں، اے جی ایم میں پیش کئے جائیں گے۔ تمام مالیاتی دستاویزات کی سی ای او اور سی ایف او نے توثیق کی ہے اور بورڈ اور آڈٹ کمپنی کی منظوری سے قبل بیرونی آڈیٹر نے ان کا جائزہ لیا ہے۔

چیف فنانشل آفیسر، کمپنی سیکرٹری اور ہیڈ آف انٹرنل آڈٹ

سی ایف او اور ہیڈ آف انٹرنل آڈٹ کوڈ آف کارپوریٹ گورننس کی مقرر کردہ اہلیت سے مطابقت رکھتے ہیں جبکہ کمپنی سیکرٹری کمپنیز ایکٹ 2017 کی مقرر کردہ شرائط پر پورا اترتا ہے۔

تقرر، معاوضے اور شرائط وضوابط کا تعین بورڈ کرتا ہے اور ان کی تنسیخ ملازمت کرنا بورڈ کی منظوری سے مشروط ہے۔

عمل درآمد

آپ کی کمپنی کارپوریٹ گورننس اور اخلاقی رویئے کے اعلیٰ ترین معیار کو قائم رکھنے کے لئے سختی سے پرعزم ہے۔ بورڈ کمپنی کی حکمت عملی کی سمت اور آپریشن کی کارکردگی کے باقاعدگی سے گہرائی کے ساتھ جائزے لیتی ہے تا کہ ان اصولوں کی مسلسل پابندی کو یقینی بنایا جاسکے۔ بورڈ آڈٹ کمیٹی (BAC) کوڈ آف کارپوریٹ گورننس کی پیروی کی سختی سے نگرانی کرتی ہے اور تمام متعلقہ پارٹی لین دین کو بورڈ کی منظوری کیلئے پیش کرنے سے قبل اس کی محتاط طریقے سے جانچ کرتی ہے۔

کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی ایک مضبوط ادارے کی حیثیت سے 'AA-/A-1' (Double A minus / A-One) ریٹنگ کی ہے جو کمپنی کے مضبوط مالیاتی پوزیشن اور آپریشنز کے استحکام کی اور مستحکم نقطہ نظر کی عکاسی کرتی ہے

سرمایہ کاری

کمپنی کے پاس انٹرنیشنل اسٹیلز لمیٹڈ (ISL) کے 56.33% شیئرز ہیں۔ اس کے علاوہ کمپنی کا پرراڈز، وائرز اور کیبل کے صف اول کے مینوفیکچررز پاکستان کیبلز لمیٹڈ (PCL) کے 17.12% شیئرز کی ملکیت رکھتی ہے۔

نیز، کمپنی چار ذیلی اداروں، IIL آسٹریلیا پرائیویٹ لمیٹڈ، IIL امریکاز Inc، IIL ٹریڈنگ (پرائیویٹ) لمیٹڈ اور IIL یورپ لمیٹڈ کی کل ملکیت کی حامل ہے۔ کمپنی چنائے انجینئرنگ اینڈ کنسٹرکشن (پرائیویٹ) لمیٹڈ (CECL) میں بھی 17% شیئرز کی حصہ دار ہے۔

ایمپلائرآف دی ایئر ۔ اعتراف کارکردگی کا گولڈ ایوارڈ

آپ کی کمپنی کو ایمپلائز فیڈریشن آف پاکستان کی جانب سے باوقار ایمپلائی آف دی ایئر گولڈ ریکوگنیشن ایوارڈ (نیشنل کیٹگری) کا اعزاز دیا گیا۔ یہ امتیازی اعزاز کمپنی کے ایمپلائز کے فوائد، سیکھنے اور ترقی کرنے، تنوع اور جامع ویلفیئر پروگراموں کیلئے غیر متزلزل عزم کی عکاسی کرتا ہے۔

بااختیار خواتین اور صنفی مساوات ۔ گولڈ ریکوگنیشن ایوارڈ

آپ کی کمپنی کو گولڈ ریکوگنیشن ایوارڈ "2025 سے بھی نوازا گیا ہے۔ یہ ایوارڈ ایمپلائز فیڈریشن آف پاکستان کی جانب سے منعقدہ 5ویں بااختیار خواتین اور صنفی مساوات ۔ گولڈ ریکوگنیشن ایوارڈ کی تقریب میں دیا گیا۔ یہ امتیازی اعزاز کمپنی کے صنفی مساوات، خواتین کو بااختیار بنانے اور ادارے میں ہر سطح پر ایک محفوظ اور خصوصی کام کی جگہ بنانے کیلئے ہمارے غیر متزلزل عزم کی عکاسی کرتا ہے۔

قومی خزانے میں حصہ

کمپنی نے، جو لارج ٹیکس پیئر زیونٹ (LTU) میں رجسٹرڈ ہے، مالی سال کے دوران میں انکم ٹیکس، سیلز ٹیکس اور دیگر محصولات کی مد میں تقریباً 5.9 بلین روپے جمع کرائے ہیں۔

اندرونی کنٹرول کا فریم ورک

اثاثہ جات کے تحفظ کیلئے ایک موثر اندرونی کنٹرول کا فریم ورک موجود ہے جو درست ترین مالیاتی رپورٹنگ کو یقینی بناتا ہے۔ فریم ورک کی تفصیلات اس رپورٹ کے صفحہ نمبر 184 پر دیکھی جا سکتی ہیں۔

خدشات، مواقع اور سدباب کی رپورٹ

انتظامیہ، بورڈ آف ڈائریکٹرز کی مشاورت کے ساتھ خدشات کے امکانات اور ان کے سدباب کی حکمت عملی کیلئے صلاحیتوں کو مضبوط تر کرنے پر مسلسل توجہ دیتی ہے۔ خدشات اور مواقع کی جامع رپورٹ صفحہ نمبر 112 پر پیش کی گئی ہے۔

اسٹیک ہولڈرز کے ساتھ روابط

آپ کی کمپنی اپنے اسٹیک ہولڈرز کو اولین ترجیح دیتی ہے اور شفاف، بروقت اور کھلے انداز میں بات چیت کے ذریعے ایک مضبوط، مثبت تعلقات کو فروغ دینے کے عزم پر کاربند ہے۔ یہ عزم سی ای او کی سربراہی میں ٹاؤن ہال کی باقاعدہ میٹنگز میں ظاہر ہوتا ہے جو ادارے کی ہر سطح پر براہ راست میل جول اور تعمیری ڈائیلاگ کی سہولت فراہم کرتی ہیں۔

تنوع،مساوات اور شمولیت(DEI)

آپ کی کمپنی ایک متنوع اور شمولیت پر مبنی کام کی جگہ کو فروغ دینے کیلئے بے حد پرعزم ہے جہاں بلالحاظ صنف باصلاحیت فرد کو آگے بڑھنے کا موقع دیا جاتا ہے۔اس سلسلے میں WISE (وومن ان سائنس اینڈ انجینئرنگ) پروگرام کی بنیاد رکھی گئی ہے جس کے تحت ٹیکنکل شعبہ میں خواتین کی زیادہ سے زیادہ شمولیت کی حوصلہ افزائی کی جاتی ہے اور اس سلسلے میں ان کی خصوصی رہنمائی، قیادت سے متعلق تربیت اور کیریئر میں آگے بڑھنے کے مواقع فراہم کئے جاتے ہیں۔اعلیٰ کارکردگی کا مظاہرہ کرنے والی خواتین انجینئرز کے پہلے گروپ کی کامیابی کے ساتھ شمولیت ایک اضافی، مستقبل کیلئے باصلاحیت ٹیم تیار کرنے کیلئے بامقصد پیش رفت کہا جاسکتا ہے۔

اس کے علاوہ خصوصی صلاحیتوں کے مالک ایمپلائز ہمارے یکسانیت اور مساوات کے ساتھ مواقع فراہم کرنے کے عزم کی تصدیق ہے کہ یہ یقینی طور پر ایسی کام کی جگہ ہے جہاں صلاحیتوں کو مواقع دیئے جاتے ہیں اور ان کی قدر کی جاتی ہے۔

ملازمین کی بہبود اور تحفظ

کمپنی میں اپنے ملازمین کی صحت، تحفظ اور بہبود کو ہر بات پر ترجیح دی جاتی ہے۔ ہمارا جامع آکوپیشنل ہیلتھ، سیفٹی اینڈ انوائرنمنٹ(OHSE) مینجمنٹ سسٹم اس بات کو یقینی بناتا ہے کہ ہم اعلیٰ معیار اور ضوابط کے تقاضوں کی سختی سے پابندی کرتے ہیں۔

ہم کام کی جگہ کو ہراسگی سے پاک رکھنے کیلئے پرعزم ہیں جہاں ہر فرد خود کو محفوظ، قابل احترام اور معزز محسوس کرتا ہے۔

باصلاحیت افراد کی شمولیت اور جانشینی کی منصوبہ بندی

ہم عملی طور پر اعلیٰ صلاحیتوں کے حامل افراد کو مواقع فراہم کرتے ہیں، جس کیلئے نامور تعلیمی اداروں میں منعقد ہونے والے ملازمت کے امیدواروں کے لئے تقریبات میں شرکت کرتے ہیں جو ہمارے انتہائی باصلاحیت افراد کی ٹیم تیار کرنے کے ہدف کے حصول کا ذریعہ ہے۔ ہمارے جانشینی کی پلاننگ کے طریقہء کار کا بورڈ کی ہیومن ریسورس اینڈ ریمونریشن کمیٹی جائزہ لیتی ہے اور منظّم طریقے سے اس کی جانچ کرتی ہے اور خصوصی تربیتی پروگرام اور جاری کارکردگی مینجمنٹ پر توجہ کے ذریعے مستقبل کے قائدین کا انتخاب کرتی ہے۔

کارکردگی کی مینجمنٹ اور ایمپلائز کیلئے اعتراف

آپ کی کمپنی نے کلاؤڈ پر مبنی ڈیجیٹل پرفارمنس مینجمنٹ سسٹم نافذ کیا ہے جو ایمپلائی کی کارکردگی اور اس میں بہتری کی شفافیت اور مستعد نگرانی کرتا ہے۔اس مقصد کی تکمیل کے سلسلے میں ہمارے اعتراف کے جامع پروگرام، جیسے کارکردگی پر بونس، حوصلہ افزائی کی اسکیمیں، تعلیمی معاونت، ایمپلائی آف دی ایئر اور طویل المدت سروس کے ایوارڈز اعلیٰ ترین مہارت کے کلچر کو پروان چڑھاتے ہیں جس میں مستحکم لگن اور غیر معمولی کارکردگی پر بڑا صلہ دیا جاتا ہے۔

آڈیٹرز

اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کے بطور کمپنی آڈیٹر برائے مالی سال 2026 کی منظوری دی جا چکی ہے، جو بورڈ آڈٹ کمیٹی کی سفارشات پر مبنی ہے۔ (حوالہ صفحہ 195 برائے کمیٹی کی رپورٹ کی کوڈ آف کارپوریٹ گورننس کے ساتھ مطابقت)

معلومات کے نظام

آپ کی کمپنی اپنے آئی ٹی انفرااسٹرکچر کو مسلسل اپ گریڈ کرنے ور بڑھانے، زیادہ بڑے پروسیس کی خودکاری اور ڈیجیٹل کرنے کیلئے پرعزم ہے۔ زیر جائزہ سال کے دوران میں ای آر پی سسٹم کو بہتر کرنے اور مربوط بنانے کیلئے نمایاں کوششیں کی گئیں تا کہ کاروبار کے آپریشن کو بہتر مدد ملے۔ بنیادی اقدامات میں انونٹری منیجمنٹ کیلئے بارکوڈ سسٹمز کا نفاذ، ایک ٹرانسپورٹ منیجمنٹ سسٹم جو اصل وقت پر ترسیل کی نگرانی کرے اور ای انوائسنگ اور کسٹمر فیڈ بیک منیجمنٹ کیلئے ڈیجیٹل پلیٹ فارم اختیار کرنا شامل ہے اور ان سب کا مقصد آپریشن کی استعداد کو بڑھانا ہے۔

سماجی تاثر

انٹرنیشنل انڈسٹریز لمیٹڈ کو فخر ہے کہ وہ ایک ذمہ دار کارپوریٹ شہری کا کردار ادا کرتا ہے اور جس کمیونٹی کو خدمات فراہم کرتا ہے اس کے لئے اور اس کے بڑھ کر معاشرے کیلئے فعال طور پر اپنا حصہ ملاتا ہے۔ ہمارے سماجی، انسان دوست اور ماحولیاتی اقدامات کا تفصیلی جائزہ کمپنی کی ویب سائٹ پر سسٹین ایبل رپورٹ میں دستیاب ہے۔

انسانی وسائل کی منیجمنٹ

کمپنی میں ہم اپنے ایمپلائز کو اپنا انتہائی قیمتی اثاثہ تسلیم کرتے ہیں۔ ہمارا انسانی وسائل کا فلسفہ افرادی قوت کو بامعنی کرداروں، تفویض کئے گئے کاموں کو چیلنج کرنے، جامع طور پر سیکھنے اور ڈیویلپمنٹ پروگراموں اور اضافی نمو کے مواقع فراہم کر کے بااختیار بنانا ہے جو ادارتی کامیابیوں کا محرک بنیں۔

سیکھنا اور آگے بڑھنا

ہم ایمپلائز کی مسلسل ڈیویلپمنٹ، بھرپور طور پر سیکھنے کے پلیٹ فارمز کو بڑھانے کیلئے مضبوط عزم پر قائم ہے جو عملی اور انفرادی تجربہ فراہم کرے اور ہماری افرادی قوت کو ایسے ہنر سے لیس کرے جو ابھرتے ہوئے کاروبار کی ضرورت ہو۔

ملازمین کی مصروفیات

کمپنی ایک متحرک ادارتی کلچر پیدا کرتا ہے، جو ٹیم ورک، چستی اور ایمپلائی کی مصروفیت پر مبنی ہو۔ پورے سال میں باقاعدہ تفریحی سرگرمیاں، اعتراف کے پروگرام اور کامیابیاں منانے کی تقریبات کا اہتمام ہو جو افرادی رشتوں کو مضبوط کریں، حوصلوں کو بلند کریں اور ادارے کی تمام سطحوں میں وابستگی کا مضبوط احساس پیدا کریں۔

سیلز کی لاگت 21,949 ملین روپے تھی جو خالص سیلز کا 87% ہے اور سیلز کے کم حجم کے مطابق 13% کم ہے۔ فروخت اور تقسیم کاری کے اخراجات 2% مارجن کی کمی سے 1,332 ملین روپے ہوئے، جبکہ انتظامی اخراجات معمولی اضافے کے ساتھ 432 ملین روپے رہے، جس کا بنیادی سبب آپریٹنگ کی لاگت پر افراط زر کے اثرات تھے۔

دیگر آمدنی بھی 36% کی کمی کے ساتھ 864 ملین روپے رہی جو بنیادی طور پر ڈیویڈنڈ کی کم آمدنی اور برآمدات کی مد میں زرمبادلہ میں نقصان تھی۔ مالیاتی لاگت بھی 59% کی بڑی کمی کے ساتھ 609 ملین روپے ہوئی جس کو کم شرح سود اور جاری سرمایہ کی بہتر منیجمنٹ سے فائدہ پہنچا۔

نقد کے بہاؤ کی منیجمنٹ اور قرضہ لینے کی حکمت عملی۔

کمپنی کی مجموعی حکمت عملی کے بنیادی ستون کے طور پر موثر مالیاتی منیجمنٹ جاری رہی، خاص طور پر مشکل بیرونی حالات، جیسے بلند شرح سود اور افراط زر کا جاری دباؤ۔ کمپنی نے کامیابی کے ساتھ حکمت عملی کے مطابق قرضہ لینے میں کمی اور اپنی بیلنس شیٹ کو مسلسل کم رکھنے سے مالیاتی خدشات پر کامیابی سے قابو پالیا ہے۔ یہ منظم انونٹری کنٹرول اور ذیلی اداروں کو اپنی سرمایہ کی ضروریات کو درست ڈھانچے اور متعلقہ عملداری میں گفت وشنید کے ساتھ بینک فنانسنگ کے انتظامات سے پورا کرنے کیلئے بااختیار بنایا جائے۔

ان مشترکہ کوششوں کے نتیجے میں، کمپنی نے اپنے قرضہ اور ایکویٹی کے تناسب کو 66% تک بہتر کرلیا جو سال بہ سال 14% اضافے کے حساب سے بنتا ہے۔ اس بڑی کامیابی سے ہماری جاری سرمایہ کاری کی منیجمنٹ، نقد کے سخت تحفظ کے اقدامات اور مقررہ لاگت پر سخت کنٹرول اور سرمائے کے اخراجات، بینک سے قرضہ میں اجتماعی طور پر خاطرخواہ کمی کیلئے توجہ پر مبنی عمل کے موثر ہونے کا اظہار ہوتا ہے۔

ڈیویڈنڈ

آپ کے بورڈ آف ڈائریکٹرز نے مالی سال مختتمہ 30 جون 2025 کیلئے 4.00 روپے (40%) فی شیئر کے حتمی نقد ڈیویڈنڈ کی سفارش کی ہے (مالی سال 24: 5.5 روپے) جو 10 روپے والے فی عمومی شیئر کیلئے ہے۔

تخصیصات 2025

روپے '000 میں

	2025	2024
بعد از ٹیکس منافع برائے سال	1,104,324	1,473,131
عبوری ڈیویڈنڈ 2025 Nil - فی شیئر (2024: 2.0 روپے فی شیئر)	-	(263,764)
حتمی ڈیویڈنڈ 2025 4.00 روپے فی شیئر (2024: 3.50 روپے فی شیئر)	(527,528)	(461,587)

IIL آسٹریلیا پرائیویٹ لمیٹڈ، میلبورن، آسٹریلیا

IIL آسٹریلیا انٹرنیشنل انڈسٹریز لمیٹڈ کی ایک کل ملکیتی ذیلی کمپنی ہے جو ایک معتبر اور انتہائی ترقی یافتہ مارکیٹ میں مستحکم برآمدات کے حصول کیلئے قائم کی گئی تھی۔ تاہم آسٹریلیا میں وسیع طور پر معاشی سست رفتاری اور کم قیمت کی درآمدات کو ترجیح دیے جانے اور انڈیا، ویت نام اور یو اے ای کے ساتھ تجارتی معاہدوں کے باعث سیلز کا حجم کم رہا۔ اس کے نتیجے میں خالص سیلز 5.2 ملین یو ایس ڈالر رہوئی۔ (مالی سال 24: 8.9 یو ایس ڈالر)۔ یہ ذیلی کمپنی مستحکم نمو حاصل کرنے کیلئے فعال طور پر متنوع مواقع دریافت کر رہی ہے۔

IIL امریکہ .Inc، ٹورنٹو، کینیڈا

امریکہ اور کینیڈا کے درمیان جاری ٹیرف کے تنازعات نے کینیڈا کی اسٹیل مارکیٹ پر جو امریکی معیشت کے ساتھ مضبوطی سے جڑی ہے، نمایاں اثر ڈالا ہے۔ اس سے طلب میں خاطر خواہ کمی ہوئی ہے، جو اس وقت تک جاری رہنے کی توقع ہے جب تک وہ کسی معاہدے پر نہیں پہنچ جاتے۔ اس کے نتیجے میں سیلز 62% کمی کے ساتھ 3.1 ملین یو ایس ڈالر تک کم ہوگئی۔ (مالی سال 24: 8.2 ملین یو ایس ڈالر)

INIL یورپ لمیٹڈ، آئرلینڈ

2025 میں قائم ہونے والی INIL یورپ لمیٹڈ کمپنی کی پہنچ کو یورپین یونین تک لیجاتی ہے، جو دنیا کی مضبوط ترین مارکیٹس ہیں۔ آئرلینڈ میں قائم، یہ کمپنی علاقائی رسائی کو تقویت دینے، ضابطے پر عمل درآمد اور صارف سے رابطوں کو مضبوط کرتی ہے۔ یہ توسیع کمپنی کے عالمی نمو اور آپریشن کی مہارت کے عزم کی تصدیق کرتی ہے۔

IIL ٹریڈنگ (پرائیویٹ) لمیٹڈ، پاکستان

IIL ٹریڈنگ (پرائیویٹ) لمیٹڈ، ایک کل ملکیتی ذیلی کمپنی ہے جس کے آپریشنز کا آغاز جنوری 2025 میں ہوا۔ سال کے دوران میں، اس نے کراچی، لاہور اور اسلام آباد میں کامیابی کے ساتھ ڈسپلے سینٹر قائم کئے جن کا ہدف صنعتی صارفین، بشمول تعمیرات، کیمیکل کے شعبہ جات ہیں۔ اس ذیلی کمپنی نے اپنے افتتاحی سال میں 70.9 ملین روپے کی خالص سیل کی۔

مینوفیکچرنگ

کمپنی نے متعدد پیداواری اقدامات، جو توانائی کی منیجمنٹ، ضیاع میں کمی اور مینوفیکچرنگ کی افرادی قوت کی تربیت اور ڈیولپمنٹ پر مبنی ہیں، اپنی پیداواری استطاعت کو بڑھانے میں مسلسل مصروف عمل ہے۔ افراط زر کے نمایاں دباؤ کے باوجود، مینوفیکچرنگ کی لاگت میں 8.4% کمی آئی ہے۔ ماحولیاتی استحکام کے عزم کا مظاہرہ کرتے ہوئے، کمپنی نے اپنی تینوں مینوفیکچرنگ کی جگہوں پر سولر پاور پلانٹ نصب کر دیئے ہیں جن کی مشترکہ گنجائش 4MW ہے۔

کمپنی کے نتائج

سال کے دوران میں کمپنی نے 25.1 بلین روپے کی سیلز رپورٹ کی جو گزشتہ سال کے مقابلے میں 14% کم ہے۔ مجموعی منافع 3,147 ملین روپے، جب کہ قبل از ٹیکس منافع 1,565 ملین روپے اور بعد از ٹیکس منافع 1,104 ملین روپے رہا جس کے نتیجے میں فی شیئر آمدنی (EPS) 8.37 روپے حاصل ہوئی۔ سیلز کے کم حجم کے باوجود، کمپنی نے لاگت کے انتخاب اور بڑی ذیلی کمپنیوں سے ڈیویڈنڈ کے حصول اور سرمایہ کاری کے ذریعے مضبوط مارجن برقرار رکھا۔

کمپنی کے آپریشنز

ہماری مصنوعات

آپ کی کمپنی مقامی مارکیٹ میں ٹیوبز اور پائپس کے صف اول کے مینوفیکچرر کی حیثیت کی حامل ہے اور اہم شعبہ جات، بشمول گیلونائزڈ آئرن (جی آئی) پائپس، کولڈ رولڈ (سی آر) ٹیوبز، اسٹین لیس اسٹیل ٹیوز اینڈ پائپس، ہالو اسٹرکچرل سیکشنز (ایچ ایس ایس)، بلیک اینڈ سکینفولڈنگ پائپس اور پولیمر پائپس کی وسیع ترین پروڈکٹ رینج پیش کرتے ہیں۔ کمپنی اپنے انجینیئرنگ سلوشنز ڈویژن کے ذریعے خصوصی طور، اقدار کے حامل سلوشنز، انڈسٹری کی ضروریات کی مطابقت کے ساتھ فراہم کرتی ہے۔ کمپنی معیار اور بھروسے کی انتہائی درجے کی خدمات برس ہا برس سے صارفین، ڈیلرز اور کاروباری پارٹنرز کے بھروسے اور خلوص کے ساتھ فراہم کی جا رہی ہیں۔

مجموعی سیلز

سیلز کی آمدنی 14% کمی کے ساتھ 25.1 بلین روپے حاصل ہوئی (مالی سال 24: 29.20 بلین روپے)، جس کی بنیادی وجہ چیلنج والے میکرو اکنامک ماحول اور اہم عالمی معیشتوں کی جانب تجارتی تحفظ کے اقدامات کا نفاذ ہے۔ ان عوامل نے خام مال کی قیمتوں میں نمایاں تغیر و تبدل پیدا کیا جس سے مجموعی سیلز بری طرح متاثر ہوئی۔

مقامی سیلز

مقامی سیلز 10% کمی کے ساتھ 22.0 بلین روپے ہوئی (مالی سال 24: 24.4 بلین روپے) جو حجم کے لحاظ سے 6% کمی کے ساتھ 70,297 MT ریکارڈ ہوئی۔ کمپنی نے پولیمر، خاص طور پر پی پی آر سی، ایچ ڈی پی ای اور ایم ڈی پی ای کے شعبہ جات میں مارکیٹ میں اپنی قیادت کو مضبوط تر کیا اور پبلک سیکٹر کے انفرااسٹرکچر کے اخراجات بڑھنے کی بناء پر اس میں اضافے کی توقع ہے۔ تاہم FATA اور PATA میں برآمدات پر سیلز ٹیکس سے استثنیٰ کا غلط استعمال جاری ہے، جو منظم شعبہ کو منفی طور پر متاثر کر رہا ہے۔ وفاقی بجٹ برائے مالی سال 2026 میں واضح کیا گیا کہ یہ استثنیٰ شیڈول کے مطابق اگلے چار سال کے اندر مرحلہ وار ختم کیا جائے گا۔

کمپنی اپنے ڈسٹری بیوشن نیٹ ورک کو وسیع تر کرنے اور ملک بھر میں تقریبات، اسپانسر شپس اور براہ راست مختلف علاقوں میں پروگراموں کے ذریعے کمرشل اور اداراتی صارفین کے ساتھ رابطوں کو بڑھانے پر توجہ مرکوز رکھتی ہے۔ صارفین پر مبنی اس حکمت عملی سے ابھرتی ہوئی مارکیٹ میں طلب کے مواقع اور ردعمل حاصل کرنے میں مدد ملے گی۔

انجینیئرنگ سلوشنز

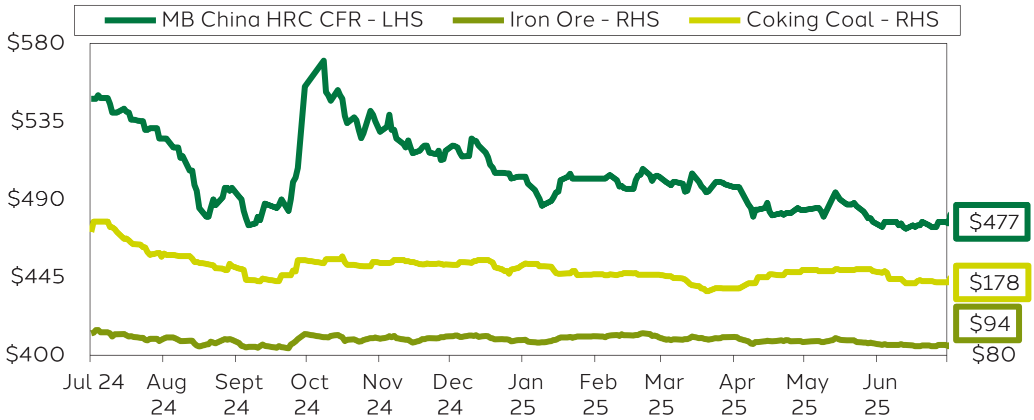
کمپنی نے سولر پاور کی صنعت کیلئے کامیابی کے ساتھ بہتر کوٹڈ اسٹیل اسٹرکچرل سلوشنز متعارف کروائے ہیں اور بڑے کاروباری اداروں سے 353 ملین روپے کے پروجیکٹس کا کام حاصل کیا ہے۔ آنے والے سالوں میں اس شعبہ کیلئے بڑے اضافے کی گنجائش موجود ہے۔ اس کے علاوہ خصوصی طور پر تعمیراتی، انجینیئرنگ اور زرعی شعبہ کیلئے اضافی سلوشنز تیار کئے جا رہے ہیں جو مخصوص صنعت کی ضروریات کو پورا کریں گے۔

برآمداتی سیلز

امریکی حکومت کی جانب سے اسٹیل کی درآمدات پر 50% ٹیرف نے دیگر بڑی مارکٹس میں اسی طرح کے حفاظتی اقدامات کو متحرک کیا ہے، جس کے اثر سے عالمی سطح پر اضافی سپلائی اور قیمتوں میں نمایاں تغیر پیدا ہوا ہے۔ اس کے نتیجے میں کمپنی کی برآمدات 36% کمی کے ساتھ کل 10.8 ملین یو ایس ڈی (3.1 بلین روپے) تک محدود رہیں جو گزشتہ سال 16.97 ملین یو ایس ڈالر (4.8 بلین روپے) تھیں۔ تحفظاتی پالیسز کے گرد جاری غیر یقینی کیفیت کے باوجود، کمپنی اپنے بین الاقوامی موجودگی کے مقامات کو وسیع تر کرنے کیلئے پرعزم ہے۔

چینی حکومت کی بار بار محرک کوششوں کے باوجود، طلب میں مسلسل کمی آ رہی ہے، جس کے نتیجے میں اضافی سپلائی اور کم قیمت چینی اسٹیل کی برآمدات میں اضافہ ہوا۔ اس سے عالمی تجارت کے اقدامات کی لہر ابھری اور 2024 میں اینٹی ڈمپنگ کی 81 تحقیقات ہوئیں، جن میں اکثر کا تعلق چین سے تھا۔ اس کے ردِعمل کے طور پر امریکہ نے اسٹیل اور الومینیم پر سیکشن 232 کی محصولات کو بحال کیا اور بڑھایا جو کہ مئی 2025 میں 50% تک پہنچ گیا۔ جب مالی سال 2024-25 کے دوران میں قیمتوں کا رجحان نیچے کی طرف ہوا، تب ہی حال ہی میں کمی کا سلسلہ ذرا تھم گیا، جو جزوی طور پر چین کے ماحولیاتی ضوابط کے تحت غیر معیاری اسٹیل کے پیداواری اداروں کو بند کرنے کے سبب ہوا، جس سے اسٹیل، آئرن اور اور کوئلہ کی قلیل المدت قیمت میں کمی ہو سکتی ہے۔

اسٹیل آئرن اور کوکنگ اور



اسٹیل ٹیوب اور پائپ انڈسٹری

انٹرنیشنل ٹیوب ایسوسی ایشن کے مطابق، گزشتہ سال عالمی اسٹیل اور پائپ کی پروڈکشن تقریباً 154 ملین ٹن تھی، جس سے سالانہ 8% کمی اور کل خام اسٹیل کی پیداوار کا تقریباً 8% بنتا ہے۔ اس پیداوار کا 73% حصہ ویلڈ ڈ اسٹیل پائپ اور 27% حصہ ہے جوڑ پائپ پر مشتمل ہے۔ چین 87 ملین ٹن کی پیداوار کے ساتھ سرفہرست ہے۔ پاکستان میں اسٹیل ٹیوب اور پائپ مارکیٹ کا تخمینہ MT 825,000 ہے جو 9-10 ملین ٹن کی مجموعی اسٹیل مارکیٹ کا حصہ ہے۔ مقامی انڈسٹری حصوں میں بٹی ہوئی ہے جہاں کم قیمت، غیر معیاری پائپس کیلئے بڑھتی ہوئی طلب ہے اور یہ متبادل کے طور پر پولیمر کی طرف منتقل ہو رہی ہے؛ جس سے ابھرتی ہوئی مارکیٹ کے فعال ہونے کا اظہار ہوتا ہے۔

پولیمرز

پاکستان کی پولیمر مارکیٹ میں وسعت پیدا ہو رہی ہے جس کا سبب انفرا اسٹرکچر کی ڈیولپمنٹ، شہری علاقوں کی طرف نقل مکانی اور زراعتی طلب ہے۔ پی وی سی اور پی ای پائپس باکفایت ہونے کی وجہ سے سب پر حاوی ہیں جبکہ سی پی وی سی، پی پی اور پی بی پائپس خصوصی استعمال کیلئے خریدے جاتے ہیں۔ کمپنی کا پولیمر ڈویژن پانی، گیس، ٹیلی کام اور ڈکٹنگ کیلئے پائپس اور فٹنگز بناتا ہے جس میں وسیع گنجائش اور مارکیٹ کی نمو پر خصوصی توجہ دی جاتی ہے۔ اس کا مستقبل مثبت ہے جس کو سیاسی استحکام کی بہتری اور میکرو اکنامک کے موافق حالات سے مدد ملتی ہے۔

حکمت عملی، مقاصد اور اہم کارکردگی کے اشاریئے

کمپنی بہترین عالمی معمولات کو اپنا کر سٹیک ہولڈرز کیلئے طویل المدت اقدار تخلیق کرنے کیلئے پرعزم ہے۔ پاکستان کی ٹیوبس اور پائپ انڈسٹری میں قائدانہ کردار ادا کرنے والے کی حیثیت سے، کمپنی صارف کے اطمینان اور شیئر ہولڈرز کیلئے مستحکم آمدنی پر توجہ مرکوز رکھتی ہے۔ حکمتِ عملی، مقاصد اور اہم کارکردگی کے اشاریئے صفحہ 92 پر دیے گئے ہیں۔

آنے والے وقت میں IMF نے 2025 اور 2026 دونوں کیلئے عالمی نمو میں تقریباً 3.0% رہنے کی پیش گوئی کی ہے، جس کو مالیاتی محرک، بہتر مالیاتی حالات اور ٹیرف کے نفاذ سے قبل پیشگی سرگرمیوں سے مدد ملے گی۔ افراط زر میں عالمی سطح پر اعتدال کی توقع کے باوجود، امریکہ میں افراط زر کے دباؤ میں اضافہ کا امکان ہے جس کیلئے مانیٹری پالیسی پر مسلسل چوکس رہنے کی ضرورت ہے۔ عالمی منظرنامہ بڑھتے ہوئے تجارتی تناؤ، جیو پولیٹیکل غیر یقینی کیفیت اور میکرو اکنامکس کی تغیر پذیری کے منفی خدشات سے مشروط ہے۔

پاکستان کیلئے جی ڈی پی کی شرح 2025 میں 2.7% اور 2026 میں 3.6% رہنے کی پیش گوئی ہے۔ اس سلسلے میں بورڈ نے ٹھوس حکمت عملی، مربوط پالیسی کے ردعمل اور سپلائی چین میں لچک کی فوری اہمیت پر زور دیا ہے تاکہ ابھرتے ہوئے عالمی معاشی منظرنامے کی پیچیدگیوں سے موثر طور پر نبرد آزما ہوسکیں۔

مقامی معیشت

پاکستان کی معیشت استحکام کے ایک نازک مگر اہم مرحلے میں داخل ہوچکی ہے، جہاں جی ڈی پی کی اصل نمو 2.6% سے 2.7% کے درمیان رہنے کی توقع ہے جو IMF اور ورلڈ بینک کی پیش گوئیوں کے مطابق ہے، البتہ یہ حکومت کے اہداف سے کم ہے۔ میکرو اکنامک کے بنیادی اشاریئے منظم مالیاتی انتظامات اور بیرونی امداد کی بناء پر بہتر ہوئے ہیں۔ افراط زر میں بھی نمایاں کمی ہوئی جو 2023 میں 25% سے زیادہ تھا اور 2025 میں 4.6% تک کم ہوگیا جس سے اسٹیٹ بینک آف پاکستان کو شرح سود میں 1100 بیسس پوائنٹس تک کمی کرنے کا موقع ملا، جس سے گھریلو صارفین کے بوجھ میں تخفیف اور کاروباری اعتماد کو تقویت حاصل ہوئی۔ مجموعی مالیاتی کاوشوں میں آمدنی کے حصول میں اضافہ اور منظم رعایت سے جی ڈی پی میں مالیاتی خسارہ 2.6% تک کم ہوگیا جس کے نتیجے میں معمولی ابتدائی سرپلس حاصل ہوا۔ بیرونی شعبہ میں لچک نظر آئی جس کو 38 بلین یو ایس ڈالر کی ریکارڈ ترسیلات زر اور کنٹرول کردہ درآمدات سے مدد ملی، جس سے کرنٹ اکاؤنٹ سرپلس 1.9 بلین یو ایس ڈالر ہوگیا اور زرمبادلہ کے ذخائر میں استحکام پیدا ہوا۔ ان مثبت پیش رویوں کے باوجود بیرونی مالیاتی ضروریات کا حجم زیادہ رہا جس کی وجہ سے 23 بلین یو ایس ڈالر کی ادائیگی کے لیے رول اوورز اور کثیر الجہتی امداد پر انحصار ضروری ہے۔

بہتری کے ان سلسلوں کے اعتراف میں ایس اینڈ پی گلوبل نے جولائی 2025 پاکستان کے طویل المدت خودمختار کریڈٹ ریٹنگ کو 'B' (Stable) کردیا۔ اس پیش رفت کے باوجود، اسٹرکچرل چیلنجز برقرار ہیں اور مستحکم نمو کیلئے خدشات موجود ہیں۔

IMF اور ورلڈ بینک، دونوں نے ٹیکسیشن، توانائی کی قیمتوں، گورننس اور حکومت کے ملکیتی اداروں میں جامع اصلاحات کی انتہائی ضرورت پر زور دیا ہے۔ اس کے علاوہ زرعی شعبہ میں کمی اور نوجوانوں کیلئے بے روزگاری کی سطح میں اضافہ ہمارے لئے تشویش کا باعث ہے۔ اگرچہ 2025 میں میکرو اکنامک میں استحکام پیدا ہوا ہے مگر اس میں نئی نمو کیلئے بنیادی کام کی ضرورت ہے، بورڈ اس بات کو نمایاں کرتا ہے کہ طویل المدت معاشی لچک کا انحصار پالیسی کے جاری استحکام اور مضبوط اسٹرکچرل اصلاحات پر ہے جس میں معاشی ماحول میں مسلسل بہتری، کم مالیاتی لاگت، زرمبادلہ کی مستحکم شرح اور سرمایہ کاروں کے اعتماد میں اضافہ سے کمپنی کو مقامی اور عالمی سطح پر حکمت عملی کے تحت نمو کے مواقع حاصل کرنے کیلئے موافق حیثیت حاصل ہوگئی ہے

عالمی اسٹیل کا منظرنامہ

درمیانی مدت میں اسٹیل کی قیمتیں دباؤ کی حالت میں رہنے کی توقع ہے جس کی وجہ عالمی طلب کی نمو میں سستی اور گنجائش سے زیادہ کی کیفیت، خاص طور پر چین کے تعمیراتی شعبہ میں تیزی سے کمی اور زیادہ وسیع معاشی منتقلی کے باعث پیدا ہوئی ہے۔

ڈائریکٹرز کی رپورٹ

انٹرنیشنل انڈسٹریز لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس برائے سال مختتمہ 30 جون 2025 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

برانڈ کی نئی شناخت

سال کے دوران میں کمپنی نے اپنے وژن اور مشن اسٹیٹمنٹس، بنیادی مجموعی اقدار اور برانڈ کی شناخت کو حکمت عملی پر مبنی نیا انداز دیا۔ یہ اقدام ایک جامع تحقیق پر مبنی اور خصوصی پروسیس کے ساتھ اندرونی اور بیرونی اسٹیک ہولڈرز کی وسعت نظری کی روشنی میں اٹھایا ہے تاکہ ان کا کمپنی کے ارتقاء کی حکمت عملی کے اہداف اور مارکیٹ میں اس کی حیثیت سے ہم آہنگی کو یقینی بنایا جائے۔

برانڈ کی طرز نو کی شناخت ایک ارتقاء کی عکاسی کرتی ہے جو کمپنی کے تسلیم شدہ برانڈ کے تمام پہلوؤں، بشمول اس کے نام پر مشتمل ہے، جبکہ یہ رابطوں کو مضبوط تر بنانے اور مستقبل کی ترقی میں مدد کیلئے جدید ویژوئل خصوصیات فراہم کرتا ہے۔ مجموعی طور پر یہ تازہ ترین وژن، مشن اور اقدار کمپنی کی مہارت کی 77 سالہ ورثہ پر مبنی ہے اور انڈسٹری میں اس کی قیادت کی تصدیق نو کرتا ہے۔ ایک مجموعی عہد کے پس منظر میں، جو اعتماد پر قائم ہے، یہ اضافے مضبوط ثقافتی ہم آہنگی کو فروغ دیتے ہیں، اداراتی احتساب کو تقویت دیتے ہیں اور اسٹیک ہولڈرز کے اعتماد کو مضبوط تر کرتے ہیں۔ ان سب سے بڑھ کر یہ کمپنی کے شفاف، با مقصد قیادت کے جاری عزم کو واضح کرتے ہیں اور بڑھتے ہوئے پہلوؤں اور مسابقتی منظرنامے میں لچک کو نمایاں کرتا ہے۔

بورڈ کی ترتیب اور مشاہرہ

بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹیوں کی ترتیب سالانہ رپورٹ کے صفحہ 189 اور 170 (کارپوریٹ گورننس) پر دی گئی ہے۔ کمپنی نے ڈائریکٹرز کے مشاہرے کیلئے (مجموعی مالیاتی اسٹیٹمنٹس کے نوٹ 37) کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019) کے مطابق احسن طریقے سے پالیسیوں اور طریقہ کار کی دستاویز مرتب کی ہے۔

عالمی معاشی جائزہ

2025 میں عالمی معیشت تقریباً 3.0% کی درمیانی رفتار سے بڑھنے کی پیش گوئی ہے جو بڑھتے ہوئے جیو پولیٹیکل تناؤ، تجارتی پالیسیوں کی منتقلی اور محتاط مانیٹری پالیسی ایڈجسٹمنٹس کے دباؤ میں ہے۔ ترقی یافتہ معیشتوں، خاص طور پر امریکہ اور یوروزون میں نمو کی شرح بالترتیب 1.6% اور 1.0% تک محدود رہنے کی توقع ہے جس کی وجہ مالیاتی رکاوٹوں کا جاری رہنا اور پالیسی کی غیر یقینی صورتحال ہے۔ اس کے برعکس، ابھرتی ہوئی مارکیٹس، بشمول انڈیا اور انڈونیشیا، عالمی نمو کی بنیاد فراہم کر رہی ہیں جس میں انڈیا کی نمو تقریباً 6.3% ہے، جبکہ چین کی معیشت ساختی اور شماریاتی چیلنجز کے درمیان 4.6% تک کم ہوگئی ہے۔ دوسری طرف تحفظاتی اقدامات اور سپلائی چین کی دوبارہ ترتیب کے نتیجے میں عالمی تجارتی سرگرمی ماند پڑ گئی ہے جس سے کاروباروں کی تنوع اور لچک کی طرف زیادہ توجہ ہوگئی ہے۔ افراط زر کے دباؤ میں تقریباً 4.2% نرمی آئی ہے جس سے مالیاتی سہولت میسر آئی ہے جبکہ توانائی کی طلب مستحکم رہنے کے ساتھ گرین اور ڈیجیٹل انفرااسٹرکچر میں سرمایہ کاری میں اضافہ ہوا ہے۔

SECTION 7.0
IT Governance and Cybersecurity

international™
industries
built on trust

IT Governance and Cybersecurity

Summary Highlights of IT Initiatives

During the year, the Company signifi antly advanced its IT governance and cybersecurity framework through a series of strategic initiatives. The implementation of Extended Detection and Response (XDR) and Managed Detection and Response (MDR) services strengthened the Company's cybersecurity posture by ensuring round-the-clock monitoring and expert-led threat response. A new Distribution and Secondary Sales Management System (Route to Market) was introduced to optimize distribution efficienc , improve sales tracking, and enhance market visibility. In line with the Company's accelerated digitalization agenda, several manual processes were transitioned to paperless operations with automated workf ow approvals, thereby improving transparency and reinforcing compliance. Operational resilience was further enhanced through regular Disaster Recovery drills and improved business continuity planning. In addition, employee-focused cybersecurity training programs were expanded, fostering a stronger culture of security awareness across the organization.

IT Governance, Cybersecurity, and Digital Transformation

Enforcement of Legal and Regulatory Implications of Cyber Risks

The Company continues to prioritize the enforcement of legal and regulatory implications of cyber risks, ensuring the highest standards of compliance and data protection. Through regular risk assessments, audits, and training programs, we proactively identify and mitigate vulnerabilities, safeguarding sensitive information and maintaining stakeholder trust. Our dedicated team continuously monitors evolving regulatory requirements, implementing advanced security technologies to stay ahead of emerging threats.

IT Governance and Cybersecurity Programs

The Company maintains a strong IT governance and cybersecurity framework that secures both physical and virtual assets. Our comprehensive policies and procedures aligned with industry best practices cover access controls, encryption, and monitoring to ensure data confidentialit , integrity, and availability.

Cybersecurity Enhancements

This year, we strengthened our cybersecurity posture by implementing advance XDR and MDR services. These solutions provide advanced threat detection, incident response, and 24/7 expert-led monitoring to proactively safeguard against complex cyberattacks. By leveraging AI-driven analytics and managed security expertise, the Company has signifi antly enhanced its ability to prevent, detect, and respond to cyber risks in real time.

Cybersecurity Management

The Company's Board works closely with management to oversee cybersecurity risks. Routine reporting, comprehensive risk assessments, and training initiatives ensure effective oversight and strong resilience against cyber threats.

Disaster Recovery Plan (DRP)

The Company maintains state-of-the-art primary and disaster recovery data centers, with a robust Disaster Recovery Plan (DRP) that is periodically tested through drills. These efforts guarantee operational resilience and uninterrupted business services.The DRP is being periodically tested by practicing DR drills to help enhance the effi acy of recovery procedures and processes to ensure the Company's readiness in terms of infrastructure and team capabilities.

Employee Training and Awareness

Regular cybersecurity awareness sessions equip employees to recognize phishing, manage passwords securely, and protect sensitive data. These initiatives foster a strong culture of cybersecurity vigilance across the organization.

Digital Transformation and Paperless Operations

In alignment with our strategic objectives, the Company accelerated its digitalization journey this year to reduce reliance on manual and paper-based processes. Key initiatives include:

- Distribution and Secondary Sales Management System (Route to Market): Implementation of an advanced digital platform to optimize distribution, sales tracking, and market visibility. This solution enables real-time monitoring of secondary sales, improved route planning, and stronger alignment with customer demand.
- Paperless Operations: Through accelerated digitalization, various manual processes were transitioned to paperless operations with automated workf ow approvals, strengthening compliance and improving transparency.
- Efficiency & Customer-Centricity: Automation of manual processes has reduced errors, improved operational efficienc , and strengthened customer satisfaction.

These initiatives and efforts not only testify to our commitment towards creating a digital workplace ensuring transparency and information security, but have also been recognized and awarded by CxO Global, highlighting our leadership in technology and cybersecurity.

SECTION 8.0
Future Outlook

international™
industries
built on trust

Future Outlook

The year ahead promises a period of cautious optimism for the Company, shaped by a mix of stabilizing economic indicators, evolving global trade dynamics, and industry-specific challenges. Building on the resilience demonstrated in FY 2024–25, our forward-looking outlook for FY 2025–26 highlights the macroeconomic trends, sectoral shifts, and strategic priorities that will inf uence the Company's growth trajectory, while underscoring our readiness to seize emerging opportunities and mitigate potential risks.

Global Economic Landscape
The year ahead presents a cautiously optimistic outlook for International Industries, shaped by a mix of global headwinds and domestic stabilization. On the international front, the global economy is expected to expand by around 3.0% in 2025 and 3.1% in 2026, according to the International Monetary Fund (IMF). This marks a continuation of modest growth, albeit tempered by persistent risks such as heightened trade protectionism, ongoing geopolitical tensions, and inf ationary pressures. The imposition of steep tariffs on steel imports by the United States, alongside similar protective measures in other regions, has signifi antly disrupted supply chains and altered global pricing dynamics. These developments will require careful navigation, as they have the potential to suppress demand while simultaneously creating opportunities in untapped markets where trade f ows are being reoriented.

Global Steel Market Outlook
Within the steel sector specifi ally, the World Steel Association anticipates a rebound in global demand in 2025, projecting a 1.2% increase to 1,772 million tonnes after a period of subdued growth. Demand growth is expected to be stronger outside of China, with markets such as India and Southeast Asia driving incremental consumption. However, structural overcapacity remains a challenge, with new production facilities continuing to outpace demand, keeping pricing under pressure. For International Industries, this underscores the importance of maintaining differentiation through quality, innovation, and diversifi ation into higher-value products and new geographies.

Domestic Economic Stabilization
At the national level, Pakistan's economy has shown meaningful signs of stabilization following the successful implementation of the IMF's Extended Fund Facility (EFF). Inf ation has moderated sharply to 4.6%, enabling the State Bank of Pakistan to reduce its policy rate to 11%, while the exchange rate has remained broadly stable at around Rs. 284 per US dollar. The current account recorded a surplus of US $1.9 billion, the highest in recent years, supported by resilient remittance inf ows and steady exports. GDP growth, recorded at 2.7% in FY 2025, ref ects the early stages of recovery, though challenges in large-scale manufacturing remain evident with a 1.5% contraction during the year. Looking ahead, the government's reform program, complemented by the Uraan Pakistan (2024–29) Transformation Plan, sets an ambitious course with a focus on fis al consolidation, infrastructure development, digital economy expansion, and renewable energy adoption. The FY 2025–26 federal budget has reinforced this trajectory by targeting GDP growth of 4.2% and a 26% increase in public revenues, signaling a stronger growth environment that should translate into enhanced demand for steel, polymers, and construction-related products.

Strategic Positioning
For International Industries, these macroeconomic trends and sectoral developments carry important implications. The company enters FY 2025–26 from a position of resilience, strengthened by the completion of 4 MW of solar installations across all manufacturing sites, which will lower energy costs, enhance sustainability, and reinforce its ESG commitments. Strategic initiatives undertaken during the past year—including the acquisition of a 34% stake in Chinoy Engineering & Construction Pvt. Ltd. to participate in the landmark Reko Diq mining project, the launch of IIL Trading Pvt. Ltd. to deepen domestic market reach, and the establishment of INIL Europe Ltd. to expand into one of the world's most promising regions—have positioned the company for both diversifi ation and long-term growth.

Growth Drivers and Risks
As Pakistan's infrastructure pipeline gathers momentum and urbanization continues to accelerate, demand for affordable housing, high-quality construction solutions, and sustainable energy products is expected to rise. The Company's diversified portfolio of steel, polymer, and engineering solutions, supported by its refreshed brand identity and strong reputation for quality, places the company in an advantageous position to capture these opportunities. At the same time, vigilance will remain essential, as risks linked to global trade disruptions, commodity price f uctuations, and climate-linked events continue to loom large.

Outlook Summary

Environment	Strategic Priority forInternational Industries
Gradual global economic recovery	Leverage refreshed brand, ESG credibility, and scale for premium positioning and export growth
Steel rebound with overcapacity risks	Differentiate via quality, portfolio diversif cation, and targeted regional markets (e.g., Europe, mining)
Domestic stabilization & reforms	Align with infrastructure spending—efficient use of apacity, energy eff ciency, and expand product offerings
Continued volatility (tariffs, geopolitics)	Maintain f nancial prudence, cost discipline, and agile governance to mitigate uncertainties

Forward-Looking Statement

In summary, while the external environment remains complex and volatile, the Company is well-prepared to navigate these dynamics through financial discipline, operational excellence, and strategic agility. By leveraging its investments in renewable energy, market expansion, and innovation, the company is poised to deliver sustainable growth and long-term value creation. Guided by its new Vision—Building Dreams Together—and its Mission to make the world a more liveable through excellence and innovation, the Company will continue to play a leading role in shaping both its industry and the communities it serves.

Sources:

- International Monetary Fund (IMF), World Economic Outlook Update, July 2025 – Global growth projections.
- World Steel Association, Short Range Outlook, October 2024 – Global steel demand and production forecasts.
- OECD, Steel Outlook 2025 – Overcapacity and structural market challenges.
- Economic Survey of Pakistan 2025 – GDP, inf ation, and current account performance.
- Reuters, Pakistan Economic Survey Highlights, June 2025 – GDP growth and fis al indicators.
- Government of Pakistan, 2025–26 Federal Budget – Public sector revenue and spending targets.
- Uraan Pakistan Transformation Plan (2024–29) – Infrastructure and reform agenda.

SECTION 9.0
Analysis of the Financial Information

international™
industries
built on trust

SECTION 9.1
Unconsolidated Financial Highlights

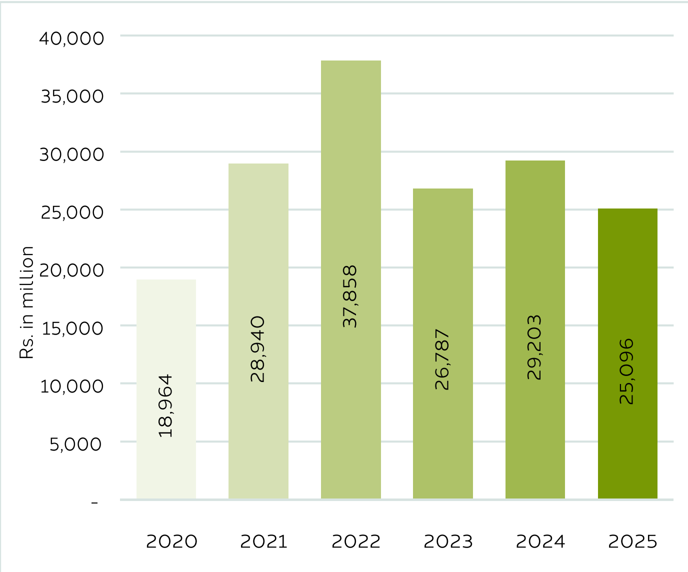
international™
industries
built on trust

FINANCIAL HIGHLIGHTS

	2025	2024	Change %
	(Rupees in million)		
Revenue from contracts with customer	**25,096**	29,203	(14.1%)
Gross Profit	**3,147**	3,839	(18.0%)
Property, Plant & Equipment	**12,960**	12,246	5.8%
Shareholders equity	**19,659**	18,428	6.7%
Book Value per share (Rupees)	**149.06**	139.73	6.7%

BUSINESS GROWTH

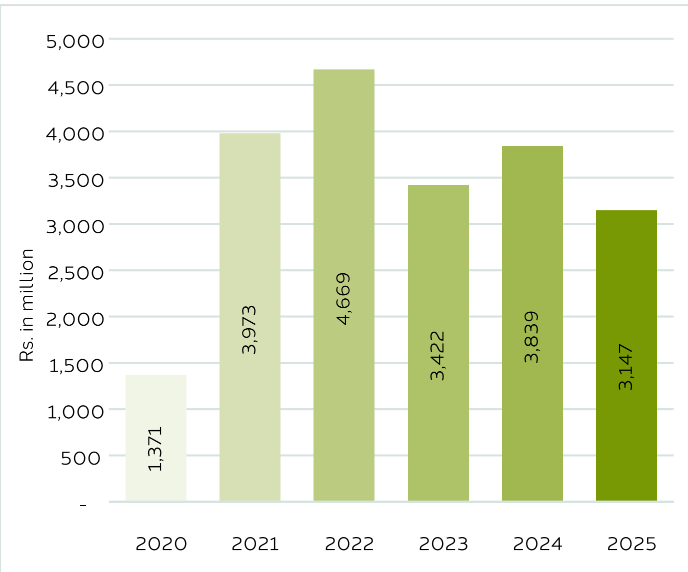
Revenue from Contracts with Customer



SHAREHOLDER VALUE ACCRETION

Shareholders' Equity

Gross Profit



Book Value Per Share

ANALYSIS OF FINANCIAL STATEMENTS

Statement of Financial Position

	2025	2024	2023	2022	2021	2020
	Rs. in million					
Property, plant and equipment	**12,961**	12,246	9,934	9,984	7,480	7,081
Investments	**3,448**	3,373	3,373	3,373	3,373	3,295
Other non current assets	**8**	41	4	4	281	5
Current assets	**13,502**	15,977	20,645	22,935	17,657	12,758
Total assets	**29,919**	31,638	33,956	36,296	28,791	23,140
Shareholders' equity	**19,659**	18,428	15,249	14,594	11,499	8,946
Non current liabilities	**790**	3,380	4,287	1,867	2,418	1,960
Current portion of long term financing	**126**	615	609	1,079	889	411
Short term borrowings	**5,156**	5,086	7,345	12,637	10,181	9,394
Other Current liabilities	**4,188**	4,129	6,466	6,118	3,805	2,429
Total equity & liabilities	**29,919**	31,638	33,956	36,296	28,791	23,140
Vertical Analysis	Percentage					
Property, plant and equipment	**43.4**	38.7	29.3	27.5	26.2	30.6
Investments	**11.5**	10.7	9.9	9.3	11.8	14.2
Other non current assets	**0.03**	0.1	0.0	0.0	0.01	0.0
Current assets	**45.1**	50.5	60.8	63.2	61.9	55.1
Total assets	**100.0**	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	**65.8**	58.2	44.9	40.2	39.9	38.7
Non current liabilities	**2.6**	10.7	12.6	5.1	8.4	8.5
Current portion of long term financing	**0.4**	1.9	1.8	3.0	3.1	1.8
Short term borrowings	**17.2**	16.1	21.6	34.8	35.4	40.6
Other Current liabilities	**14.0**	13.1	19.0	16.9	13.2	10.5
Total equity & liabilities	**100.0**	100.0	100.0	100.0	100.0	100.0
Horizontal Analysis	Percentage					
Property, plant and equipment	**5.8**	23.3	(0.5)	33.5	5.6	(3.8)
Investments	**2.2**	-	0.0	0.0	2.3	0.5
Other non current assets	**(81)**	834.1	1.2	(98.6)	5,278.4	(23.9)
Current assets	**(15.5)**	(22.6)	(10.0)	29.9	38.4	(13.1)
Total assets	**(5.4)**	(6.8)	(6.4)	26.1	24.4	(8.6)
Shareholders' equity	**6.7**	20.8	4.5	26.9	28.5	(10.1)
Non current liabilities	**(76.6)**	(21.2)	129.7	(22.8)	23.4	(9.1)
Current portion of long term financing	**(79.5)**	1.0	(43.6)	21.4	116.3	41.2
Short term borrowings	**1.4**	(30.8)	(41.9)	24.1	8.4	(0.3)
Other Current liabilities	**1.4**	(36.1)	5.7	60.8	56.6	(30.7)
Total equity & liabilities	**(5.4)**	(6.8)	(6.4)	26.1	24.4	(8.6)

ANALYSIS OF FINANCIAL STATEMENTS

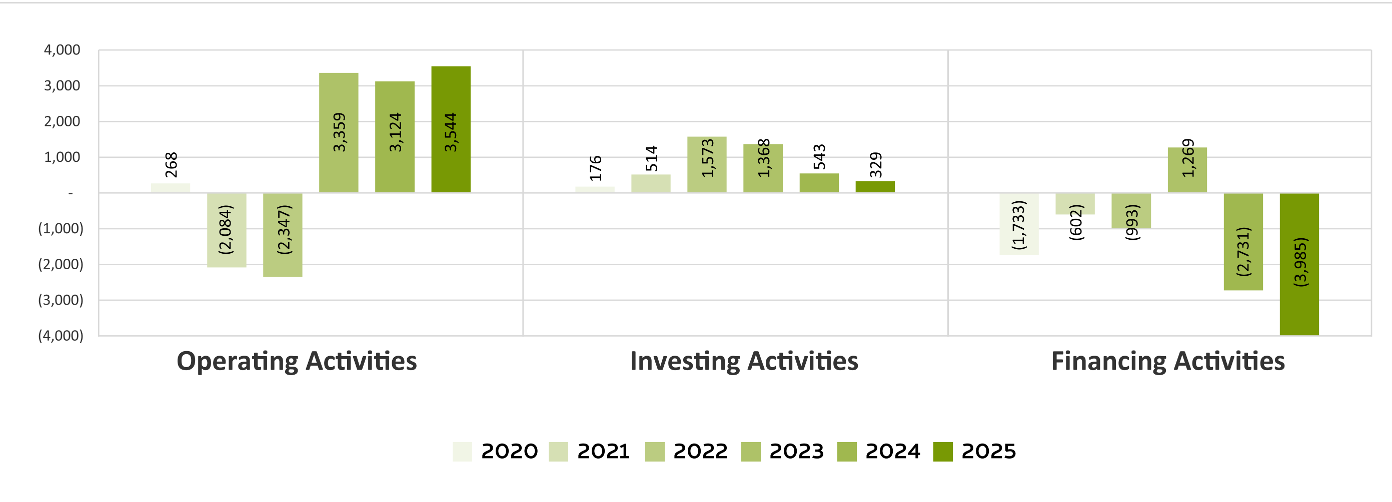
Statement of Profit or Loss

	2025	2024	2023	2022	2021	2020
	Rs. in million					
Revenue from contracts with customer	25,096	29,203	26,787	37,858	28,940	18,964
Cost of Sales	(21,949)	(25,364)	(23,365)	(33,189)	(24,967)	(17,593)
Gross Profit	**3,147**	**3,839**	**3,422**	**4,669**	**3,973**	**1,371**
Administrative, Selling and Distribution expenses	(1,762)	(1,841)	(1,808)	(2,966)	(1,825)	(1,112)
Other operating expenses	(75)	(70)	(88)	(124)	(189)	(31)
Other operating income	864	1,351	3,089	3,261	1,054	580
Operating profit before financing cost	**2,174**	**3,279**	**4,615**	**4,839**	**3,015**	**809**
Finance cost	(609)	(1,473)	(1,732)	(1,182)	(756)	(1,238)
Profit before levies and income tax	**1,565**	**1,806**	**2,883**	**3,657**	**2,259**	**(430)**
Levies and Income tax	(461)	(333)	(610)	(1,501)	56	(264)
Profit after Taxation	**1,104**	**1,473**	**2,273**	**2,156**	**2,315**	**(694)**
Vertical Analysis	Percentage					
Revenue from contracts with customer	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Sales	(87.5)	(86.9)	(87.2)	(87.7)	(86.3)	(92.8)
Gross Profit	**12.5**	**13.1**	**12.8**	**12.3**	**13.7**	**7.2**
Administrative, Selling and Distribution expenses	(7.0)	(6.3)	(6.8)	(7.8)	(6.3)	(5.9)
Other operating expenses	(0.3)	(0.2)	(0.3)	(0.3)	(0.7)	(0.2)
Other operating income	3.4	4.6	11.5	8.6	3.6	3.1
Operating profit before financing cost	**8.7**	**11.2**	**17.2**	**12.8**	**10.4**	**4.3**
Finance cost	(2.4)	(5.0)	(6.5)	(3.1)	(2.6)	(6.5)
Profit before levies and income tax	**6.2**	**6.2**	**10.8**	**9.7**	**7.8**	**(2.3)**
Levies and Income tax	(1.8)	(1.1)	(2.3)	(4.0)	0.2	(1.4)
Profit after Taxation	**4.4**	**5.0**	**8.5**	**5.7**	**8.0**	**(3.7)**
Horizontal Analysis	Percentage					
Revenue from contracts with customer	(14.1)	9.0	(29.2)	30.8	52.6	(27.0)
Cost of Sales	(13.5)	8.6	(29.6)	32.9	41.9	(24.0)
Gross Profit	**(18.0)**	**12.2**	**(26.7)**	**17.5**	**189.8**	**(51.5)**
Administrative, Selling and Distribution expenses	(4.3)	1.8	(39.0)	62.6	64.0	(22.9)
Other operating expenses	7.5	(19.9)	(29.6)	(34.0)	514.1	(68.8)
Other operating income	(36.0)	(56.3)	(5.3)	209.3	81.7	(66.5)
Operating profit before financing cost	**(33.7)**	**(29.0)**	**(4.6)**	**60.5**	**272.8**	**(73.2)**
Finance cost	(58.6)	(15.0)	46.5	56.4	(39.0)	34.0
Profit before levies and income tax	**(13.3)**	**(37.4)**	**(21.2)**	**61.9**	**625.5**	**(120.5)**
Levies and Income tax	38.4	(45.4)	(59.4)	(2,793.6)	(121.1)	(49.0)
Profit after Taxation	**(25.0)**	**(35.2)**	**5.4**	**6.9**	**433.4**	**(144.1)**

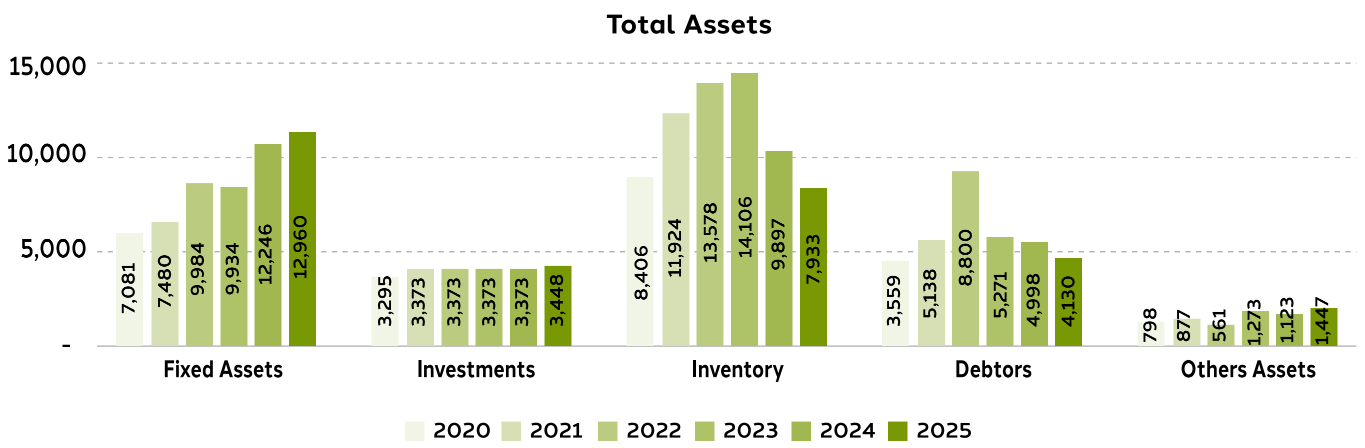
ANALYSIS OF FINANCIAL STATEMENTS

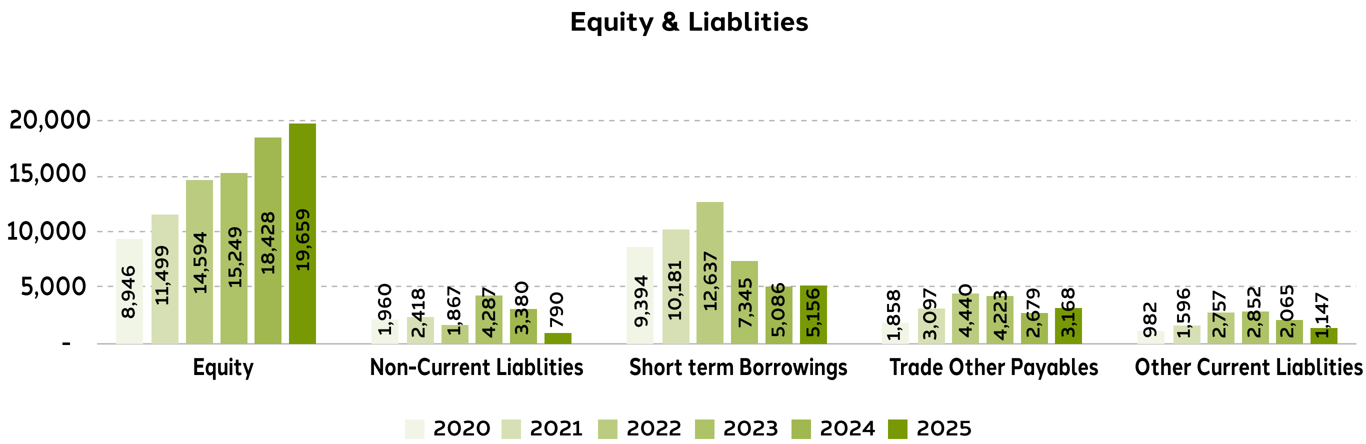
Statement of Cash Flows

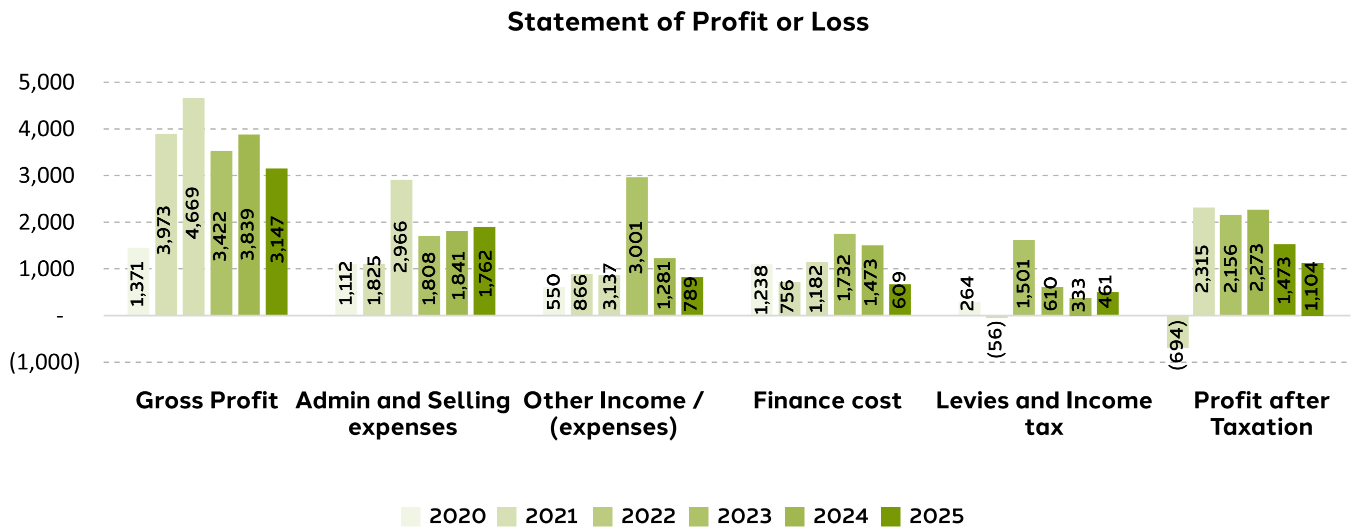
	2025	2024	2023	2022	2021	2020
	--------------------	--------------------	Rs. in million	--------------------	--------------------	--------------------
Net cash generated from/(used in) operating activities	3,544	3,124	3,359	(2,347)	(2,084)	268
Net cash inflows/(outflows) from investing activities	329	543	1,368	1,573	514	176
Net cash (outflows)/inflows from financing activities	(3,985)	(2,731)	1,269	(993)	(602)	(1,733)
Net increase/(decrease) in cash and cash equivalents	**(112)**	**936**	**5,995**	**(1,767)**	**(2,173)**	**(1,290)**
Vertical Analysis Percentage	--------------------	--------------------	Percentage	--------------------	--------------------	--------------------
Net cash generated from/(used in) operating activities	(3163.2)	333.8	56.0	(132.9)	(95.9)	20.8
Net cash inflows/(outflows) from investing activities	(293.9)	58.0	22.8	89.0	23.6	13.6
Net cash (outflows)/inflows from financing activities	3557.1	(291.8)	21.2	(56.2)	(27.7)	(134.4)
Net increase/(decrease) in cash and cash equivalents	**100.0**	**100.0**	**100.0**	**(100.0)**	**(100.0)**	**(100.0)**
Horizontal Analysis	--------------------	--------------------	Percentage	--------------------	--------------------	--------------------
Net cash generated from/(used in) operating activities	13.4	(7.0)	(243.1)	12.6	(878.0)	(7.0)
Net cash inflows/(outflows) from investing activities	(39.3)	(60.3)	(13.0)	206.1	192.8	(196.3)
Net cash (outflows)/inflows from financing activities	45.9	(315.2)	(227.8)	64.8	(65.2)	(314.8)
Net increase/(decrease) in cash and cash equivalents	**(112.0)**	**(84.4)**	**(439.3)**	**(18.7)**	**68.5**	**(241.3)**



GRAPHICAL PRESENTATION OF STATEMENT OF
Financial Position and Profit & Loss Account

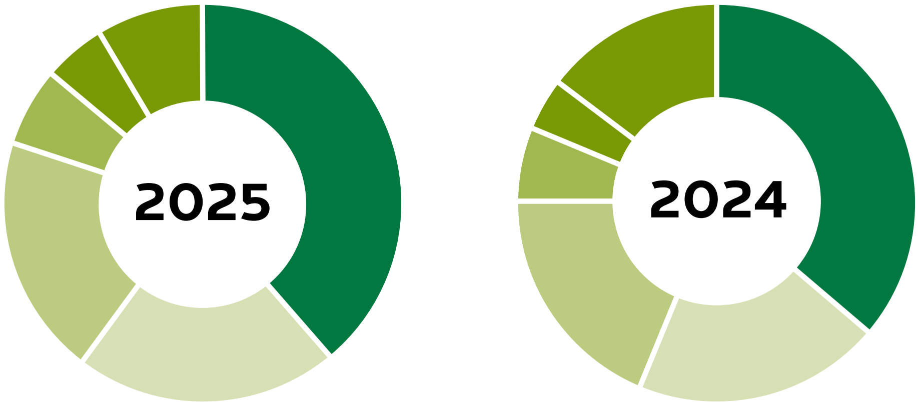






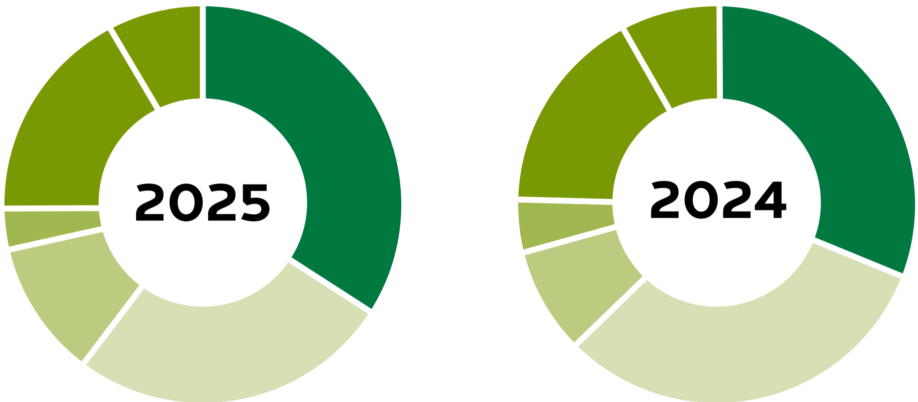
KEY FINANCIAL INDICATORS (GRAPHS)

CONVERSION COST



	2025	2024
	(Rupees in million)	
Salaries, wages and benefits	1,243	1,179
Electricity, gas and water	647	650
Depreciation and amortisation	593	606
Operational supplies and consumables	187	196
Repairs and maintenance	160	141
Others	272	474
	3,102	3,246

PRODUCT WISE-VOLUMES



	2025	2024
	% of tonnage	
Galvanized steel pipes	32%	34%
Colled Rolled tubes	28%	26%
API line pipes	02%	11%
Black pipes	04%	03%
Others (Steel)	21%	18%
Polymer pipes & fittings	11%	08%
	100%	100%

KEY FINANCIAL INDICATORS

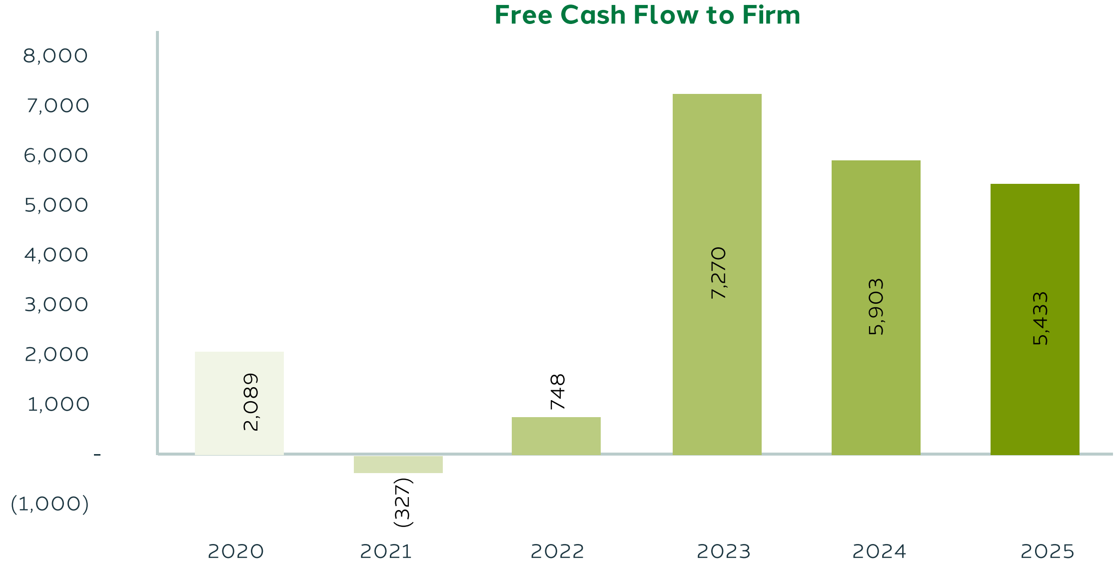
		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross profit ratio	%	12.5	13.1	12.8	12.3	13.7	7.2
Net profit to Sales	%	4.4	5.0	8.5	5.7	8.0	(3.7)
EBITDA Margin to Sales	%	11.2	13.4	19.5	14.1	12.2	7.1
Cost to Income Ratio	Times	3.5	2.5	2.8	3.2	1.9	12.2
Operating Leverage	%	2.0	(2.7)	0.1	1.7	3.1	2.3
Return on Equity with Surplus on revaluation of fixed assets	%	5.6	8.0	14.9	14.8	20.1	(7.8)
Return on Equity without Surplus on revaluation of fixed assets	%	9.0	12.9	22.0	22.7	27.4	(10.6)
Operating Margin	%	5.5	6.8	6.0	4.5	7.4	1.4
Return on Capital Employed	%	5.5	6.8	11.8	13.5	17.1	(6.6)
Return on Total Assets	%	3.7	4.7	6.7	5.9	8.0	(3.0)
Shareholders' funds ratio	%	65.7	58.2	44.9	40.2	39.9	38.7
Liquidity Ratios							
Current ratio	Times	1.43	1.63	1.43	1.16	1.19	1.04
Quick / Acid test ratio	Times	0.57	0.60	0.44	0.46	0.37	0.34
Operating Cash Flow Ratio	Times	0.37	0.32	0.23	0.12	0.14	0.02
Cash to Current Liabilities	Times	(0.03)	(0.01)	(0.31)	(0.53)	(0.58)	(0.60)
Cash flow from Operations to Sales	Times	0.14	0.11	0.13	(0.06)	(0.07)	0.01
Activity / Turnover Ratios							
Inventory turnover ratio	Times	2.5	2.1	1.7	2.6	2.5	1.8
Inventory turnover in days	Days	148	173	216	140	149	200
Debtor turnover ratio	Times	7.0	7.1	4.6	6.4	8.0	7.0
Debtor turnover in days	Days	52	52	79	57	46	52
Creditor turnover ratio	Times	36	18	13	19	42	23
Creditor turnover in days	Days	10	20	29	20	9	16
Total assets turnover ratio	Times	0.8	0.9	0.8	1.0	1.0	0.8
Fixed assets turnover ratio	Times	1.9	2.4	2.7	3.8	3.9	2.7
Operating cycle in days	Days	190	204	266	177	186	236
Capital employed turnover ratio	Times	1.2	1.4	1.5	2.6	2.4	1.7
Investment / Market Ratios							
Earnings per share - basic and diluted	Rs.	8.4	11.17	17.2	16.3	17.6	(5.3)
Price earning ratio	Times	21.1	17.5	4.2	6.3	12.0	(17.4)
Dividend Yield ratio	%	2.3	2.8	10.2	7.7	4.7	-
Dividend Payout ratio	%	47.8	49.2	43.5	48.9	57.0	-
Dividend per share - Cash	Rs.	4.00	5.50	7.50	8.00	10.00	-
Sustainable Growth Rate	Times	2.93	4.06	8.42	7.54	8.66	(7.76)
Free- Float of Shares	%	45.00	45.00	45.00	45.00	45.00	45.00
Turnover of Shares	%	-	-	-	-	-	-
Bonus shares	Rs.	-	-	-	-	-	-
Dividend Cover	(x)	2.09	2.03	2.30	2.04	1.76	-
Market value per share at the end of the year	Rs.	177.01	195.71	73.24	103.73	211.02	91.73
Market value per share high during the year	Rs.	222.00	203.00	119.75	219.60	242.50	120.99
Market value per share low during the year	Rs.	119.99	77.00	62.40	90.50	92.10	63.50
Break-up value per share with revaluation of fixed assets	Rs.	149.06	139.73	115.63	110.66	87.19	67.83
Break-up value per share without revaluation of fixed assets	Rs.	92.88	86.89	78.41	71.91	63.98	49.84
Price to book ratio	Times	0.78	0.82	0.28	0.38	0.97	0.52
Break-up value per share including Investment in Related Party with revaluation of fixed assets	Rs.	306.92	282.03	170.94	202.62	242.88	143.82
Break-up value per share including Investment in Related Party without revaluation of fixed assets	Rs.	250.73	229.19	133.73	163.87	219.68	125.84

		2025	2024	2023	2022	2021	2020
ISL (Market Value of Investment at year end)	Rs.M	22,717	20,719	9,932	14,547	22,891	12,657
PCL (Market Value of Investment at year end)	Rs.	1,370	1,315	631	850	911	651
CECL (Market Value of Investment at year end)	Rs.	48	-	-	-	-	-
IIL Australia (Unquoted - Value of Initial Investment)	Rs.	9	9	9	9	9	9
IIL Americas (Unquoted - Value of Initial Investment)	Rs.	18	18	18	18	18	
IIL CSL (Unquoted - Value of Initial Investment)	Rs.	77	77	77	77	77	
IIL SS (Unquoted - Value of Initial Investment)	Rs.	-	-	-	-	-	-
INIL Europe (Unquoted - Value of Initial Investment)	Rs.	27	-	-	-	-	-
Total Investment in Related Parties at Market Value	Rs.	24,267	22,139	10,668	15,500	23,906	13,318
Capital Structure Ratios							
Financial leverage ratio	(x)	0.5	0.7	1.2	1.5	1.5	1.6
Weighted average cost of debt	(x)	10.6	16.4	14.5	7.6	5.6	10.9
Net assets per share	Rs.	149.06	139.73	115.63	110.66	87.19	67.83
Total Debt : Equity ratio	(x)	34 : 66	42 : 58	55 : 45	60 : 40	60 : 40	61 : 39
Interest cover	(x)	2.3	1.4	0.9	1.4	2.8	0.2
Employee Productivity and others							
Production per employee	Tons	80	91	92	162	192	124
Revenue per employee	Rs M	27.6	31.3	28.6	39.8	30.3	18.4
Spares inventory as % of assets cost	%	0.6	0.6	0.7	0.8	0.8	0.9
Maintenance cost as % of operating expenses	%	3.4	2.9	2.7	2.5	3.3	3.4
Value Addition							
Employees as remuneration	Rs M	1,803	1,686	1,564	1,587	1,232	-
Government as taxes	Rs M	5,944	6,433	5,525	6,524	4,910	5,139
Shareholders as dividends	Rs M	528	725	989	1,055	-	659
Retained within the business	Rs M	577	748	1,284	1,101	(694)	915
Financial charges to providers of finance	Rs M	609	1,473	1,732	1,182	1,238	924

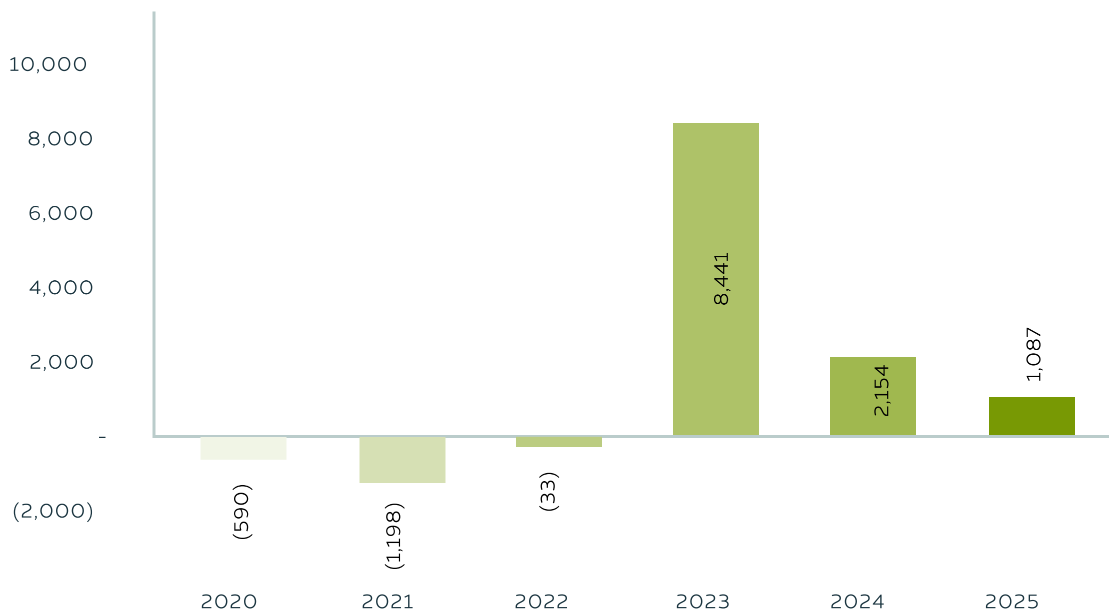
FREE CASHFLOW

	2025	2024	2023	2022	2021	2020
	---Rs. million---					
Earnings before Interest and Taxes	2,175	3,279	4,615	4,839	3,015	809
Depreciation & amortization	631	644	597	506	524	536
Changes in Working capital	3,039	2,763	2,609	(3,831)	(3,623)	1,011
Capital expenditure incurred	(411)	(783)	(551)	(766)	(243)	(267)
	3,259	2,624	2,655	(4,091)	(3,342)	1,280
Free cash flow to firm	**5,433**	**5,903**	**7,270**	**748**	**(327)**	**2,089**
Net borrowing raised / (paid)	(3,523)	(2,198)	2,779	124	(135)	(1,374)
Interest paid	(824)	(1,551)	(1,608)	(905)	(736)	(1,305)
	(4,347)	(3,750)	1,171	(781)	(871)	(2,679)
Free cash flow to Equity holders	**1,087**	**2,154**	**8,441**	**(33)**	**(1,198)**	**(590)**

Free Cash Flow to Firm



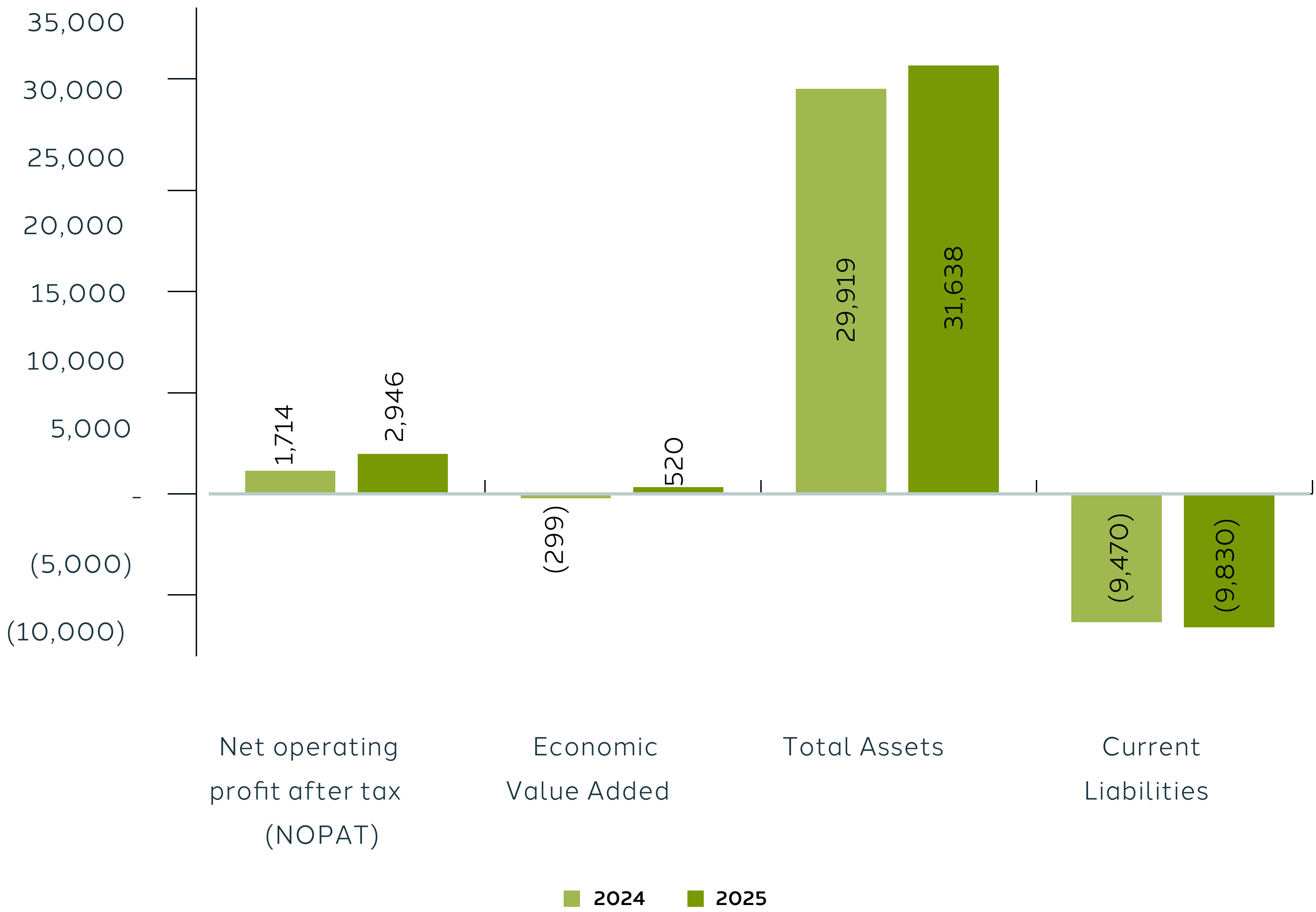
Free Cash Flow to Equity-holders



ECONOMIC VALUE ADDED

	2025	2024	2023	2022	2021	2020
	---Rs. million---					
Net operating profit after tax (NOPAT)	1,714	2,946	4,005	3,338	3,070	544
Cost of Capital*	(2,013)	(2,425)	(2,285)	(1,847)	(1,435)	(1,226)
Economic Value Added	(299)	520	1,720	1,490	1,635	(682)
Cost of Capital*						
Total Assets	29,919	31,638	33,956	36,296	28,791	23,140
Current Liabilities	(9,470)	(9,830)	(14,420)	(19,835)	(14,875)	(12,234)
Invested Capital	20,449	21,808	19,536	16,461	13,916	10,905
WACC	9.84%	11.12%	11.69%	11.22%	10.31%	11.24%
	2,013	**2,425**	**2,285**	**1,847**	**1,435**	**1,226**

Economic Value Added



COMMENTS ON SIX YEARS ANALYSIS

On the performance of the Company

ECONOMIC OVERVIEW

Over the past six years, Pakistan's economy has gone through many challenges. COVID-19 caused a sharp slow-down in 2020, and whilst a rebound was witnessed in 2021, by 2023 it faced a serious economic crisis characterized by soaring inflation and near-dependence on IMF support. Starting in 2024, efforts to stabilize the economy started to show results. Growth modestly resumed, inflation markedly cooled, fiscal and external imbalances eased. Important indicators like remittances and foreign reserves improved, giving hope for a slow but steady recovery toward a more stable economic future.

STATEMENT OF FINANCIAL POSITION

The Company has invested PKR 3.1 Billion in the last 6 years into capex. This investment was made to improve efficiencies of existing Plant and Machine, improve capabilities via new Machine and Equipment as well as to support our sustainability agenda. Our existing Land and Building also gained value resulting in a revaluation surplus and increasing our overall asset base.

Despite inflation in raw material prices and continued depreciation of PKR, our efforts to actively monitor inventory and receivable aging has yielded beneficial results and enabled us to reduce overall working capital in the last 2 years.

Long Term investments represent company's strategic stake in two listed companies, 56.33% in International Steels Limited and 17.12% in Pakistan Cables Limited. The Company also has a 100% stake in IIL Australia, IIL Americas and IIL Trading (Private) Limited (formerly Construction Solutions (Private) Limited) and during the year made a further investment into INIL Europe, a wholly owned subsidiary as well a 17% stake in Chinoy Engineering & Construction Limited. These investment firm our commitment to enter new markets and continuously seek growth opportunities.

The shareholders' equity consists of share capital, reserves, and revaluation surplus. The equity surged over the past six years due to accumulated retained earnings and the revaluation surplus.

The non-current liabilities of the Company increased in the past years, principally due to the long-term loans obtained to support capex. However, in the last 2 years our constant efforts to reduce working capital enabled us to pay off a substantial portion of our debt and subsequently reduce our finance cost burden by 50% in FY 25 vs SPLY. Current liabilities increased commensurately with inflation and PKR devaluation.

STATEMENT OF PROFIT OR LOSS

The top line witnessed a CAGR of 5.8% over the last 6 years. A challenging macroeconomic environment and the imposition of trade protection measures by key global economies contributed to significant volatility in raw material prices and adversely impacting overall sales in the recent years. The Company remains focused on expanding its distribution network and enhancing engagement with commercial and institutional customers through nationwide events, sponsorships, and direct outreach programs. The Company successfully introduced value-added coated steel structural solutions tailored for the solar power industry and additional solutions targeting the construction, engineering, and agriculture sectors are currently under development to address specific industry needs. This customer-centric strategy reinforces its ability to anticipate and respond to evolving market demands.

Administrative and selling expenses were broadly consistent with the proportion to the sales in last six years. Distribution expenses remained in line with exchange and fuel rates except for abnormal container shortages and congestions at major ports during FY 22.

High other income in FY 22 and FY 23 mainly consists of dividends received from strategic investments and exchange gains due to Rupee devaluation. Other expenses mainly comprise of WWF / WPPF which are a derivative of profitability.

The corporate tax rates pertaining to normal, presumptive, and minimum regimes remained fairly consistent over the period except for Super tax imposed by Finance Act 2022 for subsequent periods.

CASHFLOW ANALYSIS

The Company's expansion projects are financed through profit retention and / or long-term borrowings at favorable terms. The working capital needs are fulfilled through short-term running finance from reputable banks.

Cashflow from operations has turned positive in last couple of years due to management focus to reduce funds deployed in working capital. Investing activities comprises of investment in capital expenditure, subsidiaries, and dividend income.

Financing activities comprise of long-term loans obtained, changes in short term borrowings and dividends paid to the shareholders. During FY 25, Cash equivalents decreased mainly due to repayment of long-term loans.

RATIO ANALYSIS

PROFITABILTY

EBITDA margin to sales at 11% was achieved by maintaining margins as a result of procuring raw materials at competitive rates and optimizing operating costs.

INVESTMENT / MARKET

From FY21- FY23, profitability rebounded strongly on account of robust margins during the commodity supercycle and the SBP-driven curbs on the establishment of Letters of Credit. In the last 2 years, a reduced topline and increased taxation has put pressure on profitability, however, FY25 posted a healthy earning per share of PKR 8.37. Price Earnings ratio stood at highest level of 21.0 in FY25, which is reflective of positive market sentiment and confidence of stakeholders in the company's future prospects.

LIQUIDITY

Throughout the last six years, the Company's current ratio remained above 1. All debt commitments were discharged on timely basis. Net Cash from operations remained volatile depending on pressures on international steel prices and / or exchange rates.

CAPITAL STRUCTURE

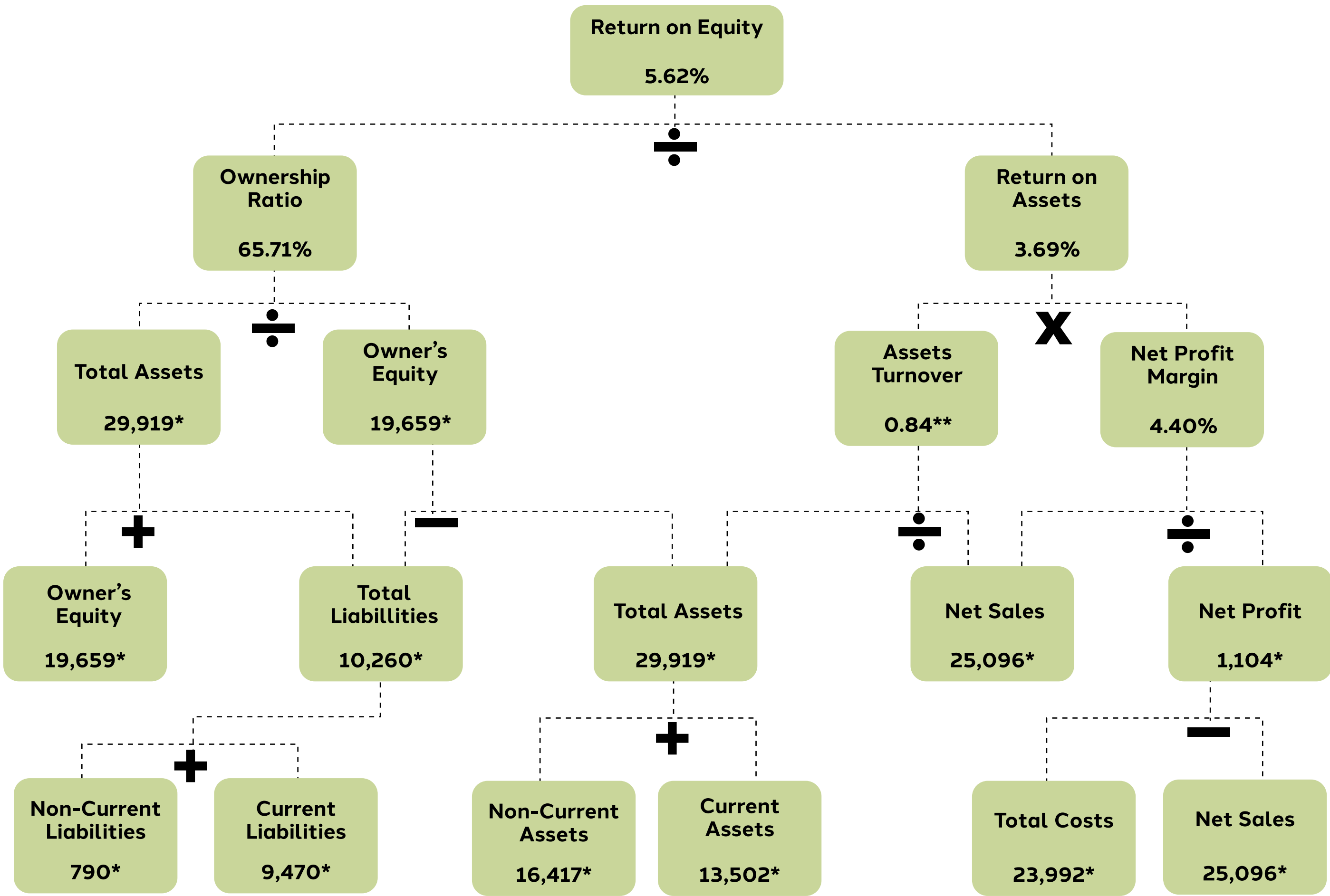
The gearing level of the Company which historically remained around 60:40 level has significantly improved in past six years. This year ended at 34:66, which is the lowest in the past 6 years due to improvement in working capital deployment and profit retention.

ACTIVITY / TURNOVER

The operating cycle mostly stood at the normal level of 170-180 days except FY20 and FY 23 due to compressed demand led by COVID-19 and economic uncertainty.

DUPONT ANALYSIS 2025

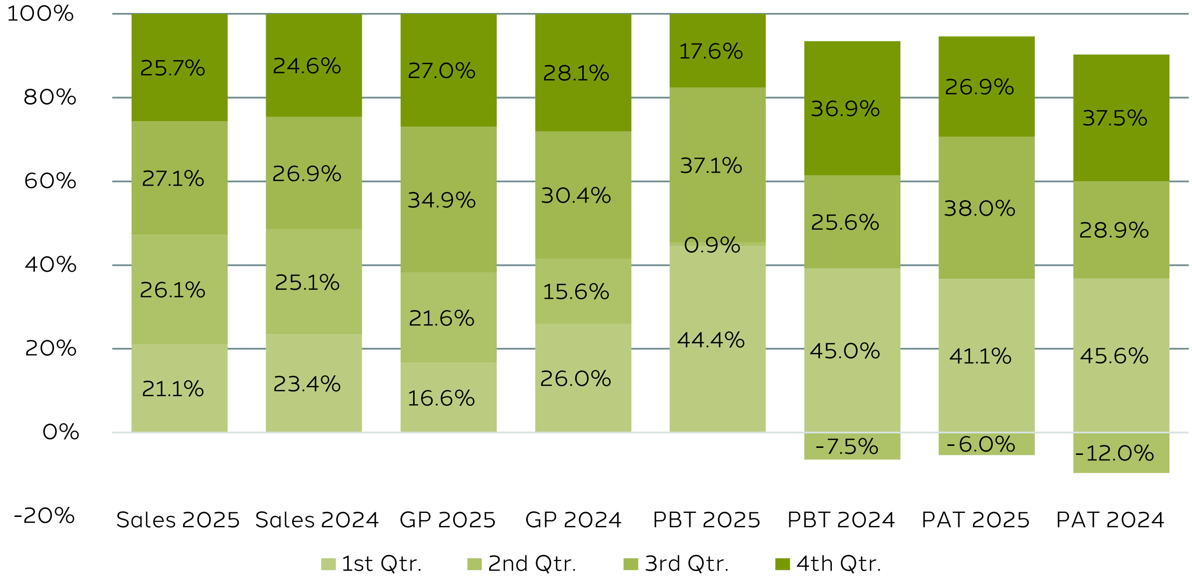
* Rupees in million
** Times



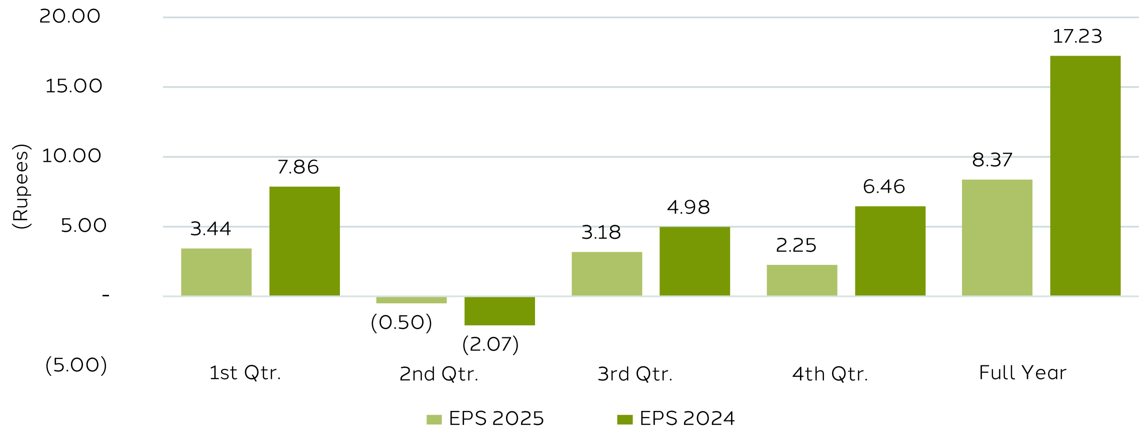
Quarterly Performance Analysis

	2025									
	Q 1		Q 2		Q 3		Q 4		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	--Rupees in million--									
Revenue	5,289	100.0	6,562	100.0	6,804	100.0	6,441	100.0	25,096	100.0
Cost of sales	(4,767)	(90.1)	(5,883)	(89.7)	(5,706)	(83.9)	(5,593)	(86.8)	(21,949)	(87.5)
Gross Profit	**523**	**9.9**	**679**	**10.3**	**1,097**	**16.1**	**848**	**13.2**	**3,147**	**12.5**
Selling and distribution cost	(315)	(6.0)	(310)	(4.7)	(325)	(4.8)	(381)	(5.9)	(1,330)	(5.3)
Administration Cost	(107)	(2.0)	(95)	(1.4)	(100)	(1.5)	(130)	(2.0)	(432)	(1.7)
Operating Profit	**101**	**1.9**	**274**	**4.2**	**673**	**9.9**	**338**	**5.2**	**1,386**	**5.5**
Other expenses	(19)	(0.4)	(153)	(2.3)	(45)	(0.7)	141	2.2	(75)	(0.3)
Other income	844	16.0	9	0.1	57	0.8	(46)	(0.7)	864	3.4
EBIT	**926**	**17.5**	**131**	**2.0**	**685**	**10.1**	**433**	**6.7**	**2,175**	**8.7**
Finance cost	(230)	(4.4)	(117)	(1.8)	(104)	(1.5)	(158)	(2.5)	(609)	(2.4)
PBT	**695**	**13.1**	**15**	**0.2**	**580**	**8.5**	**275**	**4.3**	**1,565**	**6.2**
Taxation	(242)	(4.6)	(81)	(1.2)	(160)	(2.4)	22	0.3	(461)	(1.8)
PAT	454	8.6	(66)	(1.0)	420	6.2	297	4.6	1,104	4.4
EPS (Rupees)	**3.44**		**(0.50)**		**3.18**		**2.25**		**8.37**	

Quarterly Performance Analysis

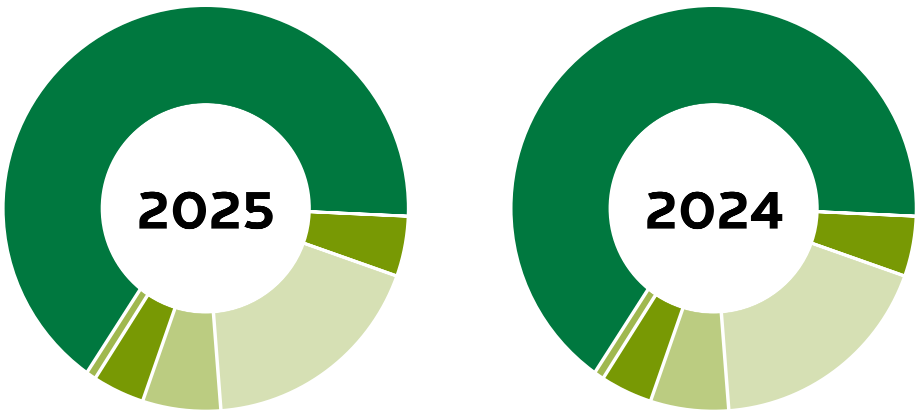


Earnings per share

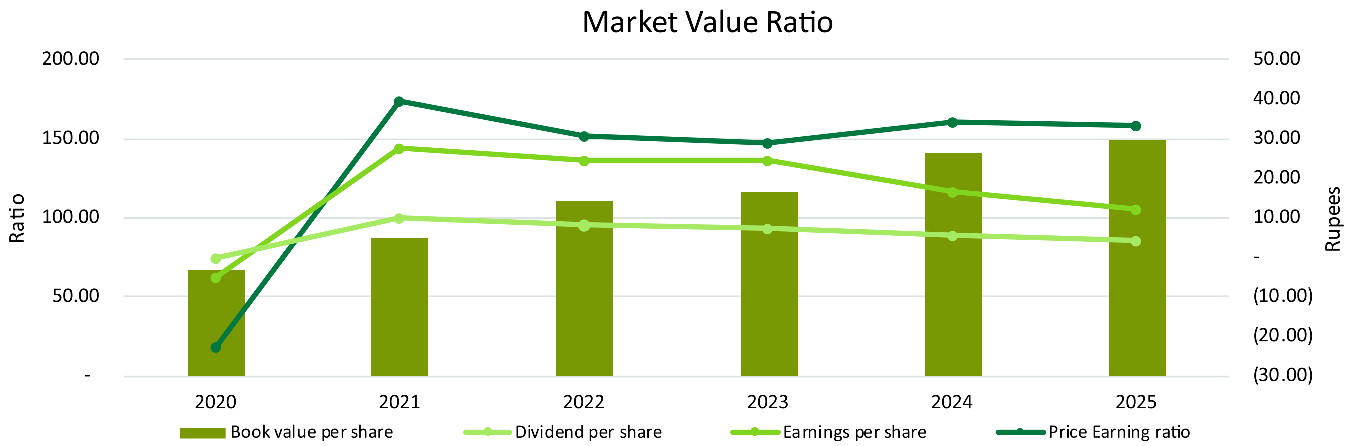


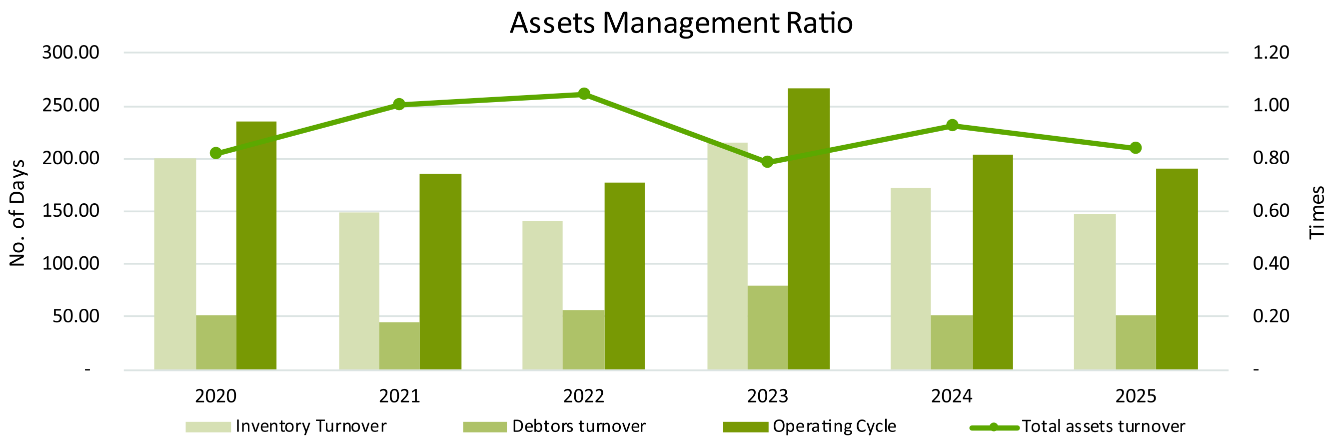
Statement of Value Addition

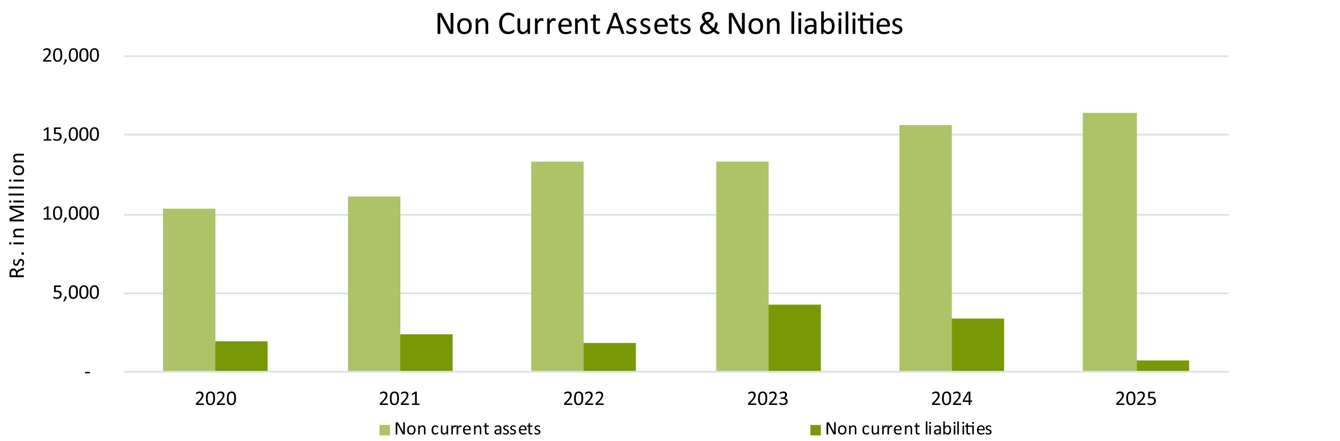
	2025		2024	
	Rupees in '000	%	Rupees in '000	%
Wealth Generated				
Sales including sales tax	29,091,477	97.1%	33,694,901	96.1%
Other operating income	864,457	2.9%	1,351,059	3.9%
	29,955,934	100%	35,045,960	100%
Wealth Distributed				
Cost of material & services	19,853,649	66.3%	23,325,617	66.6%
To Employees				
Salaries & other related cost	1,802,994	6.0%	1,685,867	4.8%
To Government				
Taxes & Duties	5,882,478	19.6%	6,394,267	18.2%
Worker Profit Participation Fund	40,757	0.1%	30,005	0.1%
Worker Welfare Fund	20,792	0.1%	8,920	0.0%
	5,944,027	19.8%	6,433,192	18.4%
To Providers of Capital				
Dividend to shareholders	527,528	1.8%	725,350	2.1%
Finance cost	609,248	2.0%	1,472,569	4.2%
	1,136,776	3.8%	2,197,919	6.3%
To Society				
Donation	11,000	0.04%	11,250	0.03%
Retained in Business				
For replacement of fixed assets				
Depreciation & Amortization	630,692	2.1%	644,334	1.8%
To provide for growth: Retained Profit	576,796	1.9%	747,781	2.1%
	1,207,488	4.0%	1,392,115	4.0%
	29,955,934	100%	35,045,960	100%

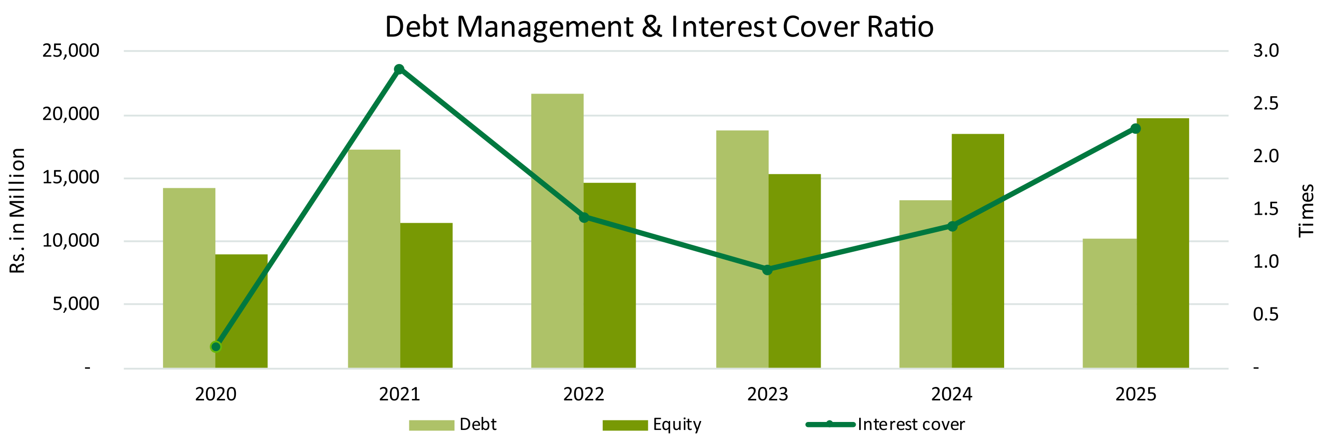


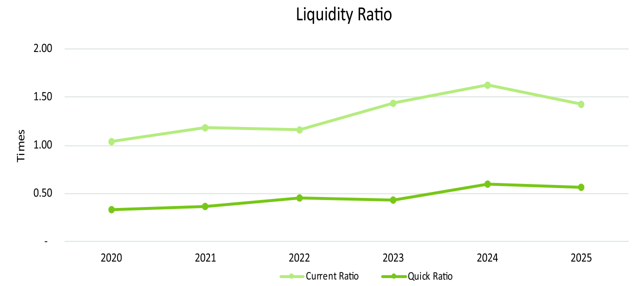
	2025	2024
	% of tonnage	
Cost of material & services	66%	67%
To Employees	6%	5%
To Government	20%	18%
To Providers of Capital	4%	6%
To Society	0.04%	0.03%
Retained in Business	4%	4%
	100%	100%

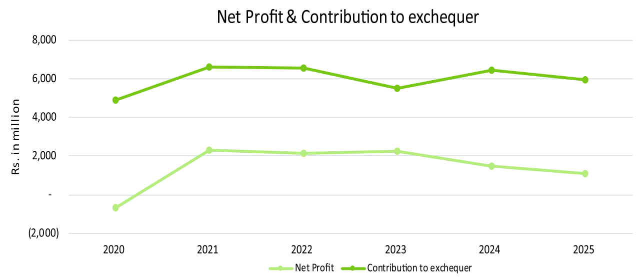

Market Value Ratio
Ratio
Rupees
2020
2021
2022
2023
2024
2025
Book value per share
Dividend per share
Earnings per share
Price Earning ratio

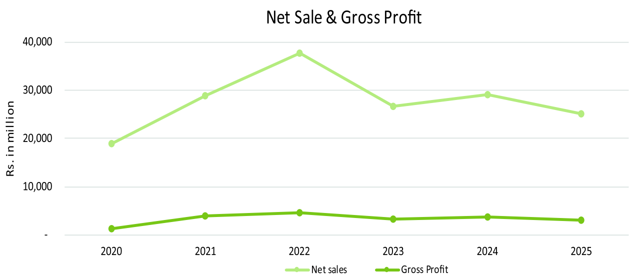

Assets Management Ratio
No. of Days
Times
Inventory Turnover
Debtors turnover
Operating Cycle
Total assets turnover

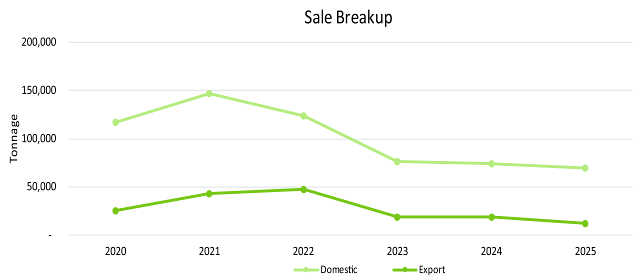

Non Current Assets & Non liabilities
Rs. in Million
Non current assets
Non current liabilities

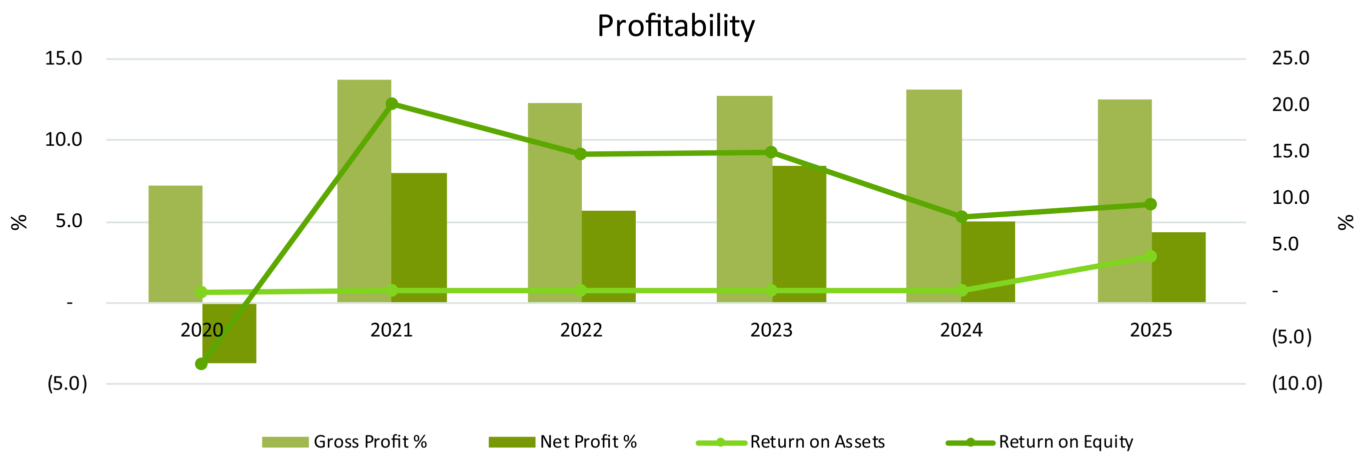

Debt Management & Interest Cover Ratio
Rs. in Million
Times
Debt
Equity
Interest cover

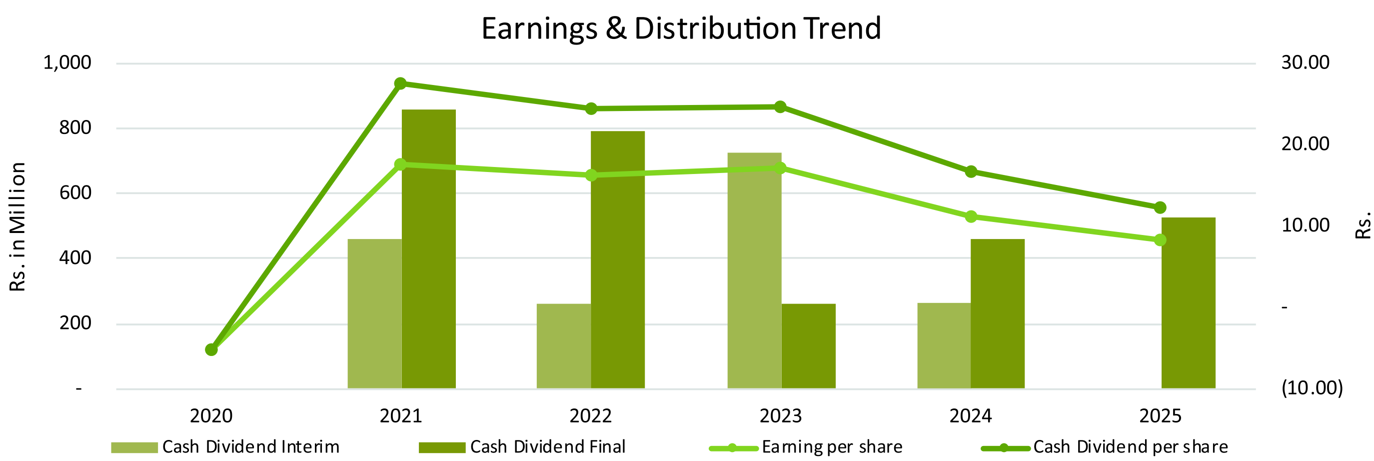

Liquidity Ratio
Times
2.00
1.50
1.00
0.50
-
2020
2021
2022
2023
2024
2025
Current Ratio
Quick Ratio


Net Profit & Contribution to exchequer
Rs. in million
8,000
6,000
4,000
2,000
-
(2,000)
2020
2021
2022
2023
2024
2025
Net Profit
Contribution to exchequer


Net Sale & Gross Profit
Rs. in million
40,000
30,000
20,000
10,000
-
2020
2021
2022
2023
2024
2025
Net sales
Gross Profit


Sale Breakup
Tonnage
200,000
150,000
100,000
50,000
-
2020
2021
2022
2023
2024
2025
Domestic
Export


Profitability
%
15.0
10.0
5.0
-
(5.0)
25.0
20.0
15.0
10.0
5.0
-
(5.0)
(10.0)
2020
2021
2022
2023
2024
2025
Gross Profit %
Net Profit %
Return on Assets
Return on Equity


Earnings & Distribution Trend
Rs. in Million
1,000
800
600
400
200
-
Rs.
30.00
20.00
10.00
-
(10.00)
2020
2021
2022
2023
2024
2025
Cash Dividend Interim
Cash Dividend Final
Earning per share
Cash Dividend per share

STATEMENT OF CASH FLOWS - DIRECT METHOD
For the year ended 30 June 2025

	2025	2024
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	29,832,425	33,523,616
Cash paid to suppliers / service providers and employees	(23,779,059)	(27,204,081)
Workers Funds	(61,532)	(103,940)
Sales tax payments	(897,576)	(650,896)
Finance cost paid	(823,942)	(1,551,495)
Income on bank deposits received	22,575	16,352
Staff retirement benefits paid	(88,994)	(48,000)
Payment on account of compensated absences	(29,636)	(11,269)
Income tax paid - net	(627,323)	(843,870)
Decrease in long-term deposits	(3,092)	(2,552)
Net cash used in operating activities	3,543,845	3,123,865
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	(410,990)	(782,521)
Investment in an associated/Subsidary company	(75,865)	-
Payment for acquisition of intangible assets	-	149
Proceeds from disposal of property, plant and equipment	75,479	85,752
Dividend received	740,593	1,239,198
Net cash generated from investing activities	329,217	542,578
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(3,312,230)	(732,501)
Receipt / (repayment) of short-term borrowings - net	(210,536)	(1,465,739)
Dividend paid	(462,328)	(532,402)
Net cash used in financing activities	(3,985,094)	(2,730,642)
Net decrease in cash and cash equivalents	(112,033)	935,801
Cash and cash equivalents at beginning of the year	(135,091)	(1,070,892)
Cash and cash equivalents at end of the year	(247,123)	(135,091)
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	523,330	354,717
Short-term borrowings maturing within three months	(770,453)	(489,808)
	(247,123)	(135,091)

SECTION 9.2
Unconsolidated Statements

international™
industries
built on trust

A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REPORT

To the members of International Industries Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of International Industries Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash f ows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash f ows 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, 2025 and of the profit and other comprehensive income, the changes in equity and its cash f ows 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 Unconsolidated 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 fulfil ed 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.

Key Audit Matter

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

Following is the Key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** ***(Refer note 3.12 and note 25 to the unconsolidated financial statements)*** The Company recognises revenue from domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. During the year, net sales to the domestic customers have decreased by 9.76% and net sales to export customers have decreased by 35.95%. As part of our overall response to the audit risks when identifying and assessing the risk in revenue recognition, we considered that there is an inherent risk that revenue may be overstated as it is a key performance measure, which could create an incentive or pressure. Further, we have focused our audit activities over the revenue recognised near to the year end as there was a high risk that the revenue is recorded before the control of goods is transferred to the customer and in an incorrect accounting period. Based on the above and considering that the revenue recognition is a high-risk area, we considered this as a key audit matter.	Our audit procedures amongst others included the following: - obtained an understanding of the Company's process with respect to revenue recognition; - understood and evaluated the accounting policy with respect to revenue recognition; - performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; - performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; - verified that sales prices are approved by appropriate authority; - ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Unconsolidated 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 unconsolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

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

In preparing the unconsolidated 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 eporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 the aggregate, they could reasonably be expected to inf uence the economic decisions of users taken on the basis of these unconsolidated financial s atements.

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 unconsolidated 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 the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast signifi ant 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 unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A·F·FERGUSON&CO.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and signifi ant audit findings, including any signifi ant 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 signifi ance in the audit of the unconsolidated 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:

a. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b. the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash f ows 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;
c. investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
d. zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 4, 2025

UDIN: AR202510073xVgDzFPad

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025	2024
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	12,960,428	12,246,466
Intangible assets	5	612	1,584
Investments	6	3,448,380	3,372,515
Long-term deposits		7,450	4,358
Deferred taxation - net	7	-	35,496
		16,416,870	15,660,419
CURRENT ASSETS			
Stores and spares	8	186,095	195,318
Stock-in-trade	9	7,933,437	9,897,354
Trade debts	10	4,129,520	4,998,267
Advances, trade deposits and prepayments	11	73,910	59,027
Other receivables	12	43,404	38,370
Staff retirement benefits	13	82,240	-
Sales tax receivable		250,985	404,182
Cash and bank balances	14	802,581	384,717
		13,502,172	15,977,235
TOTAL ASSETS		29,919,042	31,637,654
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	15	1,318,819	1,318,819
Revenue reserves			
General reserve	16	2,700,036	2,700,036
Unappropriated profit		8,229,862	7,440,635
Capital reserve			
Revaluation surplus	17	7,410,004	6,968,184
TOTAL SHAREHOLDERS' EQUITY		19,658,721	18,427,674
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	18	462,692	3,276,359
Deferred income - government grant	19	21,669	30,035
Deferred taxation - net	7	305,653	-
Staff retirement benefits	13	-	73,664
		790,014	3,380,058
CURRENT LIABILITIES			
Trade and other payables	20	3,167,510	2,678,911
Contract liabilities	21	429,517	566,883
Short-term borrowings - secured	22	5,156,157	5,086,048
Unclaimed dividend		40,534	41,275
Current portion of long-term financing - secured	18	126,017	615,103
Taxation - net	23	511,466	576,614
Accrued mark-up		39,106	265,088
		9,470,307	9,829,922
TOTAL LIABILITIES		10,260,321	13,209,980
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		29,919,042	31,637,654

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Jehangir Shah Director & Chairman Board Audit Committee	**Salman Najeeb** Chief Financial Officer	**Yousuf H. Mirza** Chief Executive Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in '000)	
Revenue from contracts with customers	25	25,096,323	29,203,140
Cost of sales	26	(21,949,202)	(25,364,362)
Gross profit		3,147,121	3,838,778
Selling and distribution expenses	27	(1,331,940)	(1,356,097)
Administrative expenses	28	(431,781)	(429,501)
Reversal / (charge) of loss allowance on trade debts	10.3	2,122	(55,299)
		(1,761,599)	(1,840,897)
Operating profit		1,385,522	1,997,881
Finance cost	29	(609,248)	(1,472,569)
Other operating charges	30	(75,391)	(70,161)
		(684,639)	(1,542,730)
Other income	31	864,457	1,351,059
Profit before levies and income tax		1,565,340	1,806,210
Levies	32	-	(47,953)
Profit before income tax		1,565,340	1,758,257
Income tax expense	33	(461,016)	(285,126)
Profit for the year		1,104,324	1,473,131
		(Rupees)	
Earnings per share - basic and diluted	34	8.37	11.17

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Jehangir Shah
Director & Chairman
Board Audit Committee

Salman Najeeb
Chief Financial Officer

Yousuf H. Mirza
Chief Executive Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	(Rupees in '000)	
Profit for the year	**1,104,324**	1,473,131
Other comprehensive income		
Items that will not be subsequently reclassified to Unconsolidated Statement of Profit or Loss		
Re-measurement of staff retirement benefits	**126,974**	115,856
Related deferred tax charge for the year	**(49,520)**	(45,184)
	77,454	70,672
Adjustment related to opening deferred tax balance on staff retirement benefits	**-**	11,532
Surplus / (loss) on revaluation of land and buildings		
Revaluation of freehold land	**63,695**	50,000
Revaluation of leasehold land	**(167,200)**	2,209,423
Net (deficit) / surplus on land	**(103,505)**	2,259,423
Revaluation of buildings on freehold land	**92,645**	(17,780)
Revaluation of buildings on leasehold land	**914,504**	(9,829)
Related deferred tax for the year	**(392,788)**	10,768
Net surplus / (deficit) on buildings	**614,361**	(16,841)
Adjustment related to opening deferred tax balance on buildings	**-**	(91,985)
Other comprehensive income for the year - net of tax	**588,310**	2,232,801
Total comprehensive income for the year	**1,692,634**	3,705,932

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Jehangir Shah
Director & Chairman
Board Audit Committee

Salman Najeeb
Chief Financial Officer

Yousuf H. Mirza
Chief Executive Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid - up capital	Revenue reserves		Capital reserve	Total
		General reserve	Unappropriated profit	Revaluation surplus	
	----------	----------	(Rupees in '000)	----------	----------
Balance as at July 1, 2023	1,318,819	2,700,036	6,322,088	4,908,327	15,249,270
Profit for the year	-	-	1,473,131	-	1,473,131
Other comprehensive income for the year	-	-	82,204	2,150,597	2,232,801
Total comprehensive income for the year	-	-	1,555,335	2,150,597	3,705,932
Transferred from revaluation surplus on disposal of fixed assets - net of tax	-	-	15,584	(15,584)	-
Transferred from revaluation surplus on account of incremental depreciation - net of tax	-	-	75,156	(75,156)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Final dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	-	(263,764)
- Interim dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2024	-	-	(263,764)	-	(263,764)
Balance as at June 30, 2024	**1,318,819**	**2,700,036**	**7,440,635**	**6,968,184**	**18,427,674**
Profit for the year	-	-	1,104,324	-	1,104,324
Other comprehensive income for the year	-	-	77,454	510,856	588,310
Total comprehensive income for the year	-	-	1,181,778	510,856	1,692,634
Transferred from revaluation surplus on account of incremental depreciation - net of tax	-	-	69,036	(69,036)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Final dividend at 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024	-	-	(461,587)	-	(461,587)
Balance as at June 30, 2025	**1,318,819**	**2,700,036**	**8,229,862**	**7,410,004**	**19,658,721**

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Jehangir Shah
Director & Chairman
Board Audit Committee

Salman Najeeb
Chief Financial Officer

Yousuf H. Mirza
Chief Executive
Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	**5,094,257**	5,564,699
Finance cost paid		**(823,942)**	(1,551,495)
Income on bank deposits received		**22,575**	16,352
Staff retirement benefits paid		**(88,994)**	(48,000)
Payment on account of compensated absences		**(29,636)**	(11,269)
Income tax and levies paid		**(627,323)**	(843,870)
Long-term deposits paid		**(3,092)**	(2,552)
Net cash generated from operating activities		**3,543,845**	3,123,865
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		**(410,990)**	(782,521)
Investment in an associated company		**(48,450)**	-
Investment in an subsidiary company		**(27,415)**	-
Payment for acquisition of intangible assets		**-**	149
Proceeds from disposal of property, plant and equipment		**75,479**	85,752
Dividend received		**740,593**	1,239,198
Net cash generated from investing activities		**329,217**	542,578
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		**(3,312,230)**	(732,501)
Short-term loans obtained		**18,528,270**	32,101,730
Short-term loans repaid		**(18,738,806)**	(33,567,469)
Dividend paid		**(462,328)**	(532,402)
Net cash used in financing activities		**(3,985,094)**	(2,730,642)
Net (decrease) / increase in cash and cash equivalents		**(112,032)**	935,801
Cash and cash equivalents at beginning of the year		**(135,091)**	(1,070,892)
Cash and cash equivalents at end of the year	36	**(247,123)**	(135,091)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Jehangir Shah
Director & Chairman
Board Audit Committee

Salman Najeeb
Chief Financial Officer

Yousuf H. Mirza
Chief Executive Officer

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. STATUS AND NATURE OF BUSINESS

International Industries Limited ("the Company") was incorporated in Pakistan on March 1, 1948 under the Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The Company is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, structural hollow sections , stainless steel tubes , polymer pipes & fittings. The Company also offers customized construction solution services. The registered office of the Company is situated at 101-107 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

The manufacturing facilities of the Company are situated as follows:

i) LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi;
ii) Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi; and
iii) 22 KM Sheikhupura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhupura.

The sales offices and warehouse of the Company are situated as follows:

i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
ii) Office no. 708-A, United Mall, Abdali Road, Multan;
iii) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
iv) Plot no. 9, Stree no.1, Ibrahim Tower,Business Park, Gulberg Green, Islamabad; and
v) Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries and associates have been accounted for at cost less accumulated impairment losses, if any. Details of the Company's investment in subsidiaries and associated companies are stated in note 6 to these unconsolidated financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (Gratuity Fund) which is determined on the basis of the present value of defined benefit obligations less fair value of plan assets determined by an independent actuary and land and buildings at revalued amounts assessed by an independent valuer.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4 Use of estimates and judgements

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in future periods are described in the following notes:

- Property, plant and equipment (note 3.1)
- Trade debts, advances and other receivables (note 3.4.2.1)
- Stores and spares (note 3.6)
- Stock-in-trade (note 3.7)
- Taxation (note 3.8)
- Staff retirement benefits (note 3.10)
- Impairment (note 3.15)
- Provisions (note 3.16)
- Contingent liabilities (note 3.17)

2.5 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 1, 2024. However, these do not have any significant impact on the Company's financial statements and therefore are not stated in these unconsolidated financial statements except as for:

Amendment to IAS 1 - Non - current liabilities with covenants:

An amendment to IAS 1 'Presentation of Financial Statements' (IAS-1) was introduced addressing the classification of non-current liabilities subject to covenants. This amendment clarifies that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendment also mandates specific disclosures if a liability is classified as non-current but is subject to covenants that must be complied with within twelve months of the reporting date.

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

There is a standard 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 1, 2025. The following amendments and standard have not been early adopted by the Company:

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. 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.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):

These amendments:

- 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 cashflows (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).

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material accounting policies and methods of computations adopted in the preparation of these unconsolidated financial statements are same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2024.

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except freehold land, leasehold land and buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold and leasehold lands are stated at revalued amounts, and buildings on freehold and leasehold lands are stated at revalued amounts less accumulated depreciation and impairment loss, if any. The value assigned to leasehold lands is not amortized as the respective leases are expected to be renewed for further periods on payment of relevant rentals.

The costs of property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

(c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the Unconsolidated Statement of Profit or Loss as an expense when it is incurred.

Depreciation

Depreciation on all items except for land is charged on straight line method at the rates specified in note 4.1 to the unconsolidated financial statements and is generally recognised in the Unconsolidated Statement of Profit or Loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation surplus

Revaluation of land and buildings is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of land and buildings is recognised, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the Unconsolidated Statement of Profit or Loss, in which case the increase is first recognised in the Unconsolidated Statement of Profit or Loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset and all other decreases are charged to Unconsolidated Statement of Profit or Loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the Unconsolidated Statement of Profit or Loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to unappropriated profit.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the Unconsolidated Statement of Profit or Loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to unappropriated profit.

3.1.2 Capital work-in-progress (CWIP)

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building are also classified under capital work-in-progress.

3.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding one year are recognised as an intangible asset.

Indefinite intangible

These are stated at cost less impairment, if any.

Definite intangible

a) These are stated at cost less accumulated amortisation and impairment, if any;

b) These are amortised on straight line basis over the estimated useful life(s) of these assets (refer note 5); and

c) Amortisation on additions during the year is charged from month in which the asset is intended to be used, whereas no amortisation is charged from the month the asset is disposed-off.

3.3 Investments

Investments in subsidiaries

Investments in subsidiaries are initially stated at cost less impairment, if any. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in the Unconsolidated Statement of Profit or Loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the Unconsolidated Statement of Profit or Loss.

Investments in associates

Investments in associates are initially stated at cost less impairment, if any. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in the Unconsolidated Statement of Profit or Loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the Unconsolidated Statement of Profit or Loss.

3.4 Financial instruments

3.4.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

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

Subsequent measurement

Debt Investments at FVOCI	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 recognised in the Unconsolidated Statement of Profit or Loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the Unconsolidated Statement of Profit or Loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Unconsolidated 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 recognised in other comprehensive income and are never reclassified to the Unconsolidated Statement of Profit or Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the Unconsolidated Statement of Profit or Loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the Unconsolidated Statement of Profit or Loss

3.4.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances, other receivables and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.4.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off where there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss details of which are disclosed in note 3.15.1.

3.4.2.2 Cash and cash equivalents

For the purpose of presentation in the Unconsolidated Statement of Cash Flows, cash and cash equivalents comprise cash in hand, balances with banks on current, savings and deposit accounts, short-term investments with original maturities of three months or less and short-term finance availed by the Company, which are payable on demand form an integral part of the Company's cash management.

3.4.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed dividend, accrued mark-up and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.4.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs, if any. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the Unconsolidated Statement of Profit or Loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

3.4.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

3.4.4 Derivative financial instruments - other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the Unconsolidated Statement of Financial Position at estimated fair value with corresponding effect to Unconsolidated Statement of Profit or Loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.4.5 Derivative financial instruments - cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the Unconsolidated Statement of Profit or Loss. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

3.4.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated 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.

3.5 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.6 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving spares and is recognised in the Unconsolidated Statement of Profit or Loss.

3.7 Stock-in-trade

These are valued at lower of cost and net realisable value. Cost is determined under the weighted average basis. Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Raw materials in transit comprise of invoice value and other charges incurred thereon till the reporting date. Net realisable value signifies the estimated selling price in the ordinary course of the business less estimated cost of completion and selling expenses. Scrap and by-product is valued at estimated realisable value.

3.8 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Unconsolidated Statement of Profit or Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current tax

Current tax is the expected tax payable on the taxable income or otherwise for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Company at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any.

Deferred tax

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.

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss as these levies fall under the scope of IFRIC 21/IAS 37.

Tax on dividend from subsidiaries, associates and joint ventures are not considered as levy as these dividends are specifically covered by IAS 12.

3.9 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.10 Staff retirement benefits

3.10.1 Defined benefit plan

The Company provides gratuity benefits to all its eligible employees, who have completed their minimum qualifying period of service i.e. three year (except in case of workers where minimum qualifying period of service is six months) except employees who have joined after July 1, 2024. For executives and officers having total service of over twenty years, the benefit is available at one month's basic salary (eligible salary) for each completed year of service. For executives and officers having total service of less than twenty years, the benefit is available at half month's basic salary (eligible salary) for each completed year of service. For workers, the benefit is available at one month's gross salary less conditional allowances (eligible salary) for each completed year of service. The Company's obligation is determined through actuarial valuations carried out under the 'Projected Unit Credit Method'. Remeasurements which comprise actuarial gains and losses are recognised immediately in other comprehensive income. The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) 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-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognised in the Unconsolidated Statement of Profit or Loss. The latest actuarial valuation was conducted at the reporting date by a qualified professional firm of actuaries.

The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

3.10.2 Defined contribution plan

The Company provides provident fund benefits to all its officers. Equal contributions are made, both by the Company and the employees, at the rate of 8.33% of basic salary and cost of living allowance and the same is charged to the Unconsolidated Statement of Profit or Loss.

3.10.3 Compensated absences

The liability for accumulated compensated absences of employees is recognised in the period in which employees render service that increases their entitlement to future compensated absences.

3.11 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the Unconsolidated Statement of Profit or Loss. The exchange gain on export receivable is restricted as per foreign exchange circulars issued by State Bank of Pakistan.

3.12 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due; and

- Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on terms of arrangement.

- Toll manufacturing / partial manufacturing income is recognised at a point in time when related services are rendered.

No element of financing is deemed present as the sales are made with a credit term of up to 180 days, which is consistent with the market practice.

3.13 Other Income

- Income from power generation plant on account of sales of surplus electricity is recognised on transmission of electricity to K-Electric Limited (KE);

- Dividend income is recognised when the right to receive the dividend is established;

- Gains / losses arising on sale of investments are included in the Unconsolidated Statement of Profit or Loss in the period in which they arise; and

- Rental income is recognised on straight line basis over the term of the respective lease agreement.

3.14 Income on bank deposits and finance cost

The Company's finance income and finance cost includes interest income and interest expense. Interest income or expense is recognised using the effective interest method.

3.15 Impairment

3.15.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- 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 debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 60 months before June 30, 2025 or July 1, 2024 respectively 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 receivables. 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.

A financial asset is considered in default when the counterparty fails to make contractual payments within one year of when they fall due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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

3.15.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, stock-in-trade and stores and spares 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 in 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 recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Unconsolidated Statement of Profit or Loss.

3.16 Provisions

A provision is recognised in the Unconsolidated Statement of Financial Position 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. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. The nature of provision is not stated in the financial statements where such is expected to materially prejudice company's position, as allowed under the applicable accounting framework.

3.17 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, 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 the Company has a present legal or constructive 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.

3.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. The management monitors the operating results of its products (i.e. Steel and Polymer pipes) separately for the purposes of making decisions regarding resource allocation and performance assessment. Further, due to significant returns from its investment in subsidiaries and associated companies, the management monitors returns from its strategic investments separately. Accordingly, investments has also been identified as a reportable segment.

3.19 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

3.20 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognised and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit, that is the government grant, is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.21 Leasing arrangements

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the Unconsolidated Statement of Profit or Loss due to its operating nature.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		(Rupees in '000)	
Operating assets	4.1	12,907,894	12,154,901
Capital work-in-progress (CWIP)	4.2	45,607	84,582
Stores and spares held for capital expenditures - at cost	4.3	6,927	6,983
		12,960,428	12,246,466

4.1 Operating assets

	Land - revalued - note 4.1.2		Buildings - revalued - note 4.1.2		Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	Freehold**	Leasehold	Freehold land	Leasehold land				
	---------- (Rupees in '000) ----------							
Balance as at July 1, 2024								
Cost / revalued amount	709,883	6,440,187	438,549	1,462,265	6,793,365	190,100	240,824	16,275,174
Accumulated depreciation	-	-	-	-	(3,871,444)	(148,993)	(99,836)	(4,120,273)
Net book value (NBV)	709,883	6,440,187	438,549	1,462,265	2,921,921	41,108	140,988	12,154,901
Transfers from CWIP	44,637	-	39,208	7,473	265,861	26,669	106,172	490,020
Surplus / (loss) on revaluation - note 4.1.3	63,695	(167,200)	92,645	914,504	-	-	-	903,644
Disposals - note 4.1.4								
- Cost	-	-	-	-	(52,843)	(6,936)	(48,852)	(108,631)
- Accumulated depreciation	-	-	-	-	52,538	6,061	39,081	97,680
	-	-	-	-	(305)	(875)	(9,771)	(10,951)
Depreciation charge - note 4.1.1	-	-	(47,166)	(172,202)	(340,996)	(22,557)	(46,799)	(629,720)
Balance as at June 30, 2025 (NBV)	**818,215**	**6,272,987**	**523,236**	**2,212,040**	**2,846,481**	**44,345**	**190,590**	**12,907,894**
Gross carrying value as at June 30, 2025								
Cost / revalued amount	818,215	6,272,987	523,236	2,212,040	7,006,383	209,833	298,144	17,340,838
Accumulated depreciation*	-	-	-	-	(4,159,902)	(165,488)	(107,554)	(4,432,944)
Net book value	**818,215**	**6,272,987**	**523,236**	**2,212,040**	**2,846,481**	**44,345**	**190,590**	**12,907,894**
Depreciation rates (% per annum)	-	-	**3 - 10**	**1 - 20**	**2 - 50**	**6 - 33.3**	**20 - 33.3**	
Balance as at July 1, 2023								
Cost / revalued amount	706,870	4,230,765	444,512	1,825,116	6,292,052	170,528	184,437	13,854,280
Accumulated depreciation	-	-	(45,626)	(186,639)	(3,551,933)	(131,456)	(76,161)	(3,991,815)
Net book value (NBV)	706,870	4,230,765	398,886	1,638,477	2,740,119	39,072	108,276	9,862,465
Transfers from CWIP	-	-	103,832	16,985	538,651	21,306	81,629	762,403
Surplus / (loss) on revaluation	50,000	2,209,422	(17,780)	(9,829)	-	-	-	2,231,813
Disposals								
- Cost / revalued amount	(46,987)	-	(3,525)	-	(37,338)	(1,733)	(25,242)	(114,825)
- Accumulated depreciation	-	-	619	-	37,238	1,685	16,459	56,001
	(46,987)	-	(2,906)	-	(100)	(48)	(8,783)	(58,824)
Depreciation charge - note 4.1.1	-	-	(43,483)	(183,368)	(356,749)	(19,222)	(40,134)	(642,956)
Balance as at June 30, 2024 (NBV)	709,883	6,440,187	438,549	1,462,265	2,921,921	41,108	140,988	12,154,901
Gross carrying value as at June 30, 2024								
Cost / revalued amount	709,883	6,440,187	438,549	1,462,265	6,793,365	190,100	240,824	16,275,174
Accumulated depreciation*	-	-	-	-	(3,871,444)	(148,993)	(99,836)	(4,120,273)
Net book value	709,883	6,440,187	438,549	1,462,265	2,921,921	41,108	140,988	12,154,901
Depreciation rates								
(% per annum)	-	-	2 - 50	2 - 50	3 - 50	10 - 33.3	20	

* Accumulated depreciation of buildings has been adjusted against the gross carrying amount of the assets using the elimination approach to incorporate the revaluation impact.

** Addition in freehold land represents commercial plot acquired against a settlement of customer balance amounting to Rs. 40.03 million (non-cash transaction for cash flow purposes).

4.1.1 The depreciation charge for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Cost of sales	26	592,665	606,118
Selling and distribution expenses	27	18,603	17,788
Administrative expenses	28	18,452	16,103
Loss from power generation	31.3	-	2,947
		629,720	642,956

4.1.2 Particulars of immovable property (i.e. land and building) in the name of the Company and related forced sales values are as follows:

Particulars	Location	Area of land (Acres)	Covered Area (Square Feet)	Forced sales value (Rupees in '000)
Leasehold Land and Building (Manufacturing plant)	Plot no. LX15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14 Landhi Industrial Estate, Karachi	25.59	815,879	5,134,202
Leasehold Land and Building (Manufacturing plant)	22 KM Sheikhupura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhupura	30.24	339,810	1,391,838
Freehold Land and Building (Manufacturing plant)	Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi	10	291,852	975,785
Leasehold Building (Office premises)	Office no. 101 - 107, 1st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi	Not applicable	11,544	218,809
Leasehold Building (Sales office premises)	Chinoy House, 2nd and 3rd Floor, Bank Square, Off Thornton Road, Hadbast Mouza Khas, Lahore	Not applicable	8,420	43,173
Freehold Land and Building (Sales godown)	Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore	0.17	6,300	63,776
Freehold Land (Commercial Plot)	Plot no. 19, 9th Avenue, Precinct-7, Bahria Town, Karachi	0.05	2,250	33,600
				7,861,183

4.1.3 The revaluation of freehold land and buildings thereon was carried out as of June 30, 2025 by MYK Associates (Private) Limited (an independent valuer who is located in Karachi) on the basis of their professional assessment of present market values based on their methodology for estimating the cost of land of similar nature, size and location including consideration of cost of acquisition or construction net of diminution owing to depreciation, keeping in view the current condition. The revaluation resulted in a surplus of revaluation amounting to Rs. 903.64 million which was incorporated in the books of the Company as at June 30, 2025.

The Company commissioned independent valuation of freehold land, leasehold land and buildings thereon during the years / periods ended June 30, 1988, June 30, 1997, June 30, 2000, June 30, 2004, December 31, 2007, June 30, 2013, June 30, 2016, June 30, 2019, June 30, 2022, June 30, 2024 and June 30, 2025.

The carrying amount of the aforementioned assets as at June 30, 2025, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
	---------------- (Rupees in '000)	----------------	
Freehold land	**174,627**	**-**	**174,627**
Leasehold land	**725,144**	**-**	**725,144**
Buildings	**1,736,321**	**(964,591)**	**771,730**
As at June 30, 2025	**2,636,092**	**(964,591)**	**1,671,501**
As at June 30, 2024	2,544,772	(858,396)	1,686,376

4.1.4 Details of property, plant and equipment disposed off having book value of five hundred thousand rupees or more each are as follows:

Asset category	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	---------------- (Rupees in '000)	----------------						
Vehicles								
Honda City AHD-923	2,955	1,428	1,527	3,706	2,179	Negotiation	Ittahed Motors	Open Market
Suzuki Alto ADV-896	1,395	837	558	2,075	1,517	As per Policy	Mr. Aamir Dilshad	Employee
Suzuki Cultus BVC-304	1,655	965	690	2,330	1,640	Negotiation	Ittahed Motors	Open Market
Suzuki Cultus BVE-564	1,655	965	690	2,194	1,504	As per Policy	Mr. Javed Akhtar	Employee
Toyota Corolla Altis-BXP-082	3,581	1,731	1,850	4,690	2,840	As per Policy	Mr. Salman Najeeb	Employee
Toyota Corolla BWU-383	2,926	1,561	1,365	3,409	2,044	As per Policy	Mr. Asad Ullah Tahir	Employee
Suzuki Cultus AMB-868	2,754	1,469	1,285	2,316	1,031	As per Policy	Mr. Saqib Siddique	Employee
Total	**16,921**	**8,956**	**7,965**	**20,720**	**12,755**			

4.1.5 Operating fixed assets include fully depreciated assets having cost of Rs. 1,007 million (2024: Rs. 897.38 million).

4.2 Capital work-in-progress (CWIP)

	2025				2024			
	As at July 1, 2024	Additions	Transfers	As at June 30, 2025	As at July 1, 2023	Additions	Transfers	As at June 30, 2024
	---------------- (Rupees in '000)	----------------						
Freehold land	**-**	**44,637**	**(44,637)**	**-**	-	-	-	-
Buildings on freehold land	**-**	**46,225**	**(39,208)**	**7,017**	-	103,832	(103,832)	-
Buildings on leasehold land	**365**	**9,184**	**(7,473)**	**2,076**	641	16,709	(16,985)	365
Plant and machinery	**80,063**	**206,197**	**(265,861)**	**20,399**	59,757	558,957	(538,651)	80,063
Furniture, fixtures and office equipment	**4,154**	**38,630**	**(26,669)**	**16,115**	3,034	22,425	(21,306)	4,154
Vehicles	**-**	**106,172**	**(106,172)**	**-**	43	81,586	(81,629)	-
	84,582	**451,045**	**(490,020)**	**45,607**	63,475	783,509	(762,403)	84,582

		Note	2025	2024
			(Rupees in '000)	
4.3	**Stores and spares held for capital expenditures - at cost**			
	Net book value (NBV) at beginning of the year		6,983	7,971
	Additions during the year		12,487	9,410
	Transfers made during the year		(12,543)	(10,398)
	NBV at end of the year		6,927	6,983
5.	**INTANGIBLE ASSETS**			
	Operating intangible assets	5.1	612	1,584
5.1	**Operating intangible assets**			
	Net book value at beginning of the year		1,584	2,481
	Additions		-	481
	Amortisation	5.1.2	(972)	(1,378)
	Balance at end of the year		612	1,584
	Gross carrying value as at June 30			
	Cost		80,679	80,679
	Accumulated amortisation		(80,067)	(79,095)
	Net book value		612	1,584
			------------- Percent -------------	
	Amortisation rate (per annum)		33.33	33.33

5.1.1 Intangible assets comprise of computer software and licenses.

		Note	2025	2024
			(Rupees in '000)	
5.1.2	The amortisation expense for the year has been allocated as follows:			
	Cost of sales	26	160	207
	Selling and distribution expenses	27	424	483
	Administrative expenses	28	388	688
			972	1,378

6 INVESTMENTS

2025	2024		Note	2025	2024
(Number of shares)				(Rupees in '000)	
Quoted Companies					
245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company, at cost	6.1	2,450,555	2,450,555
9,325,438	8,477,671	Pakistan Cables Limited (PCL) - associated company, at cost	6.2	817,553	817,553
Un-quoted Companies					
150,000	150,000	IIL Americas Inc. (IIL Americas) - subsidiary company, at cost	6.4	17,966	17,966
100,000	100,000	IIL Australia Pty. Limited (IIL Australia) - subsidiary company, at cost	6.5	9,168	9,168
7,727,270	7,727,270	IIL Trading (Private) Limited (Formerly IIL Construction Solutions (Private) Limited) - subsidiary company, at cost	6.6	77,273	77,273
4,845,000	-	Chinoy Engineering & Construction (Private) Limited (CECL) - associated company, at cost	6.7	48,450	-
90,000	-	INIL Europe Limited - subsidiary company, at cost	6.8	27,415	-
				3,448,380	3,372,515

6.1 The Company holds 56.33% (2024: 56.33%) ownership interest in ISL. The Chief Executive Officer of ISL is Mr. Samir Chinoy. The price per share of ISL as at reporting date was Rs. 92.70 (2024: Rs. 84.55) resulting in a market value of total investment amounting to Rs. 22,716.65 million (2024: Rs. 20,719.44 million). ISL has a registered office situated at 101 Beaumont Plaza, Beaumont Road, Karachi.

6.1.1 The Company has pledged 500,000 shares of International Steels Limited in the Honourable Sindh High Court as explained in note 24.1.2.

6.2 The Company holds 17.124% (2024: 17.124%) ownership interest in PCL. The registered office of PCL is situated in Karachi. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Company considers it has significant influence over PCL as, in addition to its holding, the Chairman of the Board of the Company is also the Chairman of the Board of PCL. The price per share of PCL as at reporting date was Rs. 146.88 (2024: Rs. 155.17) resulting in a market value of total investment amounting to Rs. 1,369.72 million (2024: Rs. 1,315.48 million).

6.3 Market values of the investments disclosed in note 6.1 and 6.2 are categorised as level 1 fair value measurement in accordance with IFRS 13 'Fair Value Measurement'.

6.4 The Company holds 100% (2024: 100%) ownership interest in IIL Americas. The Chief Executive Officer of IIL Americas is Mr. Aslam Sadurdidin. IIL Americas has a registered office situated at Suite 210, 5800 Ambler Drive Mississauga, ON L4W 4J4, Canada. The Company has invested CAD 150,000 (2024: CAD 150,000) in IIL Americas as at year end. The book value of IIL Americas based on the financial statements as at June 30, 2025 is CAD (1,606,025) Rs. (333.18 million) [2024: CAD (972,372) (Rs. (197.09 million))].

6.5 The Company holds 100% (2024: 100%) ownership interest in IIL Australia. The Chief Executive Officer of IIL Australia is Mr. Sohail R. Bhojani. The Company has a registered office situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia. The latest available financial statements are prepared on going concern basis. IIL Australia has been audited by KST Partners Chartered Accountants and they have expressed an unqualified opinion on the financial statements of the subsidiary. The Company has invested AUD 100,000 (2024: AUD 100,000) in IIL Australia as at year end. The book value of IIL Australia based on the financial statements as at June 30, 2025 is AUD 711,570 (Rs. 131.97 million) [2024: AUD 962,974 (Rs. 177.49 million)].

6.6 The Company holds 100% (2024: 100%) ownership interest in IIL Trading (Pvt) Ltd [Formerly IIL Construction Solutions (Private) Limited] amounting to Rs. 77.3 million (2024: Rs. 77.3 million). IIL Trading (Pvt) Ltd has its registered office situated at 101, Beaumont Plaza, 10, Beaumont Road, Karachi - 75530. The principal business activity of this subsidiary is engaged in trading business, carrying out distribution and marketing of construction materials, power / hand tools, contruction chemicals and other accessories and materials. The Chief Executive Officer of IIL Trading (Pvt) Ltd is Mr. Zain Chinoy. The book value of IIL Trading (Pvt) Ltd based on the financial statements as at June 30, 2025 is Rs. 29.65 million (2024: Rs. 99.97 million).

6.7 The Company holds a 17% (June 30, 2024: Nil) ownership interest in CECL. The Chief Executive Officer of CECL is Mr. Hamid Rashid. The Company considers it has significant influence over CECL as, in addition to its holding, the companies have common directorships. The Holding Company has made investment in CECL amounting to Rs. 48.45 million. The remaining shareholding of CECL is owned by International Steels Limited (17%), Pakistan Cables Limited (17%) and ASCG Engineering (49%). The book value of CECL based on the unaudited financial statements as at March 31, 2025 is Rs. 517.32 million (2024: Nil).

CECL is incorporated in Pakistan and is engaged in the business of construction industry, encompassing a range of activities including design, construction, demolition and infrastructure development.

6.8 The Company holds 100% (2024: NIL) ownership interest in INIL Europe Limited amounting to Rs. 27.42 million (2024: NIL). INIL Europe Limited has its registered office and principal place of business is Ground Floor, 71 Baggot Street Lower, Dublin 2, D02P593, Ireland.The Company has invested EUR 90,000 (2024: NIL) in INIL Europe Limited as at year end. The book value of INIL Europe Limited based on the financial statements as at June 30, 2025 is EUR 55,867 (Rs. 18.58 million) [2024: NIL (Rs. NIL)].

6.9 The above investments have been made in accordance with the requirements of Companies Act, 2017.

7. DEFERRED TAXATION - NET

	Accelerated tax depreciation	Surplus on revaluation of buildings	Provision for infrastructure cess	Loss allowance on trade debts	Provision for compensated absences	Staff retirement benefits	Gas Infrastructure Development Cess	Minimum Tax - note 7.2	Tax loss - note 7.2	Provision for long term & trade deposit	Provision for stores & spares	Provision for WPPF	Total
	(Rupees in '000)												
Balance at July 1, 2024	**(518,026)**	**(413,831)**	**491,661**	**91,330**	**3,482**	**28,729**	**(758)**	**158,567**	**147,136**	**1,768**	**35,322**	**10,117**	**35,496**
(Charge) / credit to profit or loss for the year	**9,686**	**44,138**	**86,060**	**(3,731)**	**(1,142)**	**(11,282)**	**758**	**2,109**	**(26,332)**	**-**	**895**	**-**	**101,159**
(Charge) / credit to other comprehensive income for the year	**-**	**(392,788)**	**-**	**-**	**-**	**(49,520)**	**-**	**-**	**-**	**-**	**-**	**-**	**(442,308)**
Balance at June 30, 2025	**(508,340)**	**(762,481)**	**577,721**	**87,599**	**2,340**	**(32,073)**	**-**	**160,676**	**120,804**	**1,768**	**36,217**	**10,117**	**(305,653)**
Balance at July 1, 2023	(407,263)	(384,846)	342,445	66,500	2,041	52,518	(5,502)	152,504	147,136	-	-	-	(34,468)
(Charge) / credit to profit or loss for the year	(110,763)	52,232	149,216	24,830	1,441	9,863	4,744	6,063	-	1,768	35,322	10,117	184,833
(Charge) / credit to other comprehensive income for the year	-	(81,217)	-	-	-	(33,652)	-	-	-	-	-	-	(114,869)
Balance at June 30, 2024	(518,026)	(413,831)	491,661	91,330	3,482	28,729	(758)	158,567	147,136	1,768	35,322	10,117	35,496

7.1 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 Unconsolidated Statement of Financial Position.

7.2 The deferred tax asset on minimum tax and tax loss will be recoverable based on the estimated future taxable income and approved business plans and budgets.

7.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including steel, are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million would be liable to pay super tax at 10%. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

8. STORES AND SPARES

	Note	2025	2024
		(Rupees in '000)	
Stores		211,766	221,350
Spares		55,744	49,833
Loose tools		11,449	14,705
		278,959	285,888
Less: Provision for obsolescence	8.1	(92,864)	(90,570)
		186,095	195,318

8.1 Provision for obsolescence

		2025	2024
Balance as at 1 July		90,570	60,888
Provision during the year		2,294	29,682
Balance as at 30 June		92,864	90,570

9. STOCK-IN-TRADE

	Note	2025	2024
Raw material - in hand	9.1 & 9.2	2,465,317	4,533,554
- in transit		1,654,785	670,681
		4,120,102	5,204,235
Work-in-process	9.3	1,429,708	996,717
Finished goods	9.4	2,207,770	3,446,490
By-products		104,742	34,404
Scrap material		71,115	215,508
		7,933,437	9,897,354

9.1 Raw material amounting to Rs. 3.1 million as at June 30, 2025 (2024: Rs. 1.7 million) was held at a vendor's premises for the production of pipe caps.

9.2 Raw material include items amounting to Rs. 10.06 million as at June 30, 2025 (2024: Rs. 28.59 million) stated at their net realisable values against their cost of Rs. 10.48 million (2024: Rs. 32.61 million).

9.3 Work-in-process include items amounting to Rs. 21.34 million as at June 30, 2025 (2024: Rs. 20.90 million) stated at their net realisable values against their cost of Rs. 22.03 million (2024: Rs. 23.59 million).

9.4 Finished goods include items amounting to Rs. 100.99 million as at June 30, 2025 (2024: Rs. 201.60 million) stated at their net realisable values against their cost of Rs. 109.49 million (2024: Rs. 218.78 million).

10. TRADE DEBTS

	Note	2025	2024
		(Rupees in '000)	
Considered good - secured	10.1	201,474	200,190
- unsecured		3,928,046	4,798,078
		4,129,520	4,998,268
Considered doubtful		224,613	234,180
		4,354,133	5,232,447
Loss allowance on trade debts	10.3	(224,613)	(234,180)
		4,129,520	4,998,267

10.1 These includes trade debts arising on account of export sales of Rs. 198.81 million (2024: Rs. 200.19 million) which are secured by way of export Letters of Credit.

10.2 Related parties from whom trade debts are due as at the reporting date are as under:

	2025	2024
	(Rupees in '000)	
IIL Australia Pty Limited	1,151,993	1,404,578
IIL Americas Inc.	840,752	979,547
Pakistan Cables Limited	15,438	39,365
IIL Trading (Private) Limited	491,911	-
INIL Europe Limited	41,160	-
Chinoy Engineering & Construction Limited	16,502	-
	2,557,756	2,423,490

10.2.1 The maximum aggregate amount due from the related parties at any time during the year calculated by reference to month-end balances is Rs. 2,575.45 million (2024: Rs. 2,862.35 million). Company's fully wholly subsidiaries, IIL Americas and IIL Australia, have obtained credit insurance on their debtors.

10.2.2 The ageing of trade debts from related parties as at the reporting date is as under:

	Note	2025	2024
		(Rupees in '000)	
Not yet due		450,674	488,037
Past due 1 - 60 days		464,896	209,530
Past due 61 - 180 days		613,513	1,033,555
Past due 181 - 365 days		1,028,673	692,368
		2,557,756	2,423,490
10.3 Loss allowance on trade debts			
Balance at beginning of the year		234,180	178,881
(Reversal) / charge of loss allowance on trade debts		(2,122)	55,299
Write-off during the year		(7,445)	-
Balance at end of the year		224,613	234,180

11. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

	Note	2025	2024
Considered good - unsecured			
- Suppliers	11.1	31,975	33,859
- Employees for business related expenses	11.1	9,624	2,218
Trade deposits	11.1	8,662	10,203
Prepayments		23,649	12,747
		73,910	59,027

11.1 These advances and trade deposits are non interest bearing.

12. OTHER RECEIVABLES

	Note	2025	2024
		(Rupees in '000)	
Receivable from Provident Fund - unsecured	12.1	40,620	28,576
Others		2,784	9,794
		43,404	38,370
Considered doubtful			
Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods		25,940	25,940
		69,344	64,310
Provision for receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in prior periods		(25,940)	(25,940)
		43,404	38,370

12.1 This represents amount receivable from International Industries Limited - Employees' Contributory Provident Fund, a related party.

13. STAFF RETIREMENT BENEFITS

13.1 Defined contribution plan

Staff Provident Fund

All investments in collective investment schemes, listed equity and listed debt securities out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

13.2 Defined benefit scheme

Staff Gratuity Fund

13.2.1 As stated in note 3.10, the Company operates approved funded defined benefit gratuity plan for all eligible employees meeting the specified criteria and defined contribution plan for all active employees subject to minimum service of prescribed period as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2025.

13.2.2 Plan assets held in trust are governed by local regulations which mainly include Sindh Trusts Act, 2020; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints trustees from among its employees.

13.2.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 3, 5 or 10 year Regular Income Certificates, Defence Savings Certificates and Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

13.2.4 Funding

The gratuity plan is fully funded by the Company. The funding requirements are based on the Gratuity Fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

13.2.5 The actuarial valuation of gratuity was carried out at June 30, 2025 under projected unit credit method using the following significant assumptions:

		2025	2024
		per annum	
Financial Assumptions			
Discount Rate		11.75%	14.00%
Salary increase rate			
First year	- Unionized staff	11.75%	14.00%
First year	- Management	10.75%	13.00%
Long term	- Unionized staff	11.75%	14.00%
Long term	- Management	10.75%	13.00%
Demographic Assumptions			
Mortality rate		SLIC 2001-05-1	SLIC 2001-05-1
Rates of employee turnover	- Unionized staff	Light	Light
Rates of employee turnover	- Management	Moderate	Moderate
Retirement assumption		Age 60 years	Age 60 years

13.2.6 The amounts recognised in Unconsolidated Statement of Financial Position are as follows:

	Note	2025	2024
		(Rupees in '000)	
Present value of defined benefit obligation	13.2.9	749,857	748,206
Fair value of plan assets	13.2.10	(832,097)	(674,542)
(Surplus) / deficit at end of the year		(82,240)	73,664

13.2.7 Movements in the net defined benefit liability

	Note	2025	2024
Balance at beginning of the year		73,664	165,520
Expense chargeable to Unconsolidated Statement of Profit or Loss	13.2.8	60,064	72,000
Contribution paid during the year		(88,994)	(48,000)
Re-measurements recognised in other comprehensive income during the year	13.2.8.1	(126,974)	(115,856)
Balance at end of the year		(82,240)	73,664

13.2.8 Amount recognised in total comprehensive income

The following amounts have been charged in respect of these benefits to Unconsolidated Statement of Profit or Loss and Unconsolidated Statement of Comprehensive Income:

	2025	2024
	(Rupees in '000)	
Component of defined benefit costs recognised in profit or loss		
Service cost		
Current service cost	50,404	46,076
Interest cost on defined benefit obligation	104,280	108,526
Return on plan assets	(94,620)	(82,602)
	9,660	25,924
	60,064	72,000
Component of defined benefit costs (re-measurement) recognised in other comprehensive income		
Actuarial gain on obligation	(70,577)	(40,941)
Actuarial gain on plan assets	(56,397)	(74,915)
Total re-measurements recognised in other comprehensive income	(126,974)	(115,856)
Total defined benefit cost recognised in profit or loss and other comprehensive income	(66,910)	(43,856)

13.2.8.1 Analysis of remeasurements recognised in other comprehensive income

	2025	2024
Re-measurements: Actuarial loss on obligation		
Gain due to change in financial assumptions	(6,411)	(35,610)
Loss due to change in demographic assumptions	-	4,683
Gain due to change in experience adjustments	(64,166)	(10,013)
Total actuarial gain on obligation	(70,577)	(40,940)
Re-measurements: Actuarial loss on plan assets		
Actual return on plan assets	(157,316)	(158,490)
Interest income on plan assets	94,620	82,602
Opening difference	6,299	972
Total actuarial gain on plan assets	(56,397)	(74,916)
	(126,974)	(115,856)

13.2.9 Movements in the present value of defined benefit obligation

	2025	2024
Present value of defined benefit obligation at beginning of the year	748,206	683,539
Current service cost	50,404	46,076
Interest cost	104,280	108,526
Benefits paid	(82,456)	(48,994)
Re-measurements: Actuarial gain on obligation	(70,577)	(40,941)
Present value of defined benefit obligation	749,857	748,206

13.2.10 Movements in the fair value of plan assets

	2025	2024
Fair value of plan assets at beginning of the year	674,542	518,019
Interest income on plan assets	94,620	82,602
Contribution to the fund	88,994	48,000
Benefits paid	(82,456)	(48,994)
Re-measurements: Actuarial gain on plan assets	56,397	74,915
Fair value of plan assets	832,097	674,542

	2025	2024
13.2.11 Analysis of present value of defined benefit obligation	(Rupees in '000)	
Vested / non-vested		
Vested benefits	740,075	742,283
Non-vested benefits	9,782	5,923
	749,857	748,206
Type of benefits earned to date		
Accumulated benefit obligation	301,754	267,157
Amounts attributed to future salary increases	448,103	481,049
	749,857	748,206
13.2.12 Disaggregation of fair value of plan assets		
Cash and cash equivalents (after adjusting current liabilities)	10,445	33,650
Equity instruments - listed	214,504	177,289
Debt instruments		
Pakistan Investment Bonds	201,887	158,682
Market Treasury Bills	197,380	39,326
Defence Saving Certificates	207,881	265,595
	832,097	674,542

13.2.13 The Company ensure asset / liability matching by investing in government securities, bank deposits and equity securities and does not use derivatives to manage its risk.

	2025	2024
13.2.14 Maturity profile of the defined benefit obligation	(Year)	
Weighted average duration of the defined benefit obligation	9.88	9.81

	2025	2024
Distribution of timing of benefit payments	(Rupees in '000)	
One year	54,707	57,348
Two years	76,595	63,993
Three years	73,394	80,305
Four years	45,399	81,013
Five years	109,541	51,994
Six years to ten years	410,253	533,685

13.2.15 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2025	2024
	(Rupees in '000)	
Discount rate + 1%	681,188	680,155
Discount rate - 1%	830,155	827,815
Long term salary increases + 1%	832,545	830,112
Long term salary increases - 1%	678,115	677,186

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

13.2.16 The Company contributes to the pension and gratuity funds on the advice of the funds' actuary. The expense in relation to gratuity benefit for the year ending June 30, 2026 is expected to be Rs. 40.77 million.

14. CASH AND BANK BALANCES

	Note	2025	2024
		(Rupees in '000)	
Cash at bank			
Conventional			
Current accounts - local currency		158,218	108,435
- foreign currency		360,598	242,769
Savings accounts - local currency	14.1 & 14.2	279,287	30,000
		798,103	381,204
Islamic			
Savings accounts - local currency	14.1	-	112
Current accounts - local currency		14	-
		798,117	381,316
Cash in hand		4,464	3,401
		802,581	384,717

14.1 As at June 30, 2025, the rates of mark up / profit on savings accounts range from 8.00% to 19.00% (2024: from 11.01% to 19.00%) per annum.

14.2 This includes Rs. 279.25 million (2024: Rs. 30 million) held as margin in a restricted account against bank guarantee issued in favor Excise and Taxation Officer in respect of infrastructure cess.

15. ISSUED, SUBCRIBED AND PAID UP CAPITAL

Authorised share capital

2025	2024		2025	2024
(Number of shares)			(Rupees in '000)	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	200,000,000	200,000,000

Issued, subscribed and paid-up capital

2025	2024		2025	2024
(Number of shares)			(Rupees in '000)	
6,769,725	6,769,725	Fully paid ordinary shares of Rs. 10 each issued for cash	6,769,725	6,769,725
125,112,155	125,112,155	Fully paid ordinary shares of Rs.10 each issued as bonus shares	125,112,155	125,112,155
131,881,880	131,881,880		131,881,880	131,881,880

15.1 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.

16. GENERAL RESERVE

General reserve is maintained for fulfilling various business needs including meeting contingencies, offsetting future losses, enhancing the working capital and paying dividends.

	Note	2025	2024
		(Rupees in '000)	
17. REVALUATION SURPLUS			
Freehold land			
Balance at beginning of the year		597,401	564,908
Surplus on revaluation of freehold land		63,695	50,000
Disposal of land		-	(17,507)
Balance at end of the year		661,096	597,401
Leasehold land			
Balance at beginning of the year		5,715,043	3,505,620
(Deficit) / surplus on revaluation of leasehold land		(167,200)	2,209,423
Balance at end of the year		5,547,843	5,715,043
Buildings			
Balance at beginning of the year		1,069,571	1,222,645
Surplus / (loss) on revaluation of buildings		1,007,149	(27,609)
Disposal of building		-	(2,258)
Transferred to retained earnings (un-appropriated profit) in respect of incremental depreciation charged during the year		(113,174)	(123,207)
		1,963,546	1,069,571
Related deferred tax liability	17.2	(762,481)	(413,831)
Balance at end of the year - net of deferred tax		1,201,065	655,740
		7,410,004	6,968,184

17.1 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 241 of the Companies Act, 2017.

	Note	2025	2024
17.2 Movement in related deferred tax liability		**(Rupees in '000)**	
Balance at beginning of the year		**413,831**	384,846
Deferred tax for the year		**392,788**	(10,768)
Effect of change in Normal Tax Regime ratio		**-**	91,985
Tax effect on disposal of buildings		**-**	(4,181)
Tax effect on incremental depreciation transferred to unappropriated profit		**(44,138)**	(48,051)
Balance at end of the year		**762,481**	413,831

18. LONG-TERM FINANCING - secured

	Note	2025	2024
Conventional			
Long-Term Finance Facility (LTFF)	8.2	**281,875**	387,410
Long-Term Finance		**-**	145,455
		281,875	532,865
Islamic			
Diminishing Musharakah	18.3	**-**	3,011,364
Islamic Long-Term Finance Facility (ILTFF)	18.4	**69,474**	84,331
Islamic Temporary Economic Refinance Facility (ITERF)	18.5	**200,728**	226,858
Islamic Finance Facility for Renewable Energy (IFRE)	18.6	**66,667**	75,556
		336,869	3,398,109
		618,744	3,930,974
Less: Deferred income - government grant	19	**(30,035)**	(39,512)
Less: Current portion of long-term financing			
Conventional			
Long-Term Finance Facility (LTFF)		**(72,025)**	(108,406)
Long-Term Finance		**-**	(145,455)
		(72,025)	(253,861)
Islamic			
Diminishing Musharakah		**-**	(311,364)
Islamic Long-Term Finance Facility (ILTFF)		**(14,859)**	(14,859)
Islamic Temporary Economic Refinance Facility (ITERF)		**(30,244)**	(26,130)
Islamic Finance Facility for Renewable Energy (IFRE)		**(8,889)**	(8,889)
		(53,992)	(361,242)
		(126,017)	(615,103)
		462,692	3,276,359

18.1 Long-term finances utilised under mark-up arrangements

	CONVENTIONAL	Sale price	Purchase price	Number of instalments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying amount 2025	Carrying amount 2024
		(Rupees in '000)					(Rupees in '000)	
i)	LTFF							
	MCB Bank Limited							
	Assistance for plant and machinery	550,000	906,963	34 quarterly October 29, 2016	November 18, 2025	3.7% / 5.2% (fixed rate)	26,771	88,288
	MCB Bank Limited							
	Assistance for plant and machinery	100,000	149,976	34 quarterly August 31, 2019	August 31, 2027	3.5% (fixed rate)	27,003	39,396
	MCB Bank Limited							
	Assistance for plant and machinery	100,000	147,862	34 quarterly March 30, 2020	June 30, 2028	3.5% (fixed rate)	32,961	44,347
	Allied Bank Limited							
	Assistance for plant and machinery	500,000	578,167	16 half yearly December 30, 2023	July 20, 2032	2.5% to 7.5% (fixed rate)	195,140	215,379
							281,875	387,410
iii)	Long-term finance							
	MCB Bank Limited							
	Refinancing of capital expenditure / balancing, modernization and replacement (BMR)	800,000	1,164,316	11 half yearly June 30, 2020	June 28, 2025	0.1 % over 6 months KIBOR	-	145,455
							281,875	532,865
	ISLAMIC							
i)	Diminishing Musharakah							
	Meezan Bank Limited Acquisition of Musharakah assets	250,000	279,978	3 half yearly & 16 quarterly June 30, 2019	July 2, 2024	0.1 % over 3 months KIBOR	-	11,364
	Meezan Bank Limited Acquisition of Musharakah assets	1,688,000	3,022,245	20 quarterly March 29, 2025	Dec 29, 2029	0.1 % over 3 months KIBOR	-	1,688,000
	Meezan Bank Limited Acquisition of Musharakah assets	1,312,000	2,349,043	20 quarterly March 29, 2025	Dec 29, 2029	0.1 % over 3 months KIBOR	-	1,312,000
							-	3,011,364
ii)	ILTFF Habib Bank Limited Acquisition of Musharakah assets	150,000	187,500	16 half yearly February 22, 2022	May 31, 2030	2.5% (fixed rate)	69,474	84,331
iii)	ITERF Habib Bank Limited Assistance for plant and machinery	131,000	163,750	32 quarterly June 28, 2023	April 9, 2031 to June 18, 2031	2% (fixed rate)	87,446	101,858
	Bank Islami Pakistan Limited Assistance for plant and machinery	125,000	156,250	32 quarterly November 06, 2024	May 6, 2031 August 26, 2032	2% (fixed rate)	113,282	125,000
							200,728	226,858
iv)	IFRE Bank Islami Pakistan Limited Assistance for Solar Project	80,000	101,347	32 half yearly March 30, 2024	November 30, 2032	6.0% (fixed rate)	66,667	75,556
							336,869	3,398,109
							618,744	3,930,974

18.1.1 These facilities are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX 15 - 16, HX-7/4 and LX-2, LX 14/13, LX 14/14 Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi.

18.1.2 In relation to above borrowings the Company needs to observe certain financial and non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

18.2 This represents finance facility loan obtained from various banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for plant and machinery in respect of export-oriented projects.

18.3 During the year, the Company opted for early repayment of Diminishing Musharakah loan amounting to Rs. 2,100 million (2024: Nil).

18.4 This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Long Term Finance Facility for plant and machinery in respect of export-oriented projects.

18.5 This represents long-term loans obtained by the Company under SBP's Islamic Temporary Economic Refinance Facility available from various Islamic banks at below-market interest rates.

18.6 This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewabale Energy for solar power project.

18.7 During the year, mark-up paid on conventional and Islamic long term finance amounts to Rs.14.60 million (2024: Rs. 107.71 million) and Rs. 367.57 million (2024: Rs. 628.07 million) respectively.

19. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2025	2024
		(Rupees in '000)	
Balance at beginning of the year		39,512	49,959
Deferred grant recorded:			
Government grant recognised in income	31	(9,477)	(10,447)
Balance at end of the year		30,035	39,512
Less: current portion of deferred income - government grant	20	(8,366)	(9,477)
		21,669	30,035

19.1 This represents deferred grant recognised in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' in respect of SBP's Refinance Scheme for the Islamic Temporary Economic Refinance Facility obtained at concessionary rates. The Company has fulfilled the criteria of the said loans and have accordingly recognised the grant income in the Unconsolidated Statement of Profit or Loss.

20. TRADE AND OTHER PAYABLES

	Note	2025	2024
		(Rupees in '000)	
Trade creditors		322,009	94,452
Bills payable		317,780	148,027
Accrued expenses	20.1	951,876	1,070,464
Infrastructure Cess	20.2	1,481,334	1,260,670
Short-term compensated absences		6,000	8,928
Workers' Profit Participation Fund	20.3	2,624	240
Workers' Welfare Fund	20.4	74,242	85,109
Current portion of deferred income - government grant		8,366	9,477
Others		3,279	1,544
		3,167,510	2,678,911

20.1 These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 359.04 million (2024: Rs. 357.09 million).

In the prior year, Supreme Court of Pakistan (SCP) upheld the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) through its judgement dated August 13, 2020 and advised the Government of Pakistan (the GoP) to initiate the gas pipeline project within six months. The SCP on November 2, 2020 ordered that its decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under Section 8(2) of the GIDC Act to the industrial sector are also available. Further, payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 instalments instead of 24 instalments.

The Company has also filed civil suits before Sindh High Court (SHC) on the ground that the Company has not passed on the burden of the Cess. Stay orders were granted in the aforesaid suits, which are operative till the next date of hearing.

Despite the aforesaid order dated August 13, 2020 by the SCP, the GoP did not initiate the gas project within six months. Therefore, during the financial year ended June 30, 2021, the Company has filed a petition with the SHC challenging the validity of the GIDC Act, 2015.

This also includes an accrual against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 86.65 million (2024: Rs. 86.65 million). On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 1, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. The Company preferred an appeal against the said order before the divisional bench.

On March 28, 2024 the divisional bench of the SHC upheld the order of the single judge and ordered for encashment of securities deposited. As advised by the legal advisor, the differential has been deposited with the SSGC under protest.

	2025	2024
	(Rupees in '000)	
20.2 Infrastructure Cess		
Balance at beginning of the year	1,260,670	1,079,268
Charge for the year	220,664	181,402
Balance at end of the year	1,481,334	1,260,670

20.2.1 This represents a liability against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 1,570 million (June 30, 2024: Rs. 1,337 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has increase the rate of Infrastructure Cess to 1.25%. The Company had obtained a stay against this and the ultimate dispute had been linked with the previous Infrastructure Cess case.

The case was decided on June 4, 2021 by the SHC whereby the SHC declared the first four versions of the law unconstitutional and release of bank guarantees was ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 3, 2021. The Company was not in agreement with the above orders and filed an appeal before the Supreme Court of Pakistan (SCP).

On September 1, 2021, the SCP granted a stay order against the operation of the order of SHC dated June 4, 2021, that the bank guarantees already submitted by the Company in pursuant to the order of the SHC is valid and enforceable. The SHC further ordered that imports should be released on submission of fresh bank guarantees equivalent to the duty under the Act.

From July 01, 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

	Note	2025	2024
		(Rupees in '000)	
20.3 Workers' Profit Participation Fund			
Balance at beginning of the year		240	5
Interest on funds utilised in the Company's business - 75% (2024: 75%)	29	17	1
		257	6
Expense for the year		43,124	30,240
		43,381	30,246
Payments made during the year		(40,757)	(30,006)
Balance at end of the year		2,624	240
20.4 Workers' Welfare Fund			
Balance at beginning of the year		85,109	138,390
Net charge for the period		9,925	20,653
Adjustment / payment		(20,792)	(73,934)
Balance at end of the year		74,242	85,109

20.4.1 The Company filed a constitutional petition with the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 despite the fact that the Company is making the payments of Workers Welfare Fund to the Federal Government. A stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971. The Company remains optimistic about a favourable outcome, particularly in view of a recent decision in an identical constitutional petition (No. D-2689 of 2017), wherein the Honourable Court held that a trans-provincial entity is liable to pay WWF to the Federal Government under the Federal Workers Welfare Fund Ordinance, 1971.

21. CONTRACT LIABILITIES

During the year, the Company recognised revenue amounting to Rs. 270.86 million (2024: Rs. 431.60 million) out of the contract liabilities balance outstanding at beginning of the year.

22. SHORT-TERM BORROWINGS - secured

	Note	2025	2024
		(Rupees in '000)	
Conventional			
Running finance under mark-up arrangement from banks	22.1	770,453	489,808
Short-term borrowing under Money Market Scheme maturing within three months	22.1	1,415,000	300,000
Short-term borrowing under Export Refinance Scheme	22.2	700,000	1,300,000
Short-term borrowing under Export Finance Scheme	22.3	715,332	552,601
Short-term borrowing under FE-25 Import		-	1,223,955
Islamic			
Short-term borrowing under Money Market Scheme maturing within three months	22.4	1,250,000	1,000,000
Short-term borrowing under Running Musharakah	22.5	305,372	219,684
		5,156,157	5,086,048

22.1 These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these facilities range from 11.48% to 22.52% (2024: 20.24% to 22.52%) per annum.

22.2 The Company has obtained short-term finance under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities is 8.00% to 17.50% (2024: 17.50%) per annum. These facilities mature within six months and are renewable.

22.3 The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 2.00% to 3.00% (2024: 2.00% to 2.50%) per annum.

22.4 The Company has obtained facilities for short-term finance under money market scheme. The rates of mark-up on these facilities range from 11.19% to 20.30% (2024: 20.30% to 22.03%) per annum.

22.5 The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit on these facilities range from 11.53% to 22.29% (2024: 20.30% to 22.29%) per annum.

22.6 As at June 30, 2025, the unavailed facilities from the above borrowings amounted to Rs. 10,958 million (2024: Rs. 12,938 million).

22.7 The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future moveable assets of the Company.

23. TAXATION - NET

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	576,614	902,572
Tax payments / adjustments made during the year	(627,323)	(843,870)
	(50,709)	58,702
Less: Provision for income tax	562,175	517,912
Balance at end of the year	511,466	576,614

23.1 Under the Finance Act, 2022, the Federal Government inserted section 4C to the Income Tax Ordinance, 2001 which imposed a super tax on persons earning more than Rs. 150 million at varying rates. The Company, along with the other companies, filed a petition in SHC on October 22, 2022 against the chargeability of Super Tax for the tax year 2022 and accordingly submitted a bank guarantee amount to Rs. 398.75 million in the Nazir of SHC. On December 22, 2022, the SHC decided that the Super Tax shall be applicable from FY 2023 instead of FY 2022 at a rate of a maximum 4%. In an appeal by FBR against this order, the Supreme Court passed an interim order to encash the bank guarantees by 4% till the case is finally decided. Consequently, the bank guarantee was reduced to Rs. 239.25 million.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

	Description of the factual basis of the proceeding and relief sought	Name of the court	Principal parties	Date Instituted
24.1.1	The Collector of Customs has charged the Company for a redemption fine of Rs. 83 million on clearance of imported raw material consignments in 2006. The Company has filed an appeal before the Sindh High Court (SHC), which has set aside the examination reports including subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities had filed an application for leave to appeal against the order of the SHC. The management anticipates that the chances of admission of such appeal are remote.	Sindh High Court	Collector of Customs / Federation of Pakistan	August 30, 2007
24.1.2	The Company filed the suit before SHC challenging the chargeability of tax on inter corporate dividend in respect of dividend declared by its subsidiary, International Steels Limited. On October 21, 2016 Court granted stay against which 500,000 shares of subsidiary company were pledged as a security with Nazir of the Court. In one of the litigation to which Company is not a party, Supreme Court of Pakistan (SCP) issued an order on February 21, 2018 whereby continuity of suits was made subject to depositing minimum 50% of the tax calculated by the tax authorities. A review petition has been filed against such order of the SCP in which Company is not a party and the decision is awaited. In view of such developments, the suit was withdrawn and a petition was filed before the SHC, which is pending hearing. On a separate application challenging the chargeability of tax on inter corporate dividend, stay is granted by the SHC in respect of dividends declared by the subsidiary company on June 2, 2017, September 26, 2017, January 23, 2018, September 29, 2021, January 31, 2022 and August 18, 2022 against bank guarantees amounting to Rs. 76.6 million, Rs. 36.8 million, Rs. 55.1 million, Rs. 257.3 million, Rs. 73.5 million and Rs. 165.4 million respectively submitted to the Nazir of the Court. The management, based on legal advice, is confident that the ultimate decision in the above case will be in favour of the Company.	Sindh High Court	FBR / Commissioner Inland Revenue / Federation of Pakistan	November 1, 2016
24.1.3	As per section 95 of the Custom Act read with Customs Rules, 2001, the Company sold zinc wastages generated from imports under manufacturing bond at 0% duty for export during 2012-13, 2013-14 and 2014-15. All these sales were subject to sales tax payments in term of Custom Rules. However, on August 31, 2020, the Collector of Customs (Adjudication - II) has passed ONO no. 473, 474 and 475 against the Company and ordered for recovery of customs duty amounting to Rs. 402.72 million on zinc wastages. The Company filed appeals against these orders in the Customs Tribunal. However, due to non-functioning of Tribunal and considering the importance, Company preferred to file an appeal with the SHC. SHC granted stay order against the order of the Collector of Customs and issued notices for the hearing. The SHC vide its order dated October 12, 2021 has disposed off the case with directions to the Appellate Tribunal to decide the pending appeal within sixty days. The SHC further directed that the respondents shall not take any coercive action against the Company in respect of the impugned demand till the conclusion of the appeal. The case was decided against IIL by the Custom Appelate Tribunal.Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the SHC. The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.	Sindh High Court	Collector of Customs	October 10, 2020

24.2 Commitments

24.2.1 Capital expenditure commitments outstanding as at June 30, 2025 amounted to Nil (2024: Rs. 6.86 million).

24.2.2 Commitments under Letters of Credit for raw materials and stores and spares as at June 30, 2025 amounted to Rs. 3,780.21 million (2024: Rs. 885.06 million).

24.2.3 Commitments under purchase contracts as at June 30, 2025 amounted to Rs. 681.90 million (2024: Rs. 17.53 million).

24.2.4 The facilities for opening letters of credit and guarantees from banks as at June 30, 2025 amounted to Rs. 14,700 million (2024: Rs. 15,200 million) and Rs. 3,800 million (2024: Rs. 3,800 million) respectively, of which the unutilised balance at year-end amounted to Rs. 10,919 million (2024: Rs. 14,308 million) and Rs. 416 million (2024: Rs. 313 million) respectively.

24.2.5 During the year, the Company provided the following corporate guarantees in favor of Habib Bank Limited on behalf of Chinoy Engineering & Construction (Private) Limited ("CECL"), an associated undertaking:

- A Corporate Guarantee securing financial facilities of up to Rs. 1,500 million, granted to CECL;

- A Performance Guarantee to assure CECL's fulfillment of contractual obligations under its agreement with Reko Diq Mining Company Limited ("RDMC"). This obligation carries joint and several liability alongside associated entities International Steels Limited and Pakistan Cables Limited.

These guarantees have been issued in alignment with the Company's strategic support framework for its associated undertakings and represent potential contingent liabilities to the extent of the guaranteed amounts, subject to CECL's compliance and performance under the stated obligations.

	2025	2024
25. REVENUE FROM CONTRACTS WITH CUSTOMERS	(Rupees in '000)	
Sale of goods less returns		
Local	28,988,899	31,382,099
Sales tax	(3,995,154)	(4,491,761)
Trade discounts	(2,968,569)	(2,482,487)
	22,025,176	24,407,851
Export	3,078,601	4,817,650
Export commission and discounts	(7,454)	(22,361)
	3,071,147	4,795,289
	25,096,323	29,203,140

25.1 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	Note	2025	2024
		(Rupees in '000)	
Primary geographical markets:			
Local		22,025,176	24,407,851
Australia		964,854	1,670,761
Americas		539,293	929,346
Europe		308,639	856,654
Asia		1,258,361	1,338,528
		25,096,323	29,203,140
Major Product Lines:			
Steel products		19,480,234	24,691,152
Polymer products		5,616,089	4,511,988
		25,096,323	29,203,140

26. COST OF SALES

	Note	2025	2024
Raw material consumed			
Opening stock of raw material		4,533,554	6,768,397
Purchases		15,899,003	18,780,264
		20,432,557	25,548,661
Closing stock of raw material	9	(2,465,317)	(4,533,554)
		17,967,240	21,015,107
Manufacturing overheads			
Salaries, wages and benefits	26.1	1,243,039	1,178,526
Depreciation and amortisation	4.1.1 & 5.1.2	592,825	606,325
Electricity, gas and water		646,898	650,199
Operational supplies and consumables		187,150	195,884
Reversal of provision for receivable against short shipment		-	(140,000)
Repairs and maintenance		160,000	140,714
Security and janitorial		73,481	63,284
Vehicle, travel and conveyance		46,124	51,464
Internal material handling		49,484	46,266
Postage, telephone and stationery		40,452	40,189
Toll manufacturing		686	348,898
Insurance		18,149	18,562
Legal and professional charges		1,398	21,120
Sundries		34,501	13,969
Rent, rates and taxes		6,801	9,524
Environment controlling expense		1,190	724
		3,102,178	3,245,648
		21,069,418	24,260,755

	Note	2025	2024
		(Rupees in '000)	
Work-in-process			
Opening stock		996,717	1,164,330
Closing stock	9	(1,429,708)	(996,717)
		(432,991)	167,613
Cost of goods manufactured		20,636,427	24,428,368
Finished goods, by-products and scrap:			
Opening stock		3,696,402	4,632,396
Closing stock	9	(2,383,627)	(3,696,402)
		1,312,775	935,994
		21,949,202	25,364,362

26.1 These include Rs. 19.84 million (2024: Rs. 17.20 million) in respect of contribution to the Provident Fund, Rs. 41.21 million (2024: Rs. 45.57 million) in respect of the Gratuity Fund and Rs. 11.26 million (2024: Rs. 12.29 million) in respect of compensated absences.

27. SELLING AND DISTRIBUTION EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Freight and forwarding		853,462	952,286
Salaries, wages and benefits	27.1	250,874	200,167
Advertising and sales promotion		105,642	88,058
Vehicle, travel and conveyance		58,674	56,285
Depreciation and amortisation	4.1.1 & 5.1.2	19,027	18,271
Postage, telephone and stationery		15,873	8,955
Electricity, gas and water		4,953	4,817
Certification and registration charges		7,644	7,778
Rent, rates and taxes		5,950	3,201
Repairs and maintenance		1,337	1,099
Insurance		1,269	1,534
Office supplies		18	144
Others		7,217	13,502
		1,331,940	1,356,097

27.1 These include Rs. 7.12 million (2024: Rs. 5.95 million) in respect of contribution to the Provident Fund, Rs. 8.42 million (2024: Rs. 10.09 million) in respect of the Gratuity Fund and Rs. 5.97 million (2024: Rs. 1.11 million) in respect of compensated absences.

28. ADMINISTRATIVE EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Salaries, wages and benefits	28.1	309,081	305,900
Depreciation and amortisation	4.1.1 & 5.1.2	18,840	16,791
Vehicle, travel and conveyance		17,798	23,626
Legal and professional charges		32,959	27,096
Postage, telephone and stationery		14,472	12,042
Certification and registration charges		8,059	15,481
Entertainment		3,978	2,788
Repairs and maintenance		4,093	4,724
Electricity, gas and water		3,659	3,113
Insurance		1,589	1,797
Office supplies		1,445	1,185
Rent, rates and taxes		148	76
Others		15,660	14,882
		431,781	429,501

28.1 These include Rs. 9.39 million (2024: Rs. 7.61 million) in respect of contribution to the Provident Fund, Rs. 10.43 million (2024: Rs. 12.50 million) in respect of the Gratuity Fund and Rs. 9.47 million (2024: Rs. 0.34 million) in respect of compensated absences.

	Note	2025	2024
29. FINANCE COST		(Rupees in '000)	
Conventional:			
- Interest on long-term financing		14,604	107,713
- Interest on short-term borrowings		213,319	757,036
		227,923	864,749
Islamic:			
- Mark-up on long-term financing		367,566	628,070
- Mark-up on short-term borrowings		4,398	13,799
		371,964	641,869
Exchange gain on borrowings		(6,721)	(78,657)
Interest on Workers' Profit Participation Fund	20.3	17	1
Unwinding of Gas Infrastructure Development Cess		1,811	14,279
Bank charges		14,254	30,328
		609,248	1,472,569
30. OTHER OPERATING CHARGES			
Auditors' remuneration	30.1	10,844	5,942
Donations	30.2	11,000	11,250
Workers' Profit Participation Fund		43,124	30,240
Workers' Welfare Fund		9,925	20,653
Business development expense		498	2,076
		75,391	70,161

30.1 Auditors' remuneration

	2025	2024
Audit services		
Audit fee	4,000	3,100
Half yearly review	1,500	1,000
Certifications for free float, CDC, Code of Corporate Governance and IT Controls Review	4,598	976
Out of pocket expenses	746	866
	10,844	5,942

30.2 Donations

30.2.1 Donation to the following organizations exceed 10% of total amount of donations made or Rs.1 million, whichever is higher

	2025	2024
	(Rupees in '000)	
Amir Sultan Chinoy Foundation	6,000	10,750
SINA Health Education and Welfare Trust	3,750	-
	9,750	10,750

		Note	2025	2024
31.	**OTHER INCOME**		(Rupees in '000)	
	Income from financial assets			
	Income / (loss) from exchange		13,157	(898)
	Unwinding of Government grant		9,477	10,447
	Income on bank deposits - conventional		22,575	16,352
	Income from non-financial assets			
	Dividend income from subsidiary	31.1	735,167	1,239,198
	Dividend income from associate	31.1	5,426	-
	Gain on disposal of property, plant and equipment		64,528	26,928
	Rental income from subsidiary	31.2	14,261	12,763
	Loss from power generation	31.3	-	(2,253)
	Liability no longer payable - written off		-	46,041
	Loss on remeasurement of Gas Infrastructure Development Cess		(134)	(1,116)
	Others		-	3,597
			864,457	1,351,059

31.1 This represents dividend income from International Steels Limited and Chinoy Engineering & Construction Solutions Limited.

31.2 This represents rental income from International Steels Limited and minimum lease payments receivable in future years are as follows:

		Note	2025	2024
			(Rupees in '000)	
	Within one year		14,750	13,622
	Between one and five years		32,901	14,643
			47,651	28,265
31.3	**Loss from power generation**			
	Revenue		-	16,788
	Cost of electricity produced:			
	Salaries, wages and benefits		-	(1,274)
	Electricity, gas and water		-	(14,144)
	Insurance		-	(24)
	Depreciation	4.1.1	-	(2,947)
	Operational supplies and consumables		-	(256)
	Repairs and maintenance		-	(396)
			-	(19,041)
	Loss from power generation		-	(2,253)
32.	**LEVIES**			
	Final tax u/s 154		-	(47,953)
33.	**INCOME TAX EXPENSE**			
	Current	33.1	(638,862)	(733,469)
	Prior		76,687	263,510
	Deferred		101,159	184,833
			(461,016)	(285,126)

33.1 This includes super tax of Rs. 191.64 million (2024: Rs. 241.19 million) as imposed by the Finance Act 2022.

33.2 Relationship between income tax expense and accounting profit

	2025	2024	2025	2024
	(Effective tax rate %)		(Rupees in '000)	
Profit before levies and income tax			1,565,340	1,806,210
Tax at the enacted tax rate	(29.00%)	(29.00%)	(453,949)	(523,801)
Tax effect of:				
Income subject to final regime	(0.00%)	(4.10%)	-	(73,997)
Super tax	(12.24%)	(13.35%)	(191,638)	(241,192)
Income taxed as separate block of income	5.91%	9.61%	92,465	173,488
Prior year tax	4.90%	14.59%	76,687	263,510
Others	0.99%	3.82%	15,419	68,913
Levies and income tax - note 32 & 33	(29.44%)	(18.43%)	(461,016)	(333,079)

34. EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2025	2024
		(Rupees in '000)	
Profit for the year attributable to ordinary shareholders		1,104,324	1,473,131
Weighted average number of ordinary shares outstanding during the year	15	131,881,880	131,881,880
		(Rupees)	
Earnings per share - basic and diluted		8.37	11.17

34.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2025 and 2024.

35. CASH GENERATED FROM FROM OPERATIONS

	Note	2025	2024
		(Rupees in '000)	
Profit before levies and income tax		1,565,340	1,806,210
Adjustments for non-cash charges and other items			
Depreciation of property, plant and equipment	4.1.1	629,720	642,956
Amortisation of intangible assets	5.1.2	972	1,378
Charge of loss allowance on trade debts	10.3	(2,122)	55,299
Provision for staff retirement benefits	13.2.8	60,064	72,000
Provision for compensated absences		26,700	13,761
Provision for stores and spares	8.1	2,294	29,682
Income on bank deposits	31	(22,575)	(16,352)
Gain on disposal of property, plant and equipment	31	(64,528)	(26,928)
Loss on remeasurement of Gas Infrastructure Development Cess	31	134	1,116
Unwinding of Gas Infrastructure Development Cess	29	1,811	14,279
Dividend income	31	(740,593)	(1,239,198)
Government grant income	31	(9,477)	(10,447)
Finance cost	29	607,437	1,458,290
		2,055,177	2,802,046
Changes in working capital	35.1	3,039,080	2,762,653
		5,094,257	5,564,699

35.1 CHANGES IN WORKING CAPITAL

	Note	2025	2024
		(Rupees in '000)	
Decrease / (increase) in current assets:			
Stores and spares		6,929	18,094
Stock-in-trade		1,963,917	4,208,454
Trade debts		830,878	217,186
Advances, trade deposits and prepayments		(264,134)	9,680
Other receivables		(5,034)	3,514
Sales tax receivable		153,197	268,567
		2,685,753	4,725,495
(Decrease) / increase in current liabilities:			
Trade and other payables		490,693	(1,604,371)
Contract liabilities		(137,366)	(358,471)
		3,039,080	2,762,653

36. CASH AND CASH EQUIVALENTS

	Note	2025	2024
Cash and bank balances	14	523,330	354,717
Running finance under mark-up arrangement from banks	22	(770,453)	(489,808)
		(247,123)	(135,091)

36.1 Short term borrowings other than running finance have been reclassified as financing activities in the statement of cash flows which was previously included as cash and cash equivalents.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Managerial remuneration	39,927	27,977	-	-	280,082	224,543
Bonus	9,982	9,326	-	-	93,361	74,848
Variable performance pay	-	13,060	-	-	69,266	66,855
Retirement benefits	2,494	2,352	-	-	20,683	16,908
Rent, utilities allowance etc.	14,973	13,989	-	-	140,041	112,271
Ex Gratia	-	-	-	-	3,954	375
Directors' fees	-	-	11,300	9,600	-	-
	67,376	66,704	11,300	9,600	607,387	495,800
Number of persons	2*	1	9**	8	106	77

* During the year, Mr. Yousuf H. Mirza was appointed as the Chief Executive Officer of the Company to fill the casual vacancy created due to resignation of Mr. Sohail R. Bhojani.

** During the year, Mr. Shoaib Mir was appointed as an Independent Director to fill the casual vacancy created due to resignation of Mr. Adnan Afridi.

37.1 The Chief Executive, Directors and certain executives are provided with free use of Company maintained vehicles and Chief Executive is provided with security in accordance with the Company's policy.

37.2 Fees paid to 9 (2024: 8) non-executive directors were Rs. 11.30 million (2024: Rs. 9.6 million) on account of meetings attended by them.

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

38.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

38.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2025	2024
		(Rupees in '000)	
Long-term deposits		7,450	4,358
Trade debts - net of provision	10	4,129,520	4,998,267
Trade deposits	11	8,662	10,203
Other receivables	12	43,404	38,370
Bank balances	14	798,117	381,316
		4,987,153	5,432,514

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Long-term deposits

These represent long-term deposits with various parties for the purpose of securing supplies of raw materials and services. The Company does not foresee any credit exposure there against as the amounts are paid to counterparties as per agreements and are refundable on termination of the agreements with respective counterparties.

Trade deposits

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the Company for several years. The Company establishes an allowance for impairment that represents its estimate of incurred losses.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2025	2024
	(Rupees in '000)	
Domestic	1,990,723	2,545,626
Export	2,363,410	2,686,821
	4,354,133	5,232,447

Impairment losses

The ageing of trade debtors as per above at the reporting date was as follows:

	2025		2024	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
0 - 60 days	2,396,549	2,027	3,243,843	2,825
61 - 180 days	704,491	9,125	1,070,475	2,452
181 - 365 days	852,895	25,122	619,084	19,300
More than 365 days	400,198	188,339	299,044	209,603
	4,354,133	224,613	5,232,447	234,180

Management believes that the unimpaired balances that are past dues are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held or credit lines available:

Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Faysal Bank Limited	PACRA	A-1+	AA
Bank Al Habib Limited	PACRA	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Meezan Bank Limited	VIS	A-1+	AAA
Bank Al Falah Limited	PACRA	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
Samba Bank Limited	PACRA	A-1	AA
Soneri Bank Limited	PACRA	A-1+	AA-
Industrial & Commercial Bank of China	Moody's	A-1+	A-1
Bank Islami Pakistan Limited	PACRA	A-1	AA-
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+

38.1.2 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities 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, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	2025					
			Contractual cashflows			
	Carrying amount	**Six months or less**	**Six to twelve months**	**Two to five years**	**More than five years**	**Total**
	----------	----------	---------- (Rupees in '000)	----------	----------	----------
Non-derivative financial liabilities						
Long-term financing	**588,709**	(87,149)	**(59,689)**	(404,161)	**(152,466)**	(703,465)
Trade and other payables	**1,600,944**	(1,600,944)	-	-	-	(1,600,944)
Accrued mark-up	**39,106**	(39,106)	-	-	-	(39,106)
Short-term borrowings	**5,156,157**	(5,156,157)	-	-	-	(5,156,157)
Unclaimed dividend	**40,534**	(40,534)	-	-	-	(40,534)
	7,425,450	(6,923,890)	**(59,689)**	(404,161)	**(152,466)**	(7,540,206)

	2024					
			Contractual cashflows			
	Carrying amount	Six months or less	Six to twelve months	Two to five years	More than five years	Total
	----------	----------	---------- (Rupees in '000)	----------	----------	----------
Non-derivative financial liabilities						
Long-term financing	3,891,462	(487,800)	(759,862)	(4,098,129)	(547,991)	(5,893,782)
Trade and payables	1,323,415	(1,323,415)	-	-	-	(1,323,415)
Accrued mark-up	265,088	(265,088)	-	-	-	(265,088)
Short-term borrowings	5,086,048	(5,086,048)	-	-	-	(5,086,048)
Unclaimed dividend	41,275	(41,275)	-	-	-	(41,275)
	10,607,288	(7,203,626)	(759,862)	(4,098,129)	(547,991)	(12,609,608)

38.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up have been disclosed in respective notes to these unconsolidated financial statements.

38.2.2 Long-term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

38.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect 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 optimising the return. The Company is exposed to currency risk and interest rate risk only.

38.3.1 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.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, borrowings, accrued mark-up and trade creditors that are denominated in a currency other than the respective functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2025						2024					
	Rupees	US Dollars	Australian Dollars	Euro	Canadian Dollars	Yuan	Rupees	US Dollars	Australian Dollars	Euro	Canadian Dollars	Yuan
	(In '000)											
Financial assets												
Bank Balance	360,598	1,272	-	-	-	-	242,769	873	-	-	-	-
Trade debts	1,990,724	1,243	6,212	124	3,942	-	2,686,821	1,123	7,620	-	4,786	-
Financial liabilities												
Trade and other payables	(608,712)	(1,008)	-	-	-	-	(148,027)	(514)	-	(7)	-	(73)
Net exposure	1,742,610	1,507	6,212	124	3,942	-	2,781,563	1,482	7,620	(7)	4,786	(73)

The following significant exchange rates were applicable during the year:

	Reporting date rate	
	2025	2024
	Buying/Selling	Buying/Selling
US Dollars (USD) to Pakistan Rupee	283.53 / 283.96	278.15 / 278.59
Australian Dollars (AUD) to Pakistan Rupee	185.45 / 185.75	184.32 / 184.62
Euro to Pakistan Rupee	332.62 / 333.12	297.46 / 297.92
Canadian Dollars (CAD) to Pakistan Rupee	207.45 / 207.77	202.69 / 203.01
Yuan to Pakistan Rupee	39.58 / 39.63	38.29 / 38.35

Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD, AUD, Euro and CAD at June 30 would have decreased / increased the equity / profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for both the years.

	Effect on Unconsolidated	
	2025	2024
	(Rupees in '000)	
As at 30 June		
Effect in USD	24,215	27,201
Effect in AUD	65,354	92,740
Effect in Euro	2,339	131
Effect in CAD	46,397	64,054
Effect in Yuan	-	185

38.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long-term borrowings from banks.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

	Note	2025	2024
		Carrying amount	
Fixed rate instruments			
Financial liabilities	18 & 22	1,288,709	2,034,643
Variable rate instruments			
Financial liabilities	18 & 22	4,456,157	6,942,867

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and the profit after tax by Rs. 24.06 million (2024: Rs. 37.49 million) with the corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for both the years.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the Unconsolidated Statement of Profit or Loss.

38.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025			
	Short-term borrowings	Long-term financing	Dividend	Total
	(Rupees in '000)			
Balance as at July 1, 2024	6,166,442	4,052,087	41,275	10,259,804
Changes from financing cash flows				
Repayment of long-term loan	-	(3,312,230)	-	(3,312,230)
Proceeds from long-term loan	-	-	-	-
Short-term loans obtained	18,528,270	-	-	18,528,270
Short-term loans repaid	(18,738,806)	-	-	(18,738,806)
Dividend paid	-	-	(462,328)	(462,328)
Total changes from financing activities	(210,536)	(3,312,230)	(462,328)	(3,985,094)
Other changes				
Interest expense	217,717	382,170	-	599,887
Interest paid	(287,681)	(528,711)	-	(816,392)
Deferred government grant recognised	-	-	-	-
Total loan related other changes	(69,964)	(146,541)	-	(216,505)
Dividend issued	-	-	461,587	461,587
Balance as at June 30, 2025	**5,885,942**	**593,316**	**40,534**	**6,519,792**

	2024			
	Short-term borrowings	Long-term financing	Dividend	Total
	(Rupees in '000)			
Balance as at July 1, 2023	6,225,142	4,818,601	46,149	11,089,892
Changes from financing cash flows				
Repayment of long-term loan	-	(732,501)	-	(732,501)
Proceeds from long-term loan	-	-	-	-
Short-term loans obtained	32,101,730	-	-	32,101,730
Short-term loans repaid	(33,567,469)	-	-	(33,567,469)
Dividend paid	-	-	(532,402)	(532,402)
Total changes from financing activities	(1,465,739)	(732,501)	(532,402)	(2,730,642)
Other changes				
Interest expense	770,835	735,783	-	1,506,618
Interest paid	(829,535)	(769,796)	-	(1,599,331)
Deferred government grant recognised	-	-	-	-
Total loan related other changes	(58,700)	(34,013)	-	(92,712)
Dividend issued	-	-	527,528	527,528
Balance as at June 30, 2024	6,166,442	4,052,087	41,275	8,794,065

38.5 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk as its investments are measured at cost.

38.6 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the Unconsolidated Statement of Financial Position approximate their fair values.

38.7 Financial instruments by categories

	Note	2025	2024
Financial assets		(Rupees in '000)	
Held at amortised cost			
- Long-term deposits		**7,450**	4,358
- Trade debts	10	**4,129,520**	4,998,267
- Trade deposits	11	**8,662**	10,203
- Other receivables	12	**43,404**	38,370
- Cash and bank balances	14	**802,581**	384,717
		4,991,617	5,435,915
Financial liabilities			
Held at amortised cost			
- Long-term financing	18	**588,709**	3,891,462
- Trade and other payables	20	**1,600,944**	1,323,415
- Accrued mark-up		**39,106**	265,088
- Short-term borrowings	22	**5,156,157**	5,086,048
- Unclaimed dividend		**40,534**	41,275
		7,425,450	10,607,288

39. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

40. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. Land and Building) with sufficient regularity and obtains rate from financial institution to value derivative financial instruments. Involvement of external valuers is decided upon by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability , the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

As at June 30, 2025, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value. The Company measures the Land and Buildings at fair value and all of the resulting fair value estimates in relation to Land and Buildings of the Company are included in Level 2.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the unconsolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Company's Land and Buildings measured at fair value:

Assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable inputs and fair value measurement
Revalued fixed assets - Land and buildings	June 30, 2025	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure, current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building is considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair values are subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

Management assessed that the fair values of cash and cash equivalents, other receivable, trade deposits, trade debts, short-term borrowings, trade and other payables, accrued mark-up and unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments. For long-term deposit and long-term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are market rates. Fair values of investment in quoted subsidiary and associate are disclosed in note 6 to these unconsolidated financial statements.

41. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the subsidiary companies, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to follow a policy whereby transactions with related parties are entered into at commercial terms and at rate agreed under a contract / arrangement / agreement. The contributions to the defined contribution plan (Provident Fund) are made as per the terms of employment and contribution to the defined benefit plan (Gratuity Fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

	2025	2024
	(Rupees in '000)	
41.1 Transactions with related parties		
Subsidiary companies		
Sales	1,893,652	2,657,211
Purchases	2,221,376	2,467,020
Purchases of fixed assets	44,900	-
Cost of shared resources	23,985	202,658
Rental income	14,261	12,763
Dividend received	735,167	1,239,198
Reimbursement of expenses	174,950	119,199
Associated companies		
Sales	51,114	117,626
Purchases	28,608	11,538
Dividend paid	2,218	2,534
Dividend received	5,426	-
Registration and training	2,782	3,444
Rental income	540	-
Subscription	2,500	2,500
Reimbursement of expenses	22,719	2,565
Key management personnel		
Remuneration	388,450	345,726
Disposal of vehicle	4,690	-
Non-executive directors		
Directors' fee	11,300	9,600
Staff retirement funds		
Contributions paid	137,538	112,139

41.2 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year.

Name of the Related Party	Relationship and percentage of shareholding
International Steels Limited	Subsidiary company - 56.33% (2024:56.33%) shareholding
IIL Australia Pty. Limited	Wholly owned subsidiary company
IIL Americas Inc.	Wholly owned subsidiary company
IIL Trading (Private) Limited. (formerly IIL Construction Solutions (Pvt) Limited)	Wholly owned subsidiary company
INIL Europe Limited	Wholly owned subsidiary company
Pakistan Cables Limited	Associated company - 17.12% (2024:17.12%) shareholding
Chinoy Engineering & Construction (Private) Limited	Associated company - 17% (2024: 0%) shareholding
Lucky Core Industries Limited (ICI Pakistan)	Associated company by virtue of common directorship
The Pakistan Business Council	Associated company by virtue of common directorship
Lahore University of Management Sciences	Associated company by virtue of common directorship
Employers Federation of Pakistan	Associated company by virtue of common directorship
National Institutional Facilitation Technologies (NIFT) (Pvt) Ltd	Associated company by virtue of common directorship

41.3 Outstanding balances with related parties have been separately disclosed in trade debts and trade and other payables. These are settled in ordinary course of business.

42. SHARIAH COMPLIANCE STATUS DISCLOSURE

		Note	2025	2024
			(Rupees in '000)	
Unconsolidated statement of financial position - Liability Side				
i)	Short-term financing as per Islamic mode	22	**1,555,372**	4,578,281
ii)	Long-term financing as per Islamic mode	18	**306,834**	3,358,597
iii)	Mark-up accrued on conventional loan		**28,365**	76,889
iv)	Mark-up accrued on Islamic loan		**10,741**	188,199
Unconsolidated statement of financial position - Asset Side				
i)	Shariah-compliant bank balances	14	**14**	112
Unconsolidated statement of profit and loss				
i)	Revenue earned from Shariah-compliant business segment	25	**25,096,323**	29,203,140
ii)	Income / (loss) from exchange	31	**13,157**	(898)
iii)	Profit paid on Islamic mode of financing		**(405,382)**	(628,070)
iv)	Dividend income from Shariah-compliant investments		**740,593**	1,239,198
Break-up of Other income excluding profits on bank deposits				
Shariah compliant income				
	Unwinding of Government grant		**9,477**	10,447
	Gain on disposal of property, plant and equipment		**64,528**	26,928
	Rental income from subsidiary company		**14,261**	12,763
	Loss from power generation		**-**	(2,253)
	Liability no longer payable - written off		**-**	46,041
	Others		**-**	3,597
	Shariah non-compliant income			
	Income on bank deposits - conventional		**22,575**	16,352
	Loss on remeasurement of Gas Infrastructure Development Cess		**(134)**	(1,116)

42.1 Relationship with Shariah-compliant financial institutions

Islamic Banks

The Company has facilities with Faysal Bank Limited for Running Musharakah and letter of credit amounting to Rs. 1,350 million and Rs. 1,000 million respectively.

The Company has facilities with Meezan Bank Limited for Running Musharakah, letter of guarantees and letter of credit amounting to Rs. 2,000 million, Rs. 1,000 million and Rs. 2,000 million respectively.

The Company has facilities with Bank Islami Pakistan Limited for Running Musharakah, letter of guarantees and letter of credit amounting to Rs. 1,000 million, Rs. 1,000 million and Rs. 1,000 million respectively.

The Company has facilities with Bank Al Falah Limited for Running Musharakah and letter of credit amounting to Rs. 500 million and Rs. 500 million respectively.

43. ANNUAL PRODUCTION CAPACITY

Name-plate production capacity at the year end was as follows*:

	2025	2024
	(Metric Tonnes)	
Steel pipe	585,000	585,000
Galvanizing	90,000	90,000
Cold rolled steel strip	50,000	50,000
Polymer pipes and fittings	35,000	35,000
Stainless steel - pipe	4,800	4,800

* Annual production capacity of steel pipe, galvanizing, cold rolled steel strip, polymer pipes and fittings and stainless steel pipe as per sales mix is 335,000, 60,000, 20,000, 35,000 and 4,800 metric tonnes respectively

The actual production for the year was:

	2025	2024
	(Metric Tonnes)	
Steel pipe	62,057	76,731
Galvanizing	26,722	31,333
Polymer pipes and fittings	9,314	7,092
Stainless steel - pipe	1,085	1,253

Actual production during the year was sufficient to meet the market demand.

The name-plate capacities of the plants are determined based on a certain product mix. The actual production mix was different.

44. SEGMENT REPORTING

Performance is measured based on respective segment results. Information regarding the Company's reportable segments specified in note 3.18 are presented below:

44.1 Segment revenue and results

	2025			
For the year ended June 30, 2025	**Steel segment**	**Polymer segment**	**Investments segment**	**Total**
	(Rupees in '000)			
Revenue from contracts with customers				
Local	16,460,431	5,564,745	-	22,025,176
Exports	3,071,147	-	-	3,071,147
	19,531,578	5,564,745	-	25,096,323
Cost of sales	(17,982,004)	(3,967,198)	-	(21,949,202)
Gross profit	1,549,574	1,597,547	-	3,147,121
Selling and distribution expenses	(1,147,610)	(184,330)	-	(1,331,940)
Administrative expenses	(335,025)	(96,756)	-	(431,781)
(Charge) / reversal of loss allowance on trade debts	(25,502)	27,624	-	2,122
Operating profit	41,437	1,344,085	-	1,385,522
Finance cost	(474,156)	(135,092)	-	(609,248)
Other operating charges	9,238	(84,629)	-	(75,391)
	(464,918)	(219,721)	-	(684,639)
Other income	123,864	-	740,593	864,457
Profit before levies and income tax	(299,617)	1,124,364	740,593	1,565,340
Levies				-
Income tax expense				(461,016)
Profit after tax for the year				1,104,324

	2024			
For the year ended June 30, 2024	Steel segment	Polymer segment	Investments segment	Total
	(Rupees in '000)			
Revenue from contracts with customers				
Local	19,894,753	4,513,098	-	24,407,851
Exports	4,795,289	-	-	4,795,289
	24,690,042	4,513,098	-	29,203,140
Cost of sales	(22,178,854)	(3,185,508)	-	(25,364,362)
Gross profit	2,511,188	1,327,590	-	3,838,778
Selling and distribution expenses	(1,217,149)	(138,948)	-	(1,356,097)
Administrative expenses	(396,623)	(32,878)	-	(429,501)
Charge of loss allowance on trade debts	(14,972)	(40,327)	-	(55,299)
Operating profit	882,445	1,115,437	-	1,997,881
Finance cost	(1,244,995)	(227,574)	-	(1,472,569)
Other operating charges	(8,011)	(62,150)	-	(70,161)
	(1,253,006)	(289,724)	-	(1,542,730)
Other income	111,861	-	1,239,198	1,351,059
Profit before levies and income tax	(258,701)	825,713	1,239,198	1,806,210
Levies				(47,953)
Income tax expense				(285,126)
Profit after tax for the year				1,473,131

44.2 Segment assets and liabilities

	Steel segment	Polymer segment	Investments segment	Total
As at June 30, 2025	(Rupees in '000)			
Segment assets	**21,419,589**	**3,095,020**	**3,448,380**	**27,962,989**
Segment liabilities	**6,407,632**	**475,681**	**-**	**6,883,313**
As at June 30, 2024				
Segment assets	23,716,798	3,270,430	3,372,515	30,359,743
Segment liabilities	9,774,363	317,109	-	10,091,472

Reconciliation of segment assets and liabilities with total assets and liabilities in the Unconsolidated Statement of Financial Position is as follows:

	Note	2025	2024
		(Rupees in '000)	
Total for reportable segments assets		**27,962,989**	30,359,743
Unallocated assets		**1,956,053**	1,277,911
Total assets as per Unconsolidated Statement of Financial Position		**29,919,042**	31,637,654
Total for reportable segments liabilities		**6,883,313**	10,091,472
Unallocated liabilities		**3,377,008**	3,118,508
Total liabilities as per Unconsolidated Statement of Financial Position		**10,260,321**	13,209,980

44.3 Segment revenues reported above are revenues generated from external customers. There were no inter-segment sales during the year.

44.4 Segment assets reported above comprise of property, plant and equipment, stock-in-trade and trade debts. Segment assets and liabilities are measured in the same way as in the unconsolidated financial statements. These assets are identified based on the operations of the segment and remaining assets and liabilities are presented as unallocated assets and liabilities.

44.5 Additions to non-current assets in relation to steel and polymer segments amounts to Rs. 473.07 million (2024: Rs. 708.40 million) and Rs. 16.95 million (2024: Rs. 54 million respectively.

44.6 Information about major customers

Revenue from major customers individually accounting for more than 10% of the segment revenue for polymer segment and steel segment was Rs. 2,923 million (2024: Rs. 1,420) and Nil (2024: Nil) respectively.

44.7 Geographical information

The Company's net revenue from external customers by geographical location is disclosed in note 25.1.

Management considers that revenue from its ordinary activities are shariah compliant.

As at June 30, 2025, all non-current assets of the Company are located in Pakistan with an exception of its investment in IIL Australia Pty. Limited which is domiciled in Victoria, Australia, IIL Americas Inc. which is domiciled in Mississauga, Canada and INIL Europe Limited which is domiciled in Dublin, Ireland.

45. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2025	2024
	(Number)	
Total employees of the Company at the year end	**909**	930
Average employees of the Company during the year	**909**	932

46. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company, in their meeting held on August 21, 2025 has proposed a final cash dividend of Rs. 4.00 (2024: Rs. 3.50) per share amounting to Rs. 527.53 million (2024: Rs. 461.59 million) for the year ended June 30, 2025. The approval of the members of the Company for the dividend shall be obtained at the Annual General Meeting to be held on September 26, 2025 The unconsolidated financial statements for the year ended June 30, 2025 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2026.

47. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were approved and authorised for issue on August 21, 2025 by the Board of Directors of the Company.

Jehangir Shah Director & Chairman Board Audit Committee	Salman Najeeb Chief Financial Officer	Yousuf H. Mirza Chief Executive Officer

SECTION 9.3

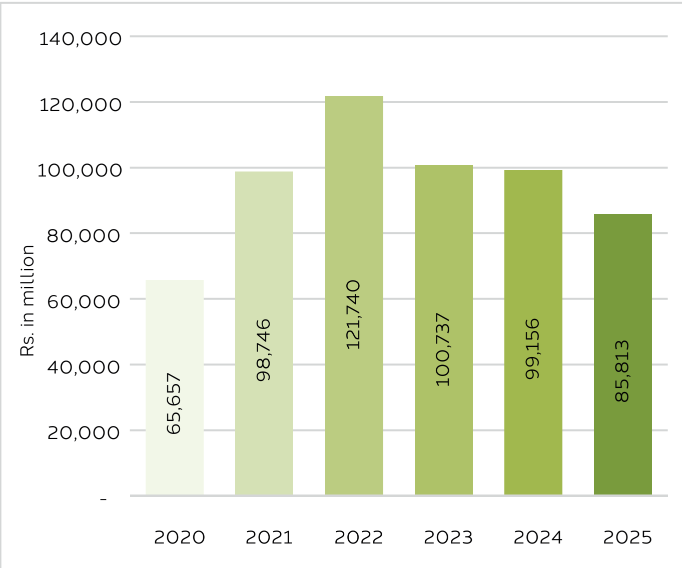
Consolidated Financial Highlights

Consolidated Financial Highlights

	2025	2024	Change %
	(Rupees in million)		
Revenue from contracts with customers	85,813	99,156	(13.5%)
Gross Profi	8,563	12,666	(32.4%)
Property, Plant & Equipment	34,163	32,254	5.9%
Shareholders equity	31,660	29,732	6.5%
Non - controlling interest	10,964	10,130	8.2%

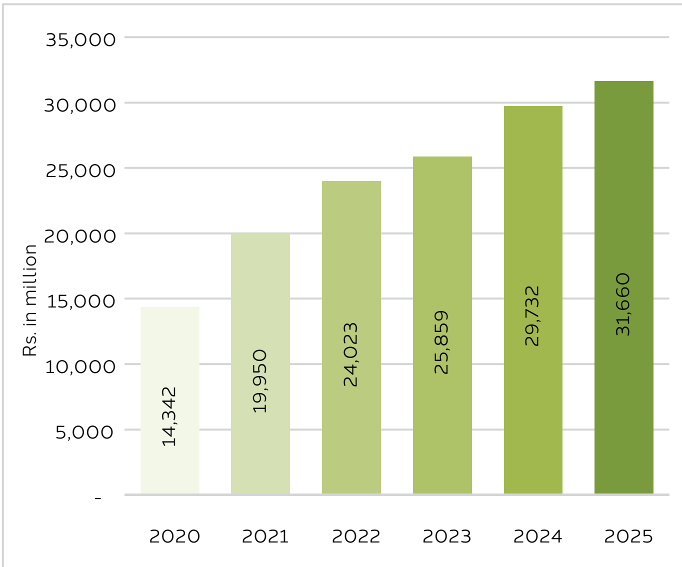
Business Growth

Revenue from Contracts with Customer

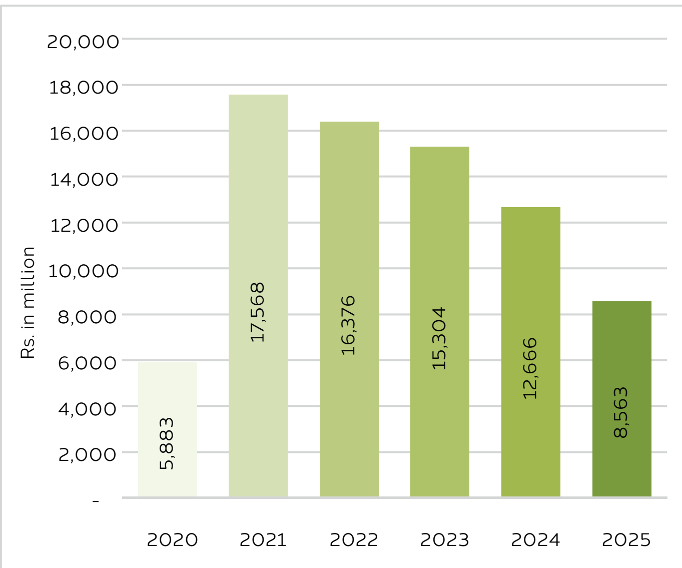


Shareholder Value Accretion

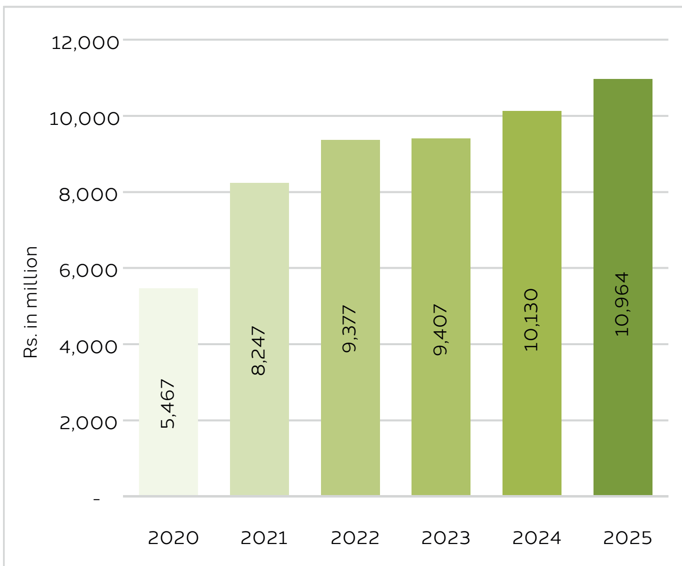
Shareholders' Equity



Gross Profi



Non Controlling Interest



Analysis of Financial Statements

Consolidated Statement of Financial Position

	2025	2024	2023	2022	2021	2020
	(Rupees in million)					
Property, plant and equipment	34,163	32,254	30,232	30,771	26,706	27,720
Investments	1,996	1,910	1,855	1,239	1,132	1,095
Other non current assets	412	430	339	213	14	21
Current assets	41,221	40,074	42,946	57,036	40,288	35,138
Total assets	77,792	74,667	75,372	89,260	68,140	63,973
Shareholders' equity	31,660	29,732	25,859	24,023	19,950	14,342
Non - controlling interest	10,964	10,130	9,407	9,377	8,247	5,467
Non current liabilities	3,747	6,321	7,742	6,649	8,614	8,520
Current portion of long term financin	325	960	986	2,498	2,351	1,898
Short term borrowings	9,705	8,646	11,042	29,997	16,978	20,915
Other Current liabilities	21,389	18,877	20,336	16,716	12,000	12,831
Total equity & liabilities	77,792	74,667	75,372	89,260	68,140	63,973

Vertical Analysis

	2025	2024	2023	2022	2021	2020
	(Percentage)					
Property, plant and equipment	43.9	43.2	40.1	34.5	39.2	43.3
Investments	2.6	2.6	2.5	1.4	1.7	1.7
Other non current assets	0.5	0.6	0.4	0.2	0.0	0.0
Current assets	53.0	53.7	57.0	63.9	59.1	54.9
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	40.7	39.8	34.3	26.9	29.3	22.4
Non - controlling interest	14.1	13.6	12.5	10.5	12.1	8.5
Non current liabilities	4.8	8.5	10.3	7.4	12.6	13.3
Current portion of long term financin	0.4	1.3	1.3	2.8	3.5	3.0
Short term borrowings	12.5	11.6	14.6	33.6	24.9	32.7
Other Current liabilities	27.5	25.3	27.0	18.7	17.6	20.1
Total equity & liabilities	100.0	100.0	100.0	100.0	100.0	100.0

Horizontal Analysis

	2025	2024	2023	2022	2021	2020
	(Percentage)					
Property, plant and equipment	5.9	6.7	(1.8)	15.2	(3.7)	1.8
Investments	4.5	2.9	49.8	9.4	3.4	7.9
Other non current assets	(4.1)	27.0	58.7	1,419.4	(32.2)	113.3
Current assets	2.9	(6.7)	(24.7)	41.6	14.7	2.0
Total assets	4.2	(0.9)	(15.6)	31.0	6.5	2.0
Shareholders' equity	6.5	15.0	7.6	20.4	39.1	(5.4)
Non - controlling interest	8.2	7.7	0.3	13.7	50.9	0.1
Non current liabilities	(40.7)	(18.4)	16.4	(22.8)	1.1	(21.0)
Current portion of long term financin	(66.1)	(2.7)	(60.5)	6.3	23.8	58.1
Short term borrowings	12.2	(21.7)	(63.2)	76.7	(18.8)	6.6
Other Current liabilities	13.3	(7.2)	21.7	39.3	(6.5)	22.6
Total equity & liabilities	4.2	(0.9)	(15.6)	31.0	6.5	2.0

Analysis of Financial Statements

Consolidated Statement of Profit & Loss

	2025	2024	2023	2022	2021	2020
	(Rupees in million)					
Revenue from contracts with customer	85,813	99,156	100,737	121,740	98,746	65,657
Cost of Sales	(77,250)	(86,490)	(85,433)	(105,364)	(81,178)	(59,773)
Gross Profit	**8,563**	**12,666**	**15,304**	**16,376**	**17,568**	**5,883**
Administrative, Selling and Distribution expenses	(4,189)	(4,679)	(3,500)	(5,226)	(3,273)	(2,281)
Other operating expenses	(295)	(475)	(530)	(817)	(1,466)	(366)
Share of profit in equity accounted investe	37	78	107	166	34	(7)
Other income / (losses) - net	255	69	(122)	575	493	208
Operating profit before financing cost	**4,370**	**7,659**	**11,258**	**11,074**	**13,355**	**3,439**
Finance cost	(1,426)	(2,334)	(4,024)	(2,504)	(1,567)	(3,547)
Profit /(loss) before Taxation	**2,944**	**5,325**	**7,234**	**8,569**	**11,788**	**(109)**
Taxation	(1,366)	(1,498)	(2,625)	(3,835)	(3,071)	(211)
Profit/(loss) after Taxation	**1,579**	**3,827**	**4,609**	**4,734**	**8,717**	**(320)**

Vertical Analysis

	2025	2024	2023	2022	2021	2020
	(Percentage)					
Revenue from contracts with customer	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Sales	(90.0)	(87.2)	(84.8)	(86.5)	(82.2)	(91.0)
Gross Profit	**10.0**	**12.8**	**15.2**	**13.5**	**17.8**	**9.0**
Administrative, Selling and Distribution expenses	(4.9)	(4.7)	(3.5)	(4.3)	(3.3)	(3.5)
Other operating expenses	(0.3)	(0.5)	(0.5)	(0.7)	(1.5)	(0.6)
Share of profit in equity accounted investe	0.0	0.1	0.1	0.1	0.0	(0.0)
Other income / (losses) - net	0.3	0.1	(0.1)	0.5	0.5	0.3
Operating profit before financing cost	**5.1**	**7.7**	**11.2**	**9.1**	**13.5**	**5.2**
Finance cost	(1.7)	(2.4)	(4.0)	(2.1)	(1.6)	(5.4)
Profit /(loss) before Taxation	**3.4**	**5.4**	**7.2**	**7.0**	**11.9**	**(0.2)**
Taxation	(1.6)	(1.5)	(2.6)	(3.2)	(3.1)	(0.3)
Profit/(loss) after Taxation	**1.8**	**3.9**	**4.6**	**3.9**	**8.8**	**(0.5)**

Horizontal Analysis

	2025	2024	2023	2022	2021	2020
	(Percentage)					
Revenue from contracts with customer	(13.5)	(1.6)	(17.3)	23.3	50.4	(13.2)
Cost of Sales	(10.7)	1.2	(18.9)	29.8	35.8	(9.8)
Gross Profit	**(32.4)**	**(17.2)**	**(6.5)**	**(6.8)**	**198.6**	**(36.8)**
Administrative, Selling and Distribution expenses	(10.5)	33.7	(33.0)	59.7	43.5	(7.4)
Other operating expenses	(37.8)	(10.4)	(35.1)	(44.3)	300.8	(42.1)
Share of profit in equity accounted investe	(52.4)	(26.7)	(35.5)	(385.9)	624.2	(113.0)
Other income / (losses) - net	271.3	(156.3)	(121.2)	16.6	136.4	(66.3)
Operating profit before financing cost	**(42.9)**	**(32.0)**	**1.7**	**(17.1)**	**288.4**	**(50.0)**
Finance cost	(38.9)	(42.0)	60.7	59.8	(55.8)	60.3
Profit /(loss) before Taxation	**(44.7)**	**(26.4)**	**(15.6)**	**(27.3)**	**10,924.7**	**(102.3)**
Taxation	(8.8)	(42.9)	(31.5)	24.9	1,352.1	(84.7)
Profit/(loss) after Taxation	**(58.8)**	**(17.0)**	**(2.7)**	**(45.7)**	**2,821.0**	**(109.7)**

Analysis of Financial Statements

Consolidated Statement of Cash Flows

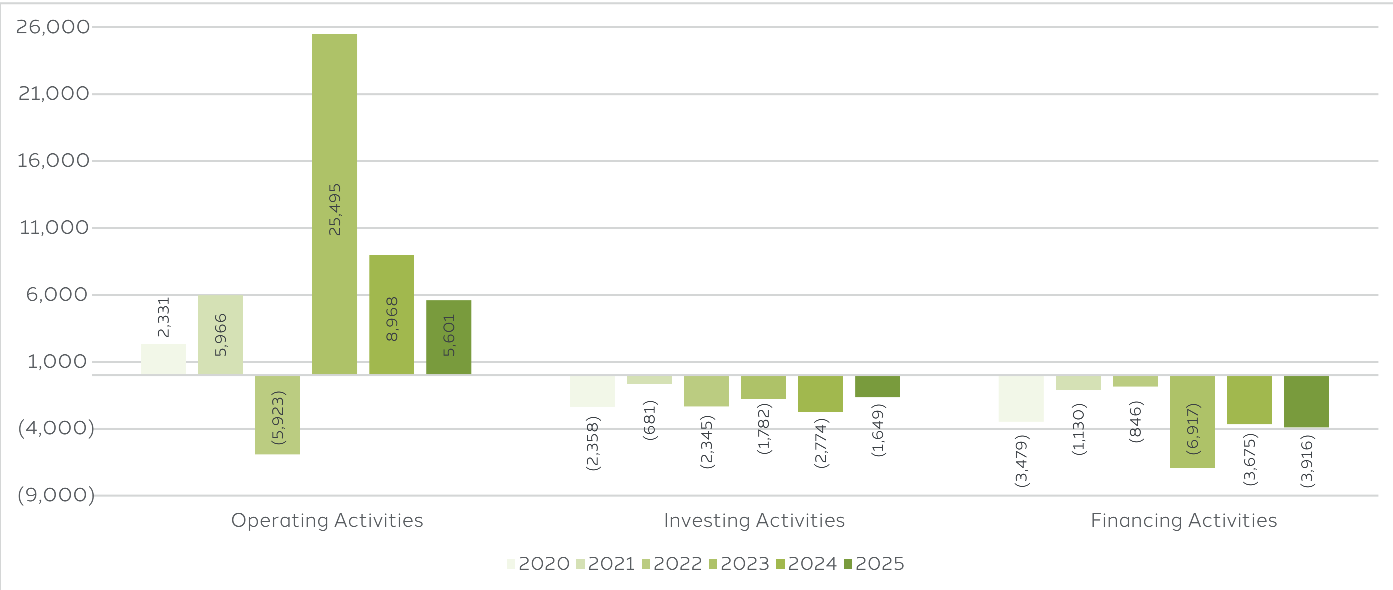
	2025	2024	2023	2022	2021	2020
	(Rupees in million)					
Net cash generated from/(used in) operating activities	5,601	8,968	25,495	(5,923)	5,966	2,331
Net cash inflows/(outflows) from investing activiti	(1,649)	(2,774)	(1,782)	(2,345)	(681)	(2,358)
Net cash (outflows)/inflows from financing activit	(3,916)	(3,675)	(6,917)	(846)	(1,130)	(3,479)
Net increase/(decrease) in cash and cash equivalents	**36**	**2,518**	**16,795**	**(9,113)**	**4,155**	**(3,506)**

Vertical Analysis

	2025	2024	2023	2022	2021	2020
	(Percentage)					
Net cash generated from/(used in) operating activities	15,598.5	356.1	151.8	(65.0)	143.6	66.5
Net cash inflows/(outflows) from investing activiti	(4,591.7)	(110.2)	(10.6)	(25.7)	(16.4)	(67.2)
Net cash (outflows)/inflows from financing activit	(10,906.8)	(145.9)	(41.2)	(9.3)	(27.2)	(99.2)
Net increase/(decrease) in cash and cash equivalents	**100.0**	**100.0**	**100.0**	**(100.0)**	**100.0**	**(100.0)**

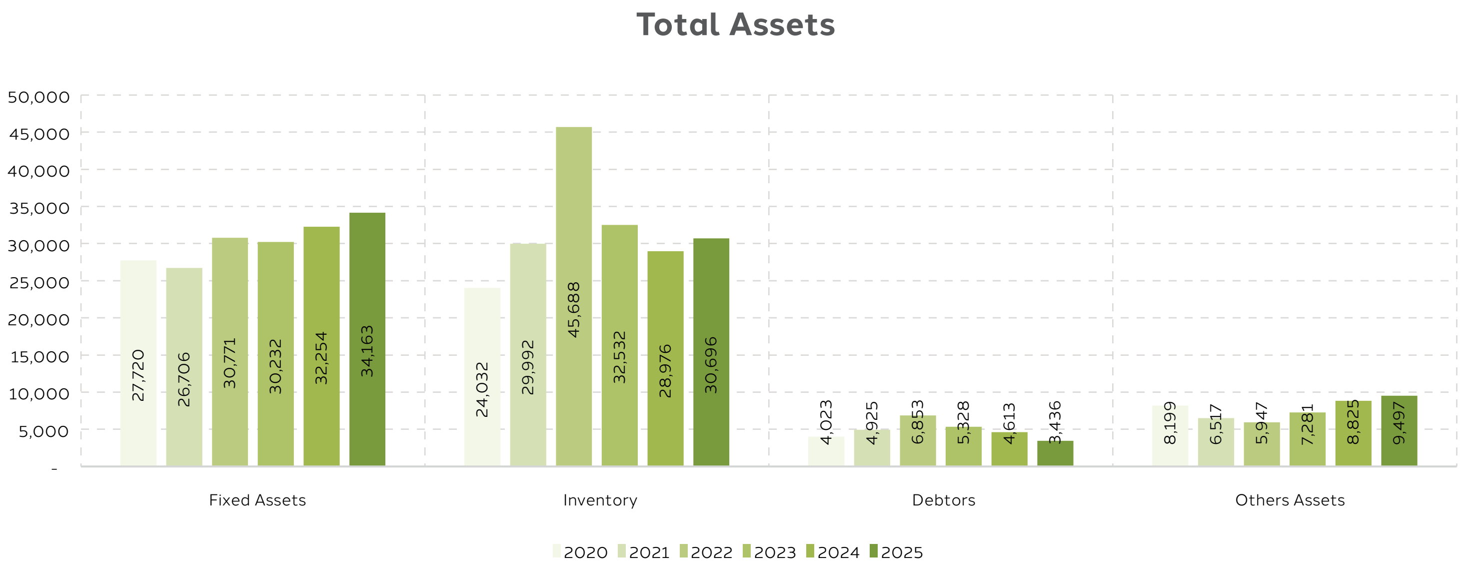
Horizontal Analysis

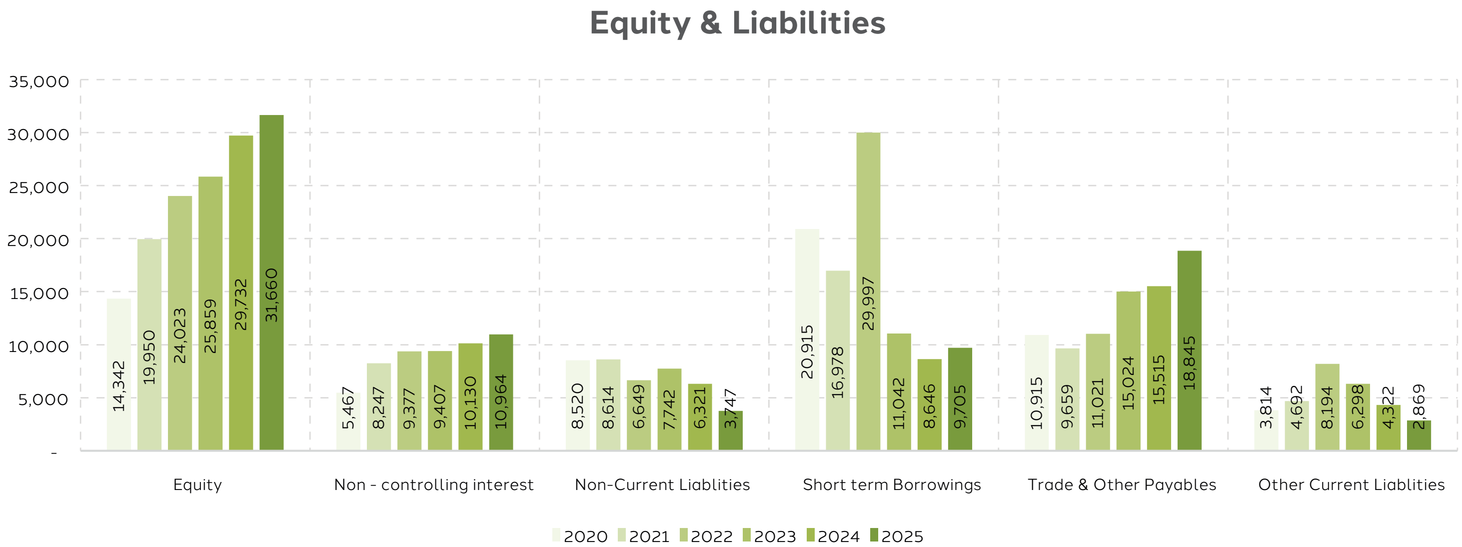
	2025	2024	2023	2022	2021	2020
	(Percentage)					
Net cash generated from/(used in) operating activities	(37.5)	(64.8)	530.5	(199.3)	156.0	(37.2)
Net cash inflows/(outflows) from investing activiti	40.6	(55.7)	24.0	(244.4)	71.1	32.4
Net cash (outflows)/inflows from financing activit	(6.6)	46.9	(717.9)	25.2	67.5	(632.6)
Net increase/(decrease) in cash and cash equivalents	**(98.6)**	**(85.0)**	**284.3**	**(319.3)**	**218.5**	**(1,304.4)**

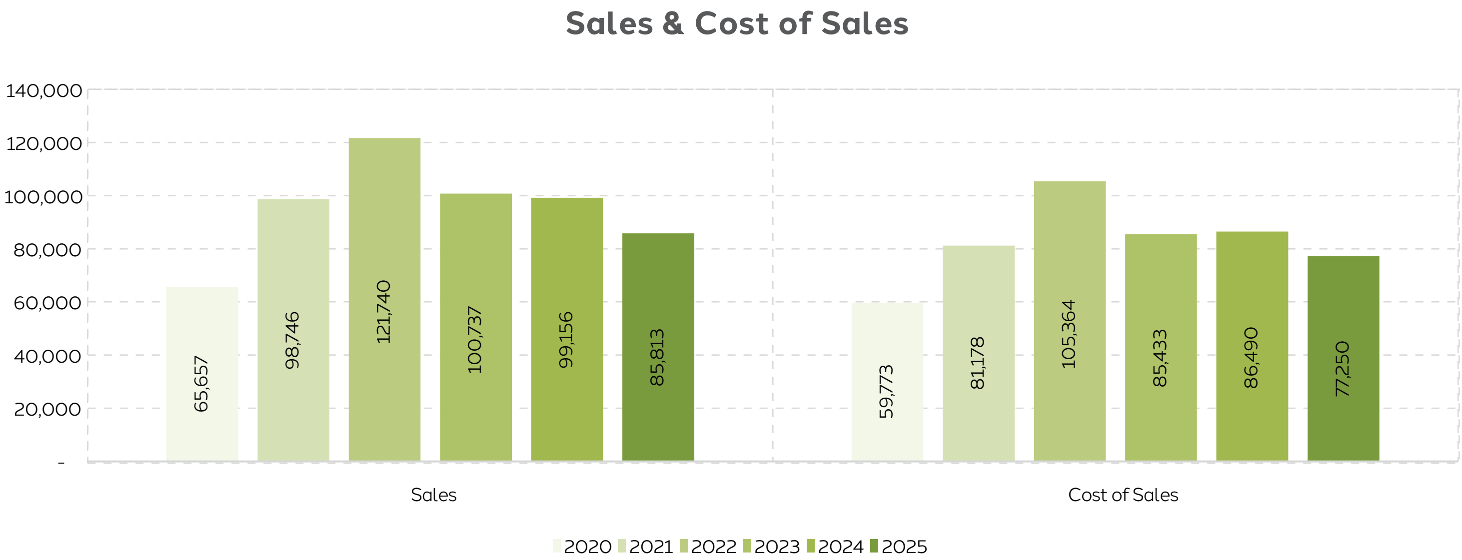


Graphical presentation of

Statement of Financial Position and Profit & Loss Account







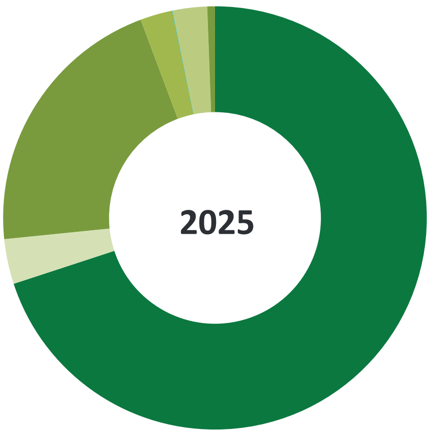
Consolidated Key Operating Highlights

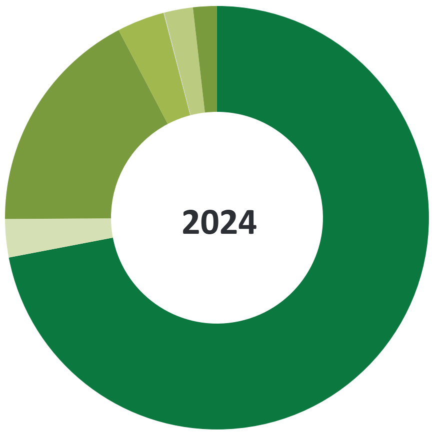
KEY INDICATORS

		2025	2024	2023	2022	2021	2010
Profitability Ratios							
Gross profit rati	%	**10.0**	12.8	15.2	13.5	17.8	9.0
Net profit to Sale	%	**1.8**	3.9	4.6	3.9	8.8	-0.5
EBITDA Margin to Sales	%	**8.1**	10.2	13.4	10.8	15.6	8.2
Cost to Income Ratio	Times	**3.14**	1.74	0.94	1.09	0.68	2.31
Operating Margin	%	**5.10**	8.06	11.72	9.16	14.48	5.49
Operating Leverage	%	**2.3**	16.0	(0.2)	(0.6)	3.7	2.8
Return on Equity with Surplus on revaluation of fixed asset	%	**3.7**	9.6	13.1	14.2	30.9	(1.6)
Return on Equity without Surplus on revaluation of fixed asset	%	**4.9**	12.4	16.3	17.9	36.4	(2.0)
Return on Capital Employed	%	**3.6**	8.7	11.4	12.6	25.6	(1.2)
Return on Total Assets	%	**2.0**	5.1	6.1	5.3	12.8	(0.5)
Shareholders' funds ratio	%	**54.8**	53.4	46.8	37.4	41.4	31.0
Liquidity Ratios							
Current ratio	Times	**1.31**	1.41	1.33	1.16	1.29	0.99
Quick / Acid test ratio	Times	**0.30**	0.35	0.28	0.21	0.30	0.29
Operating Cash Flow Ratio	Times	**0.18**	0.31	0.79	(0.12)	0.19	0.07
Cash to Current Liabilities	Times	**0.09**	0.10	(0.09)	(0.40)	(0.34)	(0.42)
Cash flow from Operations to Sale	Times	**0.07**	0.09	0.25	(0.05)	0.06	0.04
Activity / Turnover Ratios							
Inventory turnover ratio	Times	**2.6**	2.8	2.2	2.8	3.0	2.4
Inventory turnover in days	days	**141**	130	167	131	121	151
Debtor turnover ratio	Times	**25.7**	23.6	19.4	24.0	25.8	20.4
Debtor turnover in days	days	**14**	15	19	15	14	18
Creditor turnover ratio	Times	**8.6**	12.3	15.8	40.4	17.8	12.7
Creditor turnover in days	days	**42**	30	23	9	21	29
Total assets turnover ratio	Times	**1.1**	1.3	1.3	1.4	1.4	1.0
Fixed assets turnover ratio	Times	**2.5**	3.1	3.3	4.0	3.7	2.4
Operating cycle in days	days	**113**	116	163	137	115	141
Capital employed turnover ratio	Times	**2.0**	2.3	2.5	3.2	2.9	2.5
Investment / Market Ratios							
Earnings per share - basic and diluted	Rs.	**6.82**	16.44	23.36	18.38	41.38	(4.60)
Price earning ratio	Times	**25.97**	11.90	3.14	5.64	5.10	(19.93)
Dividend Yield ratio	%	**2.3**	2.8	10.2	7.7	4.7	-
Dividend Payout ratio	%	**58.7**	33.4	32.1	43.5	24.2	-
Dividend per share - Cash	Rs.	**4.00**	5.50	7.50	8.00	10.00	0.00
Sustainable Growth Rate	%	**1.5**	6.4	8.9	8.0	23.4	(1.6)
Free-Float of Shares	%	**45.0**	45.0	45.0	45.0	45.0	45.0
Turnover of Shares	Rs.M	**123.1**	137.4	40.7	93.0	327.2	175.6
Bonus shares	%	**-**	-	-	-	-	-
Dividend Cover	Times	**1.70**	2.99	3.11	2.30	4.14	-
Market value per share at the end of the year	Rs.	**177.01**	195.71	73.24	103.73	211.02	91.73
Market value per share high during the year	Rs.	**222.00**	203.00	119.75	219.60	242.50	120.99
Market value per share low during the year	Rs.	**119.99**	77.00	62.40	90.50	92.10	63.50
Price to book ratio	(x)	**0.30**	0.35	0.13	0.15	0.41	0.19
Break-up value per share with revaluation of fixed asset	Rs.	**239.51**	224.84	195.45	181.95	151.23	108.72
Break-up value per share without revaluation of fixed asset	Rs.	**161.21**	156.13	141.85	128.98	118.86	81.30
Capital Structure Ratios							
Financial leverage ratio	(x)	**0.8**	0.9	1.1	1.7	1.4	2.2
Weight avg cost of debts	%	**11.5%**	15.2%	15.0%	8.1%	5.7%	12.2%
Net assets per share	Rs	**323**	302	267	253	214	150
Total Debt : Equity ratio	(x)	**45 : 55**	47 : 53	53 : 47	63 : 37	59 : 41	69 : 31
Interest cover	Times	**3.1**	3.4	2.9	4.5	9.1	1.0
Value Addition							
Employees as remuneration	Rs. M	**3,399**	3,311	2,877	2,862	2,605	2,109
Government as taxes	Rs. M	**20,647**	19,768	22,245	26,067	21,205	14,824
Shareholders as dividends	Rs. M	**528**	725	989	1,055	1,319	0
Retained within the business	Rs. M	**1,051**	3,102	3,620	3,679	7,399	(320)
Financial charges to providers of financ	Rs. M	**1,426**	2,334	4,024	2,504	1,567	3,547
Employee Productivity and others							
Production per employee	Tons	**212**	222	239	498	601	466
Revenue per employee	Rs M	**54**	61	62	73	60	38
Spares inventory as % of assets cost	%	**1.4%**	1.5%	1.7%	1.3%	1.3%	1.4%
Maintenance cost as % of operating expenses	%	**3.1%**	2.4%	2.8%	2.4%	2.9%	2.5%

Consolidated Statement of Value Addition

	2025		2024	
	Rupees in '000	%	Rupees in '000	%
Wealth Generated				
Sales including sales tax	98,557,591	99.7%	113,410,513	99.9%
Other operating income	254,653	0.3%	68,575	0.06%
	98,812,244	**100.0%**	113,479,088	100.0%
Wealth Distributed				
Cost of material & services	**69,129,307**	**69.9%**	81,690,780	72.0%
To Employees				
Salaries & other related cost	**3,399,181**	**3.4%**	3,311,401	2.9%
To Government				
Taxes & Duties	20,405,127	20.7%	19,381,960	17.0%
Worker Profit Participation Fun	175,101	0.2%	282,352	0.3%
Worker Welfare Fund	66,798	0.07%	103,865	0.09%
	20,647,026	**20.9%**	19,768,178	17.4%
To Providers of Capital				
Dividend to shareholders	1,002,389	1.0%	1,770,045	1.6%
Finance cost	1,425,964	1.4%	2,333,995	2.0%
	2,428,353	**2.4%**	4,104,040	3.6%
To Society				
Donation	**33,600**	**0.03%**	63,600	0.06%
Retained in Business				
For replacement of fixed asset				
Depreciation & Amortization	2,598,547	2.6%	2,484,099	2.2%
To provide for growth: Retained Profi	576,229	0.6%	2,056,990	1.8%
	3,174,776	**3.2%**	4,541,089	4.0%
	98,812,244	**100.0%**	113,479,088	100.0%





	2025	2024
Cost of material & services	**70.0%**	72.0%
To Employees	**3.4%**	2.9%
To Government	**20.9%**	17.4%
To Providers of Capital	**2.5%**	3.6%
To Society	**0.0%**	0.1%
Depreciation & Amortization	**2.6%**	2.2%
Retained Profi	**0.6%**	1.8%

SECTION 9.4
Consolidated Statements

INDEPENDENT AUDITOR'S REPORT

To the members of International Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of International Industries Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash f ows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash f ows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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 fulfil ed 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.

Key Audit Matter

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

Following is the Key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** ***(Refer note 3.12 and 26 to the consolidated financial statements)*** The Group recognises revenue from the domestic and export customers when the performance obligation is satisfied by transferring control of a promised goods to the customer. During the year, net sales to the domestic customers has decreased by 5.92% and net sales to export customers have decreased by 39.75%. As part of our overall response to the audit risks when identifying and assessing the risk in revenue recognition, we considered that there is an inherent risk that revenue may be overstated as it is a key performance measure, which could create an incentive or pressure. Further, we have focused our audit activities over the revenue recognised near to the year end as there was a high risk that the revenue is recorded before the control of goods is transferred to the customer and in an incorrect accounting period. Based on the above and considering that the revenue recognition is a high-risk area, we considered this as a key audit matter.	Our audit procedures amongst others included the following: • obtained an understanding of the Company's process with respect to revenue recognition; • understood and evaluated the accounting policy with respect to revenue recognition; • performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; • performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; • verified that sales prices are approved by appropriate authority; • recalculated the commission as per Company's policy and verified related distribution expenses; and • ensured that presentation and disclosures related to revenue are being addressed appropriately.

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 consolidated and unconsolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

pwc

A·F·FERGUSON&Co.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial eporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the aggregate, they could reasonably be expected to inf uence the economic decisions of users taken on the basis of these consolidated financial s atements.

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 consolidated 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 Group'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 the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast signifi ant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

pwc

A·F·FERGUSON&Co.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and signifi ant audit findings, including any signifi ant 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 signifi ance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 4, 2025

UDIN: AR202510073OU3hRIWSd

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	34,162,756	32,253,795
Right-of-use assets	5.1	72,623	13,049
Intangible assets	6	330,152	410,437
Investments in equity accounted investee	7	1,995,587	1,909,524
Long-term deposits		9,689	6,477
		36,570,807	34,593,282
CURRENT ASSETS			
Stores and spares	8	1,073,834	1,097,458
Stock-in-trade	9	30,695,862	28,975,670
Trade debts	10	3,436,163	4,612,850
Advances, trade deposits and prepayments	11	150,584	215,406
Other receivables	12	47,945	72,453
Staff retirement benefits	13	183,846	-
Sales tax receivable		640,953	976,338
Cash and bank balances	14	4,991,638	4,123,574
		41,220,825	40,073,749
TOTAL ASSETS		77,791,632	74,667,031
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	15	1,318,819	1,318,819
Revenue reserves			
General reserves	16	3,278,085	3,222,432
Un-appropriated profit		16,663,914	16,049,218
Capital reserves			
Exchange translation reserve		72,856	80,657
Revaluation surplus	17	10,326,733	9,061,218
TOTAL SHAREHOLDERS' EQUITY		31,660,407	29,732,344
Non - controlling interest		10,964,355	10,130,169
TOTAL EQUITY		42,624,762	39,862,513
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	18	1,136,634	4,121,675
Deferred income - government grant	19	94,917	128,279
Staff retirement benefits	13	-	18,142
Deferred taxation - net	20	2,451,815	2,048,859
Lease liabilities	5.2	63,770	4,415
		3,747,136	6,321,371
CURRENT LIABILITIES			
Trade and other payables	21	18,845,208	15,514,957
Contract liabilities	22	2,347,506	2,467,336
Short-term borrowings - secured	23	9,705,275	8,646,336
Unclaimed dividend		42,994	41,275
Unpaid dividend attributable to non-controlling interest (NCI)		477	430
Unclaimed dividend attributable to non-controlling interest (NCI)		-	7,079
Current portion of long-term financing - secured	18	325,299	960,047
Current portion of lease liabilities	5.2	18,171	11,299
Taxation - net	24	2,103	430,854
Accrued mark-up		132,701	403,534
		31,419,734	28,483,147
TOTAL LIABILITIES		35,166,870	34,804,518
CONTINGENCIES AND COMMITMENTS	25		
TOTAL EQUITY AND LIABILITIES		77,791,632	74,667,031

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

Jehangir Shah Director & Chairman Board Audit Committee	**Salman Najeeb** Chief Financial Officer	**Yousuf H. Mirza** Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in '000)	
Revenue from contracts with customers	26	85,813,041	99,156,076
Cost of sales	27	(77,249,781)	(86,489,859)
Gross profit		8,563,260	12,666,217
Selling and distribution expenses	28	(3,204,786)	(3,674,829)
Administrative expenses	29	(944,042)	(954,136)
Charge of loss allowance on trade debts	10.3	(40,616)	(49,822)
		(4,189,444)	(4,678,787)
Operating profit		4,373,816	7,987,430
Finance cost	30	(1,425,964)	(2,333,995)
Other operating charges	31	(295,324)	(474,952)
		(1,721,288)	(2,808,947)
Other income - net	32	254,653	68,575
Share of profit from equity accounted investee	7.1.2	37,301	78,351
Profit before levies and income tax		2,944,482	5,325,409
Levies	33	(6,503)	(271,866)
Profit before income tax		2,937,979	5,053,543
Income tax expense	34	(1,359,361)	(1,226,508)
Profit for the year		1,578,618	3,827,035
Profit attributable to:			
- Owners of the Holding Company		898,978	2,168,613
- Non-controlling interest (NCI)		679,640	1,658,422
		1,578,618	3,827,035
		(Rupees)	
Earnings per share - basic and diluted	35	6.82	16.44

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

Jehangir Shah Director & Chairman Board Audit Committee	**Salman Najeeb** Chief Financial Officer	**Yousuf H. Mirza** Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in '000)	
Profit for the year		1,578,618	3,827,035
Other comprehensive income			
Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss			
Remeasurements of staff retirement benefits		210,411	171,161
Related deferred tax for the year		(82,060)	(66,753)
Net remeasurement gain on staff retirement benefits		128,351	104,408
Adjustment related to opening deferred tax balance		-	11,532
Revaluation of freehold land	17	777,367	50,000
Revaluation of leasehold land	17	(167,200)	2,209,423
Net surplus on land		610,167	2,259,423
Revaluation of buildings on freehold land		1,558,812	(17,780)
Revaluation of buildings on leasehold land		914,504	(9,829)
Related deferred tax for the year		(964,593)	10,768
Net surplus / (deficit) on buildings		1,508,723	(16,841)
Adjustment related to opening deferred tax balance on buildings		-	(91,985)
Proportionate share of loss on revaluation of land and buildings of equity accounted investee		(51,587)	(29,453)
Related deferred tax for the year		12,897	7,363
		(38,690)	(22,090)
		2,208,551	2,244,447
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss			
Foreign operations - foreign currency translation difference		(7,801)	(2,788)
Proportionate share of other comprehensive income of equity accounted investee		14,301	5,162
		6,500	2,374
Other comprehensive income for the year		2,215,051	2,246,821
Total comprehensive income for the year		3,793,669	6,073,856
Total comprehensive income attributable to:			
- Owners of the Holding Company		2,389,650	4,400,703
- Non-controlling interest (NCI)		1,404,019	1,673,153
		3,793,669	6,073,856

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

Jehangir Shah Director & Chairman Board Audit Committee	**Salman Najeeb** Chief Financial Officer	**Yousuf H. Mirza** Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Attributable to owners of the Holding Company								Non-controlling interest	Total equity
	Issued, subscribed and paid - up capital	Capital reserve		Total capital reserves	Revenue reserves		Total revenue reserves	Total		
		Revaluation surplus	Exchange translation reserve		General reserve	Un-appropriated profit				
	(Rupees in '000)									
Balance as at July 1, 2023	1,318,819	7,068,935	83,445	7,152,380	3,112,325	14,275,645	17,387,970	25,859,169	9,406,738	35,265,907
- Profit for the year	-	-	-	-	-	2,168,613	2,168,613	2,168,613	1,658,422	3,827,035
- Other comprehensive income / (loss) for the year	-	2,128,507	(2,788)	2,125,719	-	106,371	106,371	2,232,090	14,731	2,246,821
Total comprehensive income for the year	-	2,128,507	(2,788)	2,125,719	-	2,274,984	2,274,984	4,400,703	1,673,153	6,073,856
Proportionate share transferred to general reserves related to equity accounted investee	-	-	-	-	110,107	(110,107)	-	-	-	-
Transferred from revaluation surplus on disposal - net of tax		(15,584)		(15,584)		15,584	15,584	-	-	-
Transferred from revaluation surplus on account of incremental depreciation - net of tax	-	(117,629)	-	(117,629)	-	117,629	117,629	-	-	-
Proportionate share of surplus on revaluation - PCL	-	(3,011)	-	(3,011)	-	3,011	3,011	-	-	-
Transactions with owners recorded directly in equity:										
Distributions to owners of the Holding Company - Final dividend @ 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2023	-	-	-	-	-	(263,764)	(263,764)	(263,764)	-	(263,764)
- Interim dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2024	-	-	-	-	-	(263,764)	(263,764)	(263,764)	-	(263,764)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(949,722)	(949,722)
Balance as at June 30, 2024	1,318,819	9,061,218	80,657	9,141,875	3,222,432	16,049,218	19,271,650	29,732,344	10,130,169	39,862,513
- Profit for the year	-	-	-	-	-	898,978	898,978	898,978	679,640	1,578,618
- Other comprehensive income / (loss) for the year	-	1,378,046	(7,801)	1,370,245	-	120,427	120,427	1,490,672	724,379	2,215,051
Total comprehensive income for the year	-	1,378,046	(7,801)	1,370,245	-	1,019,405	1,019,405	2,389,650	1,404,019	3,793,669
Proportionate share transferred to general reserves related to equity accounted investee	-	-	-	-	55,653	(55,653)	-	-	-	-
Transferred from revaluation surplus on disposal - net of tax	-	-	-	-	-	-	-	-	-	-
Transferred from revaluation surplus on account of incremental depreciation - net of tax	-	(111,510)	-	(111,510)	-	111,510	111,510	-	-	-
Proportionate share of surplus on revaluation - PCL	-	(1,021)	-	(1,021)	-	1,021	1,021	-	-	-
Transactions with owners recorded directly in equity										
Distributions to owners of the Holding Company - Final dividend @ 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024	-	-	-	-	-	(461,587)	(461,587)	(461,587)	-	(461,587)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(569,833)	(569,833)
Balance as at June 30, 2025	1,318,819	10,326,733	72,856	10,399,589	3,278,085	16,663,914	19,941,999	31,660,407	10,964,355	42,624,762

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

Jehangir Shah
Director & Chairman
Board Audit Committee

Salman Najeeb
Chief Financial Officer

Yousuf H. Mirza
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	9,477,480	14,339,716
Finance cost paid		(1,638,796)	(2,410,135)
Income on bank deposits received		329,910	328,534
Staff retirement benefits paid	13.2.7	(88,994)	(87,305)
Payment on account of compensated absences		(50,247)	(20,536)
Income tax paid - net		(2,425,360)	(3,180,000)
Long-term deposits paid		(3,212)	(2,410)
Net cash generated from operating activities		5,600,781	8,967,864
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(1,409,741)	(2,491,156)
Payment for acquisition of intangible assets		(129,361)	(101,210)
Investment in associate		(96,900)	-
Dividend from equity accounted investee		10,852	-
Investment in Pakistan Investment Bonds		(13,440,886)	-
Proceeds from disposal of Pakistan Investment Bonds		13,493,559	-
Investment in term-deposit receipts (TDRs)		(300,000)	(350,000)
Proceeds from disposal of property, plant and equipment		223,793	167,874
Net cash used in investing activities		(1,648,684)	(2,774,492)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		-	150,000
Repayment of long-term financing		(3,657,078)	(1,104,328)
Short-term borrowings obtained		18,528,270	32,101,730
Short-term borrowings repaid		(17,719,979)	(33,326,122)
Lease liabilities		(30,671)	(11,591)
Dividends paid to non-controlling interest		(576,865)	(952,237)
Dividends paid to shareholders of the Holding Company		(459,868)	(532,402)
Net cash used in financing activities		(3,916,191)	(3,674,950)
Net increase in cash and cash equivalents		35,906	2,518,422
Cash and cash equivalents at beginning of the year		2,869,766	371,391
Effects of exchange rate changes in cash and cash equivalents		2,263	(20,047)
Cash and cash equivalents at end of the year	37	2,907,935	2,869,766

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

Jehangir Shah
Director & Chairman
Board Audit Committee

Salman Najeeb
Chief Financial Officer

Yousuf H. Mirza
Chief Executive
Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of International Industries Limited (the Holding Company), its 56.33% owned subsidiary International Steels Limited (ISL), its wholly owned subsidiary IIL Trading (Private) Limited (formerly IIL Construction Solutions (Private) Limited) and its wholly owned foreign subsidiaries IIL Australia Pty. Limited (IIL Australia), IIL Americas Inc. (IIL Americas) and INIL Europe (IIL Europe) [together referred to as "the Group" and individually as "Group entities"] and the Holding Company's 17.124% and 34.00% interest in an equity accounted investees namely Pakistan Cables Limited (PCL) and Chinoy Engineering & Construction (Private) Limited (CECL) respectively.

1.2 The Holding Company was incorporated in Pakistan in 1948 under the Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. It is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, structural hollow sections, stainless steel tubes, polymer pipes & fittings. The Group also engages in trading business of construction materials and offers customised construction solution services. The registered office of the Holding Company is situated at 101-107 1st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

The manufacturing facilities of the Holding Company are situated as follows:

i) LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi;

ii) Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi; and

iii) 22 KM Sheikhupura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhupura.

The sales offices and warehouse of the Holding Company are situated as follows:

i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;

ii) Office no. 708-A, United Mall, Abdali Road, Multan;

iii) Office No. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;

iv) Plot no. 9, Street no. 01, Ibrahim Tower, Business Park, Gulberg Green, Islamabad; and

v) Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

1.3 International Steels Limited (ISL) was incorporated on September 03, 2007 as a public unlisted company limited by shares under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is domiciled in the province of Sindh. Subsequent to the sale of shares by the Holding Company to general public under an Initial Public Offer, ISL was listed on the Pakistan Stock Exchange on June 1, 2011. The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. ISL commenced commercial operations on January 1, 2011. The registered office of ISL is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530. The Holding Company has 56.33% ownership interest in ISL.

The manufacturing facilities of International Steels Limited are situated as follows:

i) 399-405, Rehri Road, Landhi Industrial Area, Karachi; and

ii) Plot No. LE 73-79, 102-103, 112-118, 125-129, Survey No. NC 98, National Industrial Parks (NIP), Bin Qasim Industrial Zone, Karachi.

The sales offices of International Steels Limited are situated as follows:

i) Chinoy House, 6 Bank Square, Lahore;

ii) Office No. 303-A, 3rd Floor, Evacuee Trust Complex, Sir Agha Khan Road, Sector F-5/1, Islamabad; and

iii) Office No. 708-A, United Mall, Abdali Road, Multan.

1.4 IIL Trading (Private) Limited [Formerly IIL Construction Solutions (Private) Limited] (the Company) was incorporated in Pakistan on August 19, 2020 under the Companies Act, 2017. The Company is engaged in trading business, carrying out distribution and marketing of construction materials, power / hand tools, contruction chemicals and other accessories and materials. Its registered office is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi 75530.

The sales offices of the Subsidiary Company are situated as follows:

i) Plot No. 91-C, 24th Commercial Street, Phase II Ext. Rd, DHA, Karachi;

ii) BWB 192, Broadway Commercial, DHA Phase 8, Lahore; and

iii) Plot No. 9, Street No. 01, Ibrahim Tower, Business Park, Gulberg Green Islamabad.

1.5 IIL Australia was incorporated in Australia on May 2, 2014. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes, pre-galvanized pipes, stainless steel tubes and galvanized steel sheets and coils. Its registered office and sales office is situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia.

1.6 IIL Americas was incorporated in Canada on October 8, 2019. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes. Its registered office and sales office is situated at Suite 210, 5800 Ambler Drive Mississaugs, ON L4W 4J4, Canada.

1.7 INIL Europe Limited (the Company) was incorporated on January 10, 2025 . The address of its registered office and principal place of business is Ground Floor, 71 Baggot Street Lower, Dublin 2, D02P593, Ireland. The Company is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes.

1.8 Details of the associated company are stated in note 7 to these consolidated financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;

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

- Provisions of and directives issued under the Companies Act 2017.

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

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for the Group entities' liabilities under defined benefit plan (Gratuity Fund) which is determined on the basis of present value of defined benefit obligation less fair value of plan assets determined by an independent actuary and land and buildings at revalued amounts assessed by an independent valuer which are stated at fair value.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is the Group's functional and presentation currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

2.4 Use of significant estimates and judgements

The preparation of the consolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the future periods are described in the following notes:

- Property, plant and equipment (note 3.2)
- Lease Liability and Right-of-use assets (note 3.1)
- Trade debts, advances and other receivables (note 3.5.2)
- Stores and spares (note 3.7)
- Stock-in-trade (note 3.8)
- Taxation (note 3.9)
- Staff retirement benefits (note 3.10)
- Impairment (note 3.15)
- Provisions (note 3.16)
- Contingent liabilities (note 3.17)

2.5 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 Group's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's consolidated financial statements and therefore are not stated in these consolidated financial statements except as for:

Amendment to IAS 1 - Non - current liabilities with covenants:

An amendment to IAS 1 'Presentation of Financial Statements' (IAS-1) was introduced addressing the classification of non-current liabilities subject to covenants. This amendment clarifies that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendment also mandates specific disclosures if a liability is classified as non-current but is subject to covenants that must be complied with within twelve months of the reporting date.

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

There is a standard 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 1, 2025. The following amendments and standard have not been early adopted by the Company:

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. 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.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):

These amendments:

- 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 cashflows (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).

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these consolidated financial statements.

The management is in a process of assessing the impact of above amendments.

2.6 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision-making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include International Industries Limited (the Holding Company) and all companies which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The financial statements of the Subsidiaries have been consolidated on a line-by-line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of a subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Material accounting policies and methods of computations adopted in the preparation of these consolidated financial statements are same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended June 30, 2024.

3.1 Lease liability and Right-of-use assets

The Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Group assesses whether 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 Group mainly leases properties for its operations. The Group 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 Group has various lease agreements for sales offices which were previously classified by the Group based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on Consolidated Statement of Financial Position.

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 being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. 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 corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and Restoration costs.

The Group has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.2 Property, plant and equipment

3.2.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the group entities and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except freehold and leasehold land and buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold and leasehold lands are stated at revalued amounts, and buildings on freehold and leasehold lands are stated at revalued amounts less accumulated depreciation and impairment loss, if any. The value assigned to leasehold lands is not amortized as the respective leases are expected to be renewed for further periods on payment of relevant rentals. The costs of Property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

(c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the group entities and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the Consolidated Statement of Profit or Loss account as an expense when it is incurred.

Depreciation

Depreciation on all items except for land is charged on straight line method at the rates specified in note 4.1 to the consolidated financial statements and is generally recognised in the Consolidated Statement of Profit or Loss.

Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation surplus

Revaluation of land and building is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of land and building is recognised, net of tax, in the other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the other comprehensive income, in which case the increase is first recognised in the Consolidated Statement of Profit or Loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to the Consolidated Statement of Profit or Loss. The revaluation reserve is not available for distribution to the Group's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to Consolidated Statement of Profit or Loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to unappropriated profit.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the Consolidated Statement of Profit or Loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to unappropriated profit.

3.2.2 Capital work-in-progress (CWIP)

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.3 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the group entities and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding one year are recognised as an intangible asset.

Indefinite Intangible

These are stated at cost less impairment, if any.

Definite Intangible

a) These are stated at cost less accumulated amortisation and impairment, if any;

b) Intangible assets are amortised on straight line basis over its estimated useful life(s) (refer note 6); and

c) Amortisation on additions during the year is charged from the month in which the asset is intended to be used, whereas no amortisation is charged from the month the asset is disposed-off.

3.4 Investments in associates

Investments in associates are accounted for using equity method of accounting in the consolidated financial statements in which the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The carrying amount of investments in associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the investment's recoverable amount is estimated which is higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in Consolidated Statement of Profit or Loss. An impairment loss is reversed if there has been a change in estimate used to determine the recoverable amount but limited to the extent of the initial cost of investments. A reversal of impairment loss is recognised in the Consolidated Statement of Profit or Loss.

3.5 Financial Instruments

Initial measurement of financial asset

The Group classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

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

Subsequent measurement

Debt Investments at FVOCI	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 recognised in the consolidated Statement of Profit or Loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the consolidated Statement of Profit or Loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated 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 recognised in other comprehensive income and are never reclassified to the consolidated Statement of Profit or Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the consolidated Statement of Profit or Loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the consolidated Statement of Profit or Loss

3.5.1 Non-derivative Financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which group entities become party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, deposits, advances, other receivables and cash and cash equivalent. Group entities derecognise the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.5.2 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.5.3 Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash in hand, balances with banks 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 and short-term borrowings availed by group entities, which are repayable on demand and form an integral part of the group entities' cash management.

3.5.4 Financial Liabilities

Financial liabilities are initially recognised on trade date i.e. date on which an group entities become party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed / unpaid dividend, accrued mark-up and trade and other payables. Group entities derecognise the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.5.5 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the Consolidated Statement of Profit or Loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

3.5.6 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

3.5.7 Derivative financial instruments - other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the Consolidated Statement of Financial Position at estimated fair value with corresponding effect to the Consolidated Statement of Profit or Loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.5.8 Derivative financial instruments - cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in the Consolidated Statement of Comprehensive Income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the Consolidated Statement of Profit or Loss. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

3.5.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when group entities has currently legally enforceable right to set-off the recognised amounts and the group entities intend either to settle on a net basis or to realize 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 group entities' or the counter parties.

3.6 Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group entities have received consideration. If a customer pays consideration before the Group entities transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group entities satisfy the performance obligations under the contract.

3.7 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realisable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for net realisable value write down and is recognised in the Consolidated Statement of Profit or Loss.

3.8 Stock-in-trade

Stock-in-trade is valued at lower of cost and net realisable value. Cost is determined under the weighted average basis. Cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Raw material in transit comprise of invoice value and other charges thereon. Net realisable value signifies the estimated selling price in the ordinary course of the business less estimated cost of completion and selling expenses. Scrap and by-product is valued at estimated realisable value.

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Consolidated Statement of Profit or Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by an group entities, the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the group entities, other than the wholly owned foreign subsidiary, under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any.

Deferred tax

Deferred tax is recognised using the 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 group entities recognise 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.

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the consolidated statement of profit or loss as these levies fall under the scope of IFRIC 21/IAS 37.

Tax on dividend from subsidiaries, associates and joint ventures are not considered as levy as these dividends are specifically covered by IAS 12.

3.10 Staff retirement benefits

3.10.1 Defined benefit plan

The Holding Company and ISL provide gratuity benefit to all their respective permanent employees who have completed their minimum qualifying period of service i.e. three years (except in case of workers where minimum qualifying period of service is six months).

For executives and officers having total service of over twenty years, the benefit is available at one month's basic salary (eligible salary) for each completed year of service. For executives and officers having total service of less than twenty years, the benefit is available at half month's basic salary (eligible salary) for each completed year of service. For workers, the benefit is available at one month's gross salary less conditional allowances (eligible salary) for each completed year of service.

Obligations of Holding Company and ISL are determined through actuarial valuations carried out under the "Projected Unit Credit Method". Remeasurements which comprise actuarial gains or losses and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income in the consolidated financial statements.

The Holding Company and ISL determine their respective net interest expenses (income) on the net defined benefit liability (asset) 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 net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognised in the Consolidated Statement of Profit or Loss. The latest actuarial valuations were conducted at the reporting date by qualified professional firms of actuaries.

The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

3.10.2 Defined contribution plan

The Holding Company and ISL provide provident fund to all its officers. Equal contributions are made, both by the Companies and their employees, at the rate of 8.33% of basic salary and cost of living allowance and the same is charged to the Consolidated Statement of Profit or Loss.

3.10.3 Compensated absences

The liability for accumulated compensated absences of employees is recognized in the period in which employees render service that increases their entitlement to future compensated absences.

3.11 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the Consolidated Statement of Profit or Loss currently. The exchange gain on export receivable is restricted as per foreign exchange circulars issued by State Bank of Pakistan.

3.12 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due;

- Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on terms of arrangement; and

- Toll manufacturing / partial manufacturing income is recognised when related services are rendered.

No element of financing is deemed present as the sales are made with the credit term of upto 180 days, which is consistent with the market practice.

3.13 Other Income

- Income from power generation plant on account of sales of surplus electricity is recognised on transmission of electricity to K-Electric Limited;

- Gains / losses arising on sale of investments are included in the Consolidated Statement of Profit or Loss in the period in which they arise; and

- Rental income is recognised on straight line basis over the term of the respective lease agreement.

3.14 Income on bank deposits and finance cost

The Group's finance income and finance cost includes interest income and interest expense. Interest income or expense is recognised using the effective interest method.

3.15 Impairment

3.15.1 Financial assets

Loss allowances for Expected Credit Loss (ECL) are recognised in respect of financial assets measured at amortised cost.

Loss allowances are measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- 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 debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on payment profiles of sales over a period of 36 - 60 months before June 30, 2025 or July 1, 2024 respectively 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 receivables. The Group entities have 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 ECL, Group entities consider 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 Group entities historical experience and informed credit assessment and including forward-looking information.

The Group 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 ECL are the ECL that result from all possible default events over the expected life of a financial instrument. 12-month ECL are the portion of ECL 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 ECL is the maximum contractual period over which group entities are 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 group entities have no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. Group entities individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Group entities expect 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 Group entities 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.

3.15.2 Non-Financial assets

The carrying amounts of non-financial assets, other than deferred tax assets and inventories 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 in 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 recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss.

3.16 Provisions

A provision is recognised in the Consolidated Statement of Financial Position when Group entities have 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. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. The nature of provision is not stated in the consolidated financial statements where such is expected to materially prejudice company's position, as allowed under the applicable accounting framework.

3.17 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, 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 Group; or the Group has a present legal or constructive 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.

3.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. The operating results are monitored separately for each product category (i.e. Steel Coils and Sheets, Steel Pipes and Polymer Pipes) for the purposes of making decisions regarding resource allocation and performance assessment.

The Group entities do not consider sale of electricity to K-Electric Limited as separate reportable segment as the power plants of the entities are installed primarily to supply power to their production facilities and currently any excess electricity, if any, is sold to KE.

3.19 Dividend and appropriation to / from reserves

Dividend distribution to the Group entities shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

3.20 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the Group entities' operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

A loan is initially recognised and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below- market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.21 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		(Rupees in '000)	
Operating assets	4.1	**33,523,910**	30,519,822
Capital work-in-progress (CWIP)	4.2	**83,487**	1,119,324
Store and spares held for capital expenditure - at cost	4.3	**555,359**	614,649
		34,162,756	32,253,795

4.1 Operating assets

	Land - revalued - note 4.1.2 & 4.1.3		Buildings - revalued - note 4.1.2 & 4.1.3		Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	Freehold**	Leasehold	Freehold land	Leasehold land				
	(Rupees in '000)							
Balance as at July 1, 2024								
Cost / revalued amount	3,526,086	6,440,187	3,066,669	1,066,412	29,605,113	446,486	712,977	44,863,930
Accumulated depreciation *	-	-	682,123	395,853	(14,866,602)	(306,462)	(249,020)	(14,344,108)
Net book value (NBV)	3,526,086	6,440,187	3,748,792	1,462,265	14,738,511	140,024	463,957	30,519,822
Additions / transfers from CWIP	44,638	-	584,329	16,808	1,276,400	334,351	332,087	2,588,613
Surplus on revaluation - note 4.1.3	777,367	(167,200)	1,558,812	914,504	-	-	-	3,083,483
Translation reserve	-	-	-	-	-	(4)	-	(4)
Disposals - note 4.1.4								
- Cost / revalued amount	-	-	-	-	(96,683)	(12,458)	(208,818)	(317,959)
- Accumulated depreciation	-	-	-	-	91,802	11,200	114,322	217,324
	-	-	-	-	(4,881)	(1,258)	(94,496)	(100,635)
Depreciation charge - note 4.1.1	-	-	(359,728)	(172,668)	(1,809,685)	(65,082)	(160,206)	(2,567,369)
Balance as at June 30, 2025 (NBV)	**4,348,091**	**6,272,987**	**5,532,205**	**2,220,909**	**14,200,345**	**408,031**	**541,342**	**33,523,910**
Gross carrying value as at June 30, 2025								
Cost / revalued amount	4,348,091	6,272,987	5,532,205	2,220,909	30,784,830	768,375	836,246	50,763,643
Accumulated depreciation *	-	-	-	-	(16,584,485)	(360,344)	(294,904)	(17,239,733)
Net book value	4,348,091	6,272,987	5,532,205	2,220,909	14,200,345	408,031	541,342	33,523,910
Depreciation rates (% per annum)	-	-	**2 - 50**	**2 - 50**	**3 - 50**	**10 - 33.3**	**20**	
Balance as at July 1, 2023								
Cost / revalued amount	3,523,073	4,230,765	3,579,345	1,442,187	28,354,660	384,130	496,430	42,010,590
Accumulated depreciation	-	-	342,201	196,291	(13,192,822)	(259,744)	(188,249)	(13,102,323)
Net book value (NBV)	3,523,073	4,230,765	3,921,546	1,638,477	15,161,838	124,386	308,181	28,908,267
Additions / transfers from CWIP	-	-	163,716	16,984	1,409,886	67,636	317,693	1,975,915
Surplus on revaluation	50,000	2,209,422	(17,780)	(9,829)	-	-	-	2,231,813
Translation reserve	-	-	-	-	-	(161)	-	(161)
Disposals - note 4.1.4								
- Cost	(46,987)	-	(3,525)	-	(159,433)	(5,119)	(101,146)	(316,210)
- Accumulated depreciation	-	-	619	-	121,299	4,760	65,440	192,118
	(46,987)	-	(2,906)	-	(38,134)	(359)	(35,706)	(124,092)
Depreciation charge - note 4.1.1	-	-	(315,784)	(183,368)	(1,795,079)	(51,478)	(126,211)	(2,471,920)
Balance as at June 30, 2024 (NBV)	3,526,086	6,440,187	3,748,792	1,462,264	14,738,511	140,024	463,957	30,519,822
Gross carrying value as at June 30, 2024								
Cost / revalued amount	3,526,086	6,440,187	3,066,669	1,066,412	29,605,113	446,486	712,977	44,863,930
Accumulated depreciation *	-	-	682,123	395,853	(14,866,602)	(306,462)	(249,020)	(14,344,108)
Net book value	3,526,086	6,440,187	3,748,792	1,462,265	14,738,511	140,024	463,957	30,519,822
Depreciation rates (% per annum)	-	-	2 - 50	2 - 50	3 - 50	10 - 33.3	20	

** Accumulated depreciation of buildings has been adjusted against the gross carrying amount of the assets using elimination approach to incorporate the revaluation impact.*
*** Addition in freehold land represents commercial plot acquired against a settlement of customer balance amounting to Rs. 40.03 million (non-cash transaction for cash flow purposes).*

4.1.1 The depreciation charge for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Cost of sales	27	**2,168,412**	2,136,202
Selling and distribution expenses	28	**39,663**	36,970
Administrative expenses	29	**59,526**	42,127
Loss from power generation	32.1	**299,768**	256,621
		2,567,369	2,471,920

4.1.2 Particulars of immovable property (i.e. land and building) in the name of the Group and related forced sales values are as follows:

Particulars	Location	Area of Land (acres)	Covered Area (Sq. Ft.)	Forced sales value (Rs in '000)
Leasehold Land and Building (Manufacturing plant)	Plot no. LX15 16, HX-7/4, LX-2, LX 14/13, LX-14/14 Landhi Industrial Estate,	25.59	815,879	5,134,202
Leasehold Land and Building (Manufacturing plant)	22 KM Sheikhupura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhupura	30.24	339,810	1,391,838
Freehold Land and Building (Manufacturing plant)	Survey no. 402, 405 406, 95, Rehri Road, Landhi Town, Karachi	42.45	1,705,374	6,151,894
Leasehold Building (Office premises)	Office no. 101-107, 1st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi	Not applicable	11,544	218,809
Leasehold Building (Office premises)	Office no. 203, 2nd Floor, Beaumont Plaza, 10 Beaumont Road, Karachi	Not applicable	1,794	28,710
Leasehold Building (Sales office premises)	Chinoy House, 2nd and 3rd Floor, Off Thomton Road, Hadbast Mouza Khas,	Not applicable	8,420	43,173
Freehold Land and Building (Sales godown)	Plot no. NEIR-61, Khasra no. 3303-3308, Hadbast Mouza Naulakha, GT Road. Lahore	0.17	6,300	63,776
Service center	Plot no, LE-73-79, 102-103, 112-118, 125-129 Survey no. NC. 98, near Arabian Country Club, NIP, Bin Qasim	Not applicable	653,400	1,529,357
Multan plot	Khewat no. (B)38, 114, 302, Khatooni no. 127, 475, 1114, Mouza Laar Bahawalpur Road, Multan	Not applicable	372,711	96,900
Freehold Land (Commercial Plot)	Plot no. 19, 9th Avenue, Precinct-7, Bahria Town, Karachi	0.05	2,250	33,600
				14,692,259

4.1.3 The revaluation of freehold land, leasehold land and buildings thereon was carried out by Holding Company and ISL as at June 30, 2025 by MYK Associates (Private) Limited (an external valuer who is located in Karachi) resulted in a surplus amounting to Rs. 3,083.48 million which was incorporated in the books of the Holding Company and ISL as at June 30, 2025.

The Holding Company commissioned full-scope independent valuation of freehold land, leasehold land and buildings thereon during the years / periods ended June 30, 1988, June 30, 1997, June 30, 2000, June 30, 2004, December 31, 2007, June 30, 2013, June 30, 2016, June 30, 2019, June 30, 2022, June 30, 2024 and June 30, 2025. ISL commissioned independent valuation of freehold land and buildings thereon during the years / periods ended June 30, 2013, June 30, 2016, June 30, 2019, June 30, 2022 and June 30, 2025.

The carrying amount of the aforementioned assets as at June 30, 2025, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
	(Rupees in '000)		
Freehold land	1,630,168	-	1,630,168
Leasehold land	725,144	-	725,144
Buildings	5,502,647	(2,309,181)	3,193,466
As at June 30, 2025	**7,857,959**	**(2,309,181)**	**5,548,778**
As at June 30, 2024	7,221,519	(2,014,023)	5,207,496

4.1.4 Details of property, plant and equipment disposed off / scrapped having book value of five hundred thousand rupees or more each are as follows:

Description	Original Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	(Rupees in '000)							
Plant and machinery								
Steam Boilers	11,087	10,065	1,022	4,852	3,830			
Refractory Items ARP-II	2,065	1,136	929	176	(753)			
Acid Storage Tank	3,500	2,596	904	4,440	3,536			
	16,652	**13,797**	**2,855**	**9,468**	**6,613**			
Vehicles								
Honda City AHD-923	2,955	1,428	1,527	3,706	2,179	Negotiation	Ittahed Motors	Open Market
Suzuki ato ADV-896	1,395	837	558	2,075	1,517	As per Policy	Mr. Aamir Dilshad	Employee
Suzuki Cultus BVC-304	1,655	965	690	2,330	1,640	Negotiation	Ittahed Motors	Open Market
Suzuki Cultus BVE-564	1,655	965	690	2,194	1,504	As per Policy	Mr. Javed Akhtar	Employee
Toyota Corolla Altis-BXP-082	3,581	1,731	1,850	4,690	2,840	As per Policy	Mr. Saiman Najeeb	Employee
Toyota Corolla BWU-383	2,926	1,561	1,365	3,409	2,044	As per Policy	Mr. Asad Ullah Tahir	Employee
Suzuki Cultus AMB-868	2,754	1,469	1,285	2,316	1,031	As per Policy	Mr. Saqib Siddique	Employee
Kia Stonic	6,062	1,313	4,749	4,800	51	Negotiation	Ittehad Motors	Third Party
Honda City 1.2 CVT	4,958	1,157	3,801	4,050	249	Negotiation	Yaseen Motors	Third Party
Audi E-Tron 50 Quattro	17,215	13,485	3,730	11,494	7,764	As per policy	Mr. Samir M. Chinoy	Employee
Toyota Yaris Ativ Manual	3,781	1,197	2,584	3,800	1,216	Negotiation	Yaseen Motors	Third Party
Toyota Yaris Ativ Automatic	3,941	1,445	2,496	3,512	1,016	As per policy	Mr. Khurram Javed	Employee
Suzuki Alto VXL	2,935	587	2,348	2,598	250	As per policy	Mr. Shuja Ur Rahim Khan	Employee
Suzuki Alto VXR	2,935	832	2,103	2,347	244	As per policy	Mr. Wali Ur Rashid	Employee
Suzuki Alto VXR	2,935	832	2,103	2,426	323	As per policy	Mr. Khursheed Ahmed	Employee
Kia Picanto 1.0	3,237	1,241	1,996	2,361	365	As per policy	Mr. Usman Younis	Employee
Kia Sportage	5,656	3,676	1,980	4,798	2,818	As per policy	Mr. Mujtaba Hussain	Employee
Suzuki Cultus VXL	3,234	1,563	1,671	2,650	79	As per policy	Mr. Syed Uzair Riaz Gillani	Employee
Kia Sportage Alpha	4,300	2,938	1,362	3,712	2,350	As per policy	Mr. Usman Ahmed	Employee
Honda City 1.2 CVT	2,817	1,643	1,174	3,074	1,900	As per policy	Mr. Yousuf Mon	Employee
Toyota Corolla Altis	3,255	2,116	1,139	4,800	3,661	As per policy	Mr. Sanaullah	Employee
Toyota Yaris ATIV Automatic	2,905	1,791	1,114	3,145	2,031	As per policy	Mr. Syed Faraz Shafiq	Employee
Honda Civic Oriel	3,632	2,663	969	3,107	2,138	As per policy	Mr. Syed Hasan Irshad Rizvi	Employee
Suzuki Cultus VXR	1,655	910	745	2,156	1,411	As per policy	Mr. Moaz Ali	Employee
Suzuki Cultus VXL	1,830	1,129	701	2,210	1,509	As per policy	Mr. Muhammad Naveed	Employee
Suzuki Cultus VXR	1,655	993	662	2,125	1,463	As per policy	Mr. Hassan Arif	Employee
Toyota Corolla Altis	2,585	1,939	646	2,558	1,912	As per policy	Mr. Ammar Akram Bajwa	Employee
Suzuki Alto VXL	1,521	913	608	2,061	1,453	As per policy	Mr. Majd iqbal	Employee
Suzuki Alto VXR	1,335	801	534	2,075	1,541	Negotiation	Ittehad Traders	Third Party
Suzuki Alto VXR	1,335	801	534	1,750	1,216	As per policy	Ms. Madiha Habib	Employee
Suzuki Alto VXR	1,335	823	512	1,970	1,458	As per policy	Yaseen Motors	Third Party
Suzuki Alto VXR	1,335	823	512	2,100	1,588	Insurance Claim	Jubilee General Insurance	Third Party
Total	**105,306**	**56,567**	**48,739**	**102,399**	**53,661**			
	121,958	**70,364**	**51,594**	**111,867**	**60,274**			

4.1.5 Operating fixed assets include fully depreciated assets having cost of Rs. 3,914.72 million (2024: Rs. 3,075.17 million).

4.2 Capital work-in-progress (CWIP)

4.2 Capital work-in-progress (CWIP)

	2025 Cost				2024 Cost			
	As at July 1, 2024	Additions/ Adjustments	Transfers/ Adjustments	As at June 30, 2025	As at July 1, 2023	Additions/ Adjustments	Transfers/ Adjustments	As at June 30, 2024
	--------------(Rupees in '000)--------------				--------------(Rupees in '000)--------------			
Freehold land	-	44,637	(44,637)	-	-	-	-	-
Leasehold land	-	-	-	-	-	-	-	-
Buildings on freehold land	335,795	255,551	(584,329)	7,017	20,511	479,000	(163,716)	335,795
Buildings on leasehold lar	366	9.184	(7,473)	2,077	641	16,709	(16,984)	366
Plant and machinery	756,634	577,259	(1,276,400)	57,493	675,082	1,491,438	(1,409,886)	756,634
Furniture, fixtures and office equipment	26,371	82,946	(92,417)	16,900	29,235	64,772	(67,636)	26,371
Vehicles	158	331,929	(332,087)	-	41,721	276,129	(317,692)	158
	1,119,324	1,301,506	2,337,343)	83,487	767,190	2,328,048	(1,975,914)	1,119,324

	Note	2025	2024
4.3 Stores and spares held for capital expenditures - at cost		(Rupees in '000)	
NBV at beginning of the year		614,649	556,158
Additions during the year		276,151	210,134
Transfers / adjustments made during the year		(215,441)	(47,335)
Provision for obsolescence against capital spares		(120,000)	(104,308)
NBV at end of the year		555,359	614,649

5. LEASES

5.1 Right-of-use assets

	Note	2025	2024
Balance at beginning of the year		13,049	22,245
Additions		84,801	-
Depreciation charge during the year	5.1.1	(25,227)	(9,196)
Balance at end of the year		72,623	13,049

5.1.1 The depreciation charge on right-of-use assets for the year has been allocated as follows:

	Note	2025	2024
Selling and distribution expenses	28	21,734	5,703
Administrative expenses	29	3,493	3,493
		25,227	9,196

5.2 Lease liabilities

Rental contracts are made for a fixed period subject to renewal upon mutual consent of the Group and lessor. Wherever practicable, the Group seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

5.2.1 Set out below the carrying amount of lease liabilities and the movements during the year:

	Note	2025	2024
		(Rupees in '000)	
Balance at beginning of the year		15,714	24,832
Additions		84,800	-
Interest expense	30	12,098	2,473
Payments		(30,671)	(11,591)
Balance at end of the year		81,941	15,714
Current portion		18,171	11,299
Non-current portion		63,770	4,415
		81,941	15,714

5.2.2 Lease liabilities are payable as follows:

	2025			2024
	Minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
	(Rupees in '000)			
Less than one year	29,342	(11,171)	18,171	11,299
Between one and five years	79,383	(15,613)	63,770	4,415
	108,725	(26,784)	81,941	15,714

	Note	2025	2024
6 INTANGIBLE ASSETS		(Rupees in '000)	
Operating intangible assets	6.1	330,152	8,460
Capital work-in-progress (CWIP)	6.2	-	401,977
		330,152	410,437

6.1 Operating intangible assets

	Note	2025	2024
Net book value at beginning of the year		8,460	3,028
Additions		327,643	8,415
Amortisation	6.1.2	(5,951)	(2,983)
Net book value at end of the year		330,152	8,460
Gross carrying value			
Cost		112,224	104,290
Additions		327,643	7,934
Accumulated amortisation		(109,715)	(103,764)
Net book value		330,152	8,460

	2025	2024
	(Percent)	
Amortization rate (per annum)	10 - 33.33	20 - 33.33

6.1.1 Intangible assets comprise of computer software and licenses.

6.1.2 The amortisation expense for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Cost of sales	27	5,139	1,812
Selling and distribution expenses	28	424	483
Administrative expenses	29	388	688
		5,951	2,983

6.2 This includes capitalisation of Advanced Supply Chain Software, Delmia Quintiq solutions, amounting to Nil (2024: Rs. 396.84 million).

7. INVESTMENTS IN EQUITY ACCOUNTED INVESTEE

2025	2024		Note	2025	2024
(Number of shares)				(Rupees in '000)	
9,325,438	8,477,671	Pakistan Cables Limited (PCL) - associated company	7.1	1,819,697	1,909,524
9,690,000	-	Chinoy Engineering & Construction (Private) Limited (CECL) - associated company	7.2	175,890	-
				1,995,587	1,909,524

7.1 The Holding Company holds a 17.124% (2024: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the Chairman of the Board of the Holding Company is also the Chairman of the Board of PCL. The price per share of PCL as at reporting date was Rs. 146.88 (2024: Rs. 155.17) resulting in a market value of total investment amounting to Rs. 1,369.72 million (2024: Rs. 1,315.48 million). The share of profit after acquisition is recognised based on unaudited condensed interim financial statements of PCL as at March 31, 2025 as the latest financial statements as at June 30, 2025 were not presently available.

7.1.1 Market value of the investment disclosed in note 7.1 is categorised as level 1 fair value measurement in accordance with IFRS 13 'Fair Value Measurement'.

7.1.2 The movement of carrying value of investment during the year, summarised financial information of the associate and reconciliation with the carrying amount of the investment in these consolidated financial statements are set out below:

	2025	2024
	(Rupees in '000)	
Investment at the beginning of the year	1,909,524	1,855,464
Share of (loss) / profit from associate - before tax	(53,187)	113,692
Related tax	646	(35,341)
Share of (loss) / profit from associate - net of tax	(52,541)	78,351
Share of other comprehensive income	14,301	5,162
Share of deficit on revaluation of building	(51,587)	(29,453)
Investment at end of the year	1,819,697	1,909,524
Cost of investment	817,553	817,553

	For the period from April 1, 2024 to March 31, 2025	For the period from April 1, 2023 to March 31, 2024
	(Rupees in '000)	
Revenue	28,854,785	25,154,806
(Loss) / profit after taxation	(306,825)	457,550
Other comprehensive loss	(217,743)	(141,851)
Total comprehensive (loss) / income	(524,568)	315,699
Non-current assets	15,457,802	15,811,148
Current assets	20,949,259	12,155,583
Non-current liabilities	(7,894,257)	(7,812,508)
Current liabilities	(19,416,831)	(10,533,682)
Net assets	9,095,973	9,620,541
Carrying value	1,819,697	1,909,524
Net assets at beginning of the year	9,620,541	9,304,842
Total comprehensive (loss) / income for the year	(524,568)	315,699
Net assets of the associate	9,095,973	9,620,541
Proportion of Company's interest in associate	17.124%	17.124%
Share of net assets of associate	1,557,594	1,647,421
Goodwill and others	262,103	262,103
Carrying amount of the Company's interest in associate	1,819,697	1,909,524

7.2 The Holding Company and ISL holds 17% each (June 30, 2024: Nil) ownership interest in CECL resulting in total ownership interest of 34%. The Chief Executive Officer of CECL is Mr. Hamid Rashid. The Holding Company considers it has significant influence over CECL as, in addition to its holding, the companies have common directorships. The Holding Company and ISL have made investment in CECL amounting to Rs. 96.90 million. The remaining shareholding of CECL is owned by Pakistan Cables Limited (17%) and ASCG Engineering (49%). The book value of CECL based on the unaudited financial statements as at March 31, 2025 is Rs. 517.32 million (2024: Nil).

7.2.1 The movement of carrying value of investment during the year and summarised financial information of the associate are set out below:

	For the period from September 20, 2024 to March 31, 2025
	(Rupees in '000)
Investment at the beginning of the year	-
Investment acquired during the year	96,900
Share of net income of associate accounted for using the equity method	89,842
Dividend received	(10,852)
Investment at end of the year	175,890
Revenue	623,720
Profit after taxation	264,240
Non-current assets	131,499
Current assets	5,556,192
Non-current liabilities	-
Current liabilities	(5,170,370)
Net assets	517,321
Carrying value	175,890

7.2.1.2 During the year, the Holding Company and ISL provided the following corporate guarantees in favor of Habib Bank Limited on behalf of CECL:

- A Corporate Guarantee securing financial facilities of up to Rs. 1,500 million, granted to CECL; and

- A Performance Guarantee to assure CECL's fulfillment of contractual obligations under its agreement with Reko Diq Mining Company Limited ("RDMC"). This obligation carries joint and several liability alongside Pakistan Cables Limited.

These guarantees have been issued in alignment with the Holding Company's strategic support framework for its associated undertakings and represent potential contingent liabilities to the extent of the guaranteed amounts, subject to CECL's compliance and performance under the stated obligations.

	Note	2025	2024
8. STORES AND SPARES		(Rupees in '000)	
Stores		1,320,294	1,326,820
Spares		189,195	151,422
Loose tools		29,396	29,508
		1,538,885	1,507,750
Less: Provision for net realisable value written down	8.1	(465,051)	(410,292)
		1,073,834	1,097,458
8.1 Provision for net realisable value written down			
Balance as at 1 July		410,292	281,204
Provision during the year		54,759	129,088
Balance as at 30 June		465,051	410,292
9. STOCK-IN-TRADE			
Raw material - in hand	9.1 & 9.2	6,234,699	8,352,320
- in transit		11,111,005	5,588,819
		17,345,704	13,941,139
Work-in-process	9.3	3,965,548	2,557,557
Finished goods - in hand	9.4	8,695,983	11,659,195
- in transit		437,962	532,703
By-products		168,383	37,378
Scrap material		82,282	247,698
		30,695,862	28,975,670

9.1 Raw material of the Holding Company amounting to Rs. 3.1 million as at June 30, 2025 (2024: Rs. 1.7 million) is held at a vendor's premises for the production of pipe caps.

9.2 Raw material include items amounting to Rs. 10.06 million as at June 30, 2025 (2024: Rs. 28.59 million) stated at their net realisable values against their cost of Rs. 10.48 million (2024: Rs. 32.61 million).

9.3 Work-in-process include items amounting to Rs. 21.34 million as at June 30, 2025 (2024: Rs. 20.90 million) stated at their net realisable values against their cost of Rs. 22.03 million (2024: Rs. 23.59 million).

9.4 Finished goods include items amounting to Rs. 100.99 million as at June 30, 2025 (2024: Rs. 201.60 million) stated at their net realisable values against their cost of Rs. 109.49 million (2024: Rs. 218.78 million).

	Note	2025	2024
10. TRADE DEBTS		(Rupees in '000)	
Considered good - secured	10.1	1,133,697	462,724
- unsecured		2,302,466	4,150,126
		3,436,163	4,612,850
Considered doubtful		259,690	224,877
		3,695,853	4,837,727
Loss allowance on trade debts	10.3	(259,690)	(224,877)
		3,436,163	4,612,850

10.1 This represents trade debts arising on account of export sales of Rs. 1,030.7 million (2024: Rs. 421.34 million) which are secured by way of Export Letters of Credit and Rs. 100.32 million (2024: Rs. 41.4 million) on account of domestic sales which are secured by way of Inland Letters of Credit.

10.2 Related parties from whom trade debts are due as at June 30, 2025 are as under:

	2025	2024
	(Rupees in '000)	
Sumitomo Corporation	367,310	153,190
Pakistan Cables Limited	15,438	103,876
Chinoy Engineering & Construction (Private) Limited	16,502	-
	399,250	257,066

10.2.1 The maximum aggregate amount due from the related parties at any time during the year calculated by reference to month-end balances is Rs. 31.94 million (2024: Rs. 257.06 million).

10.2.2 The ageing of the trade debts receivable from related parties as at the reporting date are as under:

	Note	2025	2024
		(Rupees in '000)	
Not yet due		376,385	198,866
Past due 1 - 60 days		15,593	10,608
Past due 61 - 180 days		3,534	28,809
Past due 181 - 365 days		3,738	18,783
		399,250	257,066

10.3 Loss allowance on trade debts

	Note	2025	2024
Balance at beginning of the year		224,877	175,055
Charge of loss allowance on trade debts		40,616	49,822
Write off during the year		(7,445)	-
Effect of translation		1,642	-
Balance at end of the year		259,690	224,877

11. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

	Note	2025	2024
Considered good - unsecured			
- Suppliers	11.1	63,788	135,074
- Employees for business related expenses	11.1	9,624	2,218
Trade deposits	11.1	28,001	26,483
Prepayments		49,171	51,631
		150,584	215,406

11.1 These advances and trade deposits are non interest bearing.

12. OTHER RECEIVABLES

	Note	2025	2024
Considered good			
Receivable from K-Electric Limited (KE) - unsecured		4,541	25,537
Receivable from Provident Fund - unsecured	12.1	40,620	28,576
Others		2,784	18,340
		47,945	72,453
Considered doubtful			
Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods		25,940	25,940
		73,885	98,393
Provision for receivable from Workers' Welfare Fund on account of excess allocation of Workers' Welfare Fund in prior periods		(25,940)	(25,940)
		47,945	72,453

12.1 This represents amount receivable from International Industries Limited - Employees' Contributory Provident Fund, a related party.

13. STAFF RETIREMENT BENEFITS

13.1 Defined Contribution Plan

13.1.1 Staff Provident Fund

All investments in collective investment scheme, listed equity and listed debt securities out of the Provident Funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

13.2 Defined benefit scheme

Staff Gratuity Fund

13.2.1 As stated in note 3.10, the Holding Company and ISL operate approved funded defined benefit gratuity plans for all permanent employees meeting the specified criteria and defined contribution plan for all active employees subject to minimum service of prescribed period as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2025.

13.2.2 Plan assets held in trust are governed by local regulations which mainly include Sindh Trusts Act, 2020; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Holding Company and ISL appoints the trustees from among its employees.

13.2.3 Risks on account of defined benefit plan

The Group faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 6 months, 3, 5 or 10 year Regular Income Certificates, Defence Savings Certificates, Treasury Bills and Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

13.2.4 Funding

The gratuity plans are fully funded by the Group. The funding requirements are based on the Gratuity Funds' actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

13.2.5 The actuarial valuation of the gratuity benefit was carried out at June 30, 2025 under projected unit credit method using the following significant assumptions:

	2025	2024
	per annum	
Financial Assumptions		
Holding Company		
Discount Rate	11.75%	14.00%
Salary increase rate		
First year - Unionized staff	11.75%	14.00%
First year - Management	10.75%	13.00%
Long term - Unionized staff	11.75%	14.00%
Long term - Management	10.75%	13.00%
ISL		
Discount rate	12.25%	14.50%
Salary increase rate	11.25%	13.50%

		2025	2024
Demographic Assumptions			
Holding Company			
Mortality rate		SLIC 2001-05-1	SLIC 2001-05-1
Rates of employee turnover	- Unionized staff	Light	Light
Rates of employee turnover	- Management	Moderate	Moderate
Retirement assumption		Age 60 years	Age 60 years
ISL			
Mortality rate		SLIC 2001-05	SLIC 2001-05
Rates of employee turnover		Moderate	Moderate
Retirement assumption		Age 60 years	Age 60 years

13.2.6 The amounts recognised in Unconsolidated Statement of Financial Position is as follows:

	Note	2025	2024
		(Rupees in '000)	
Present value of defined benefit obligation	13.2.9	1,253,232	1,194,634
Fair value of plan assets	13.2.10	(1,437,078)	(1,176,492)
(Surplus) / deficit as at June 30		(183,846)	18,142

13.2.7 Movements in net defined benefit liability

	Note	2025	2024
Balance at beginning of the year		18,142	165,521
Expense chargeable to consolidated statement of profit or loss	13.2.8	97,417	111,087
Contribution paid during the year		(88,994)	(87,305)
Re-measurements recognised in other comprehensive income	13.2.8.1	(210,411)	(171,161)
Balance at end of the year		(183,846)	18,142

13.2.8 Amount recognised in total comprehensive income

The following amounts have been charged in respect of these benefits to the Consolidated Statement of Profit or Loss and other comprehensive income:

Component of defined benefit costs recognized in Consolidated Statement of Profit or Loss	2025	2024
	(Rupees in '000)	
Service cost		
Current service cost	97,133	88,260
Interest cost on defined benefits obligation	166,052	165,645
Return on plan assets	(165,768)	(142,818)
	284	22,827
	97,417	111,087
Component of defined benefit costs (re-measurement) recognised in other comprehensive income		
Actuarial gain on obligation	(81,300)	(49,648)
Actuarial loss on plan assets	(129,111)	(121,513)
Total re-measurements recognised in other comprehensive income	(210,411)	(171,161)
Total defined benefit cost recognised in profit or loss and other comprehensive income	(112,994)	(60,074)

13.2.8.1 Analysis of remeasurements recognised in other comprehensive income

	2025	2024
Re-measurements: Actuarial gain on obligation		
Gain due to change in financial assumptions	(17,134)	(39,635)
Gain due to change in experience adjustments	(64,166)	(10,013)
Total actuarial gain obligation	(81,300)	(49,648)
Re-measurements: Actuarial gain on plan assets		
Actual return on plan assets	(230,030)	(205,087)
Interest income on plan assets	94,620	82,602
Opening difference	6,299	972
Total actuarial gain on plan assets	(129,111)	(121,513)
	(210,411)	(171,161)

13.2.9 Movement in the present value of defined benefit obligation

	2025	2024
Present value of defined benefit obligation at beginning of the year	1,194,634	1,053,043
Current service cost	97,133	88,259
Interest cost	166,052	165,645
Benefits paid	(123,287)	(62,665)
Re-measurement : Actuarial gain on obligation	(81,300)	(49,648)
Present value of defined benefit obligation at end of the year	1,253,232	1,194,634

13.2.10 Movement in the fair value of plan assets

	2025	2024
Fair value of plan assets at beginning of the year	1,176,492	887,522
Interest income on plan assets	165,768	142,818
Contribution to the Fund	88,994	87,305
Benefits paid	(123,287)	(62,665)
Re-measurement : Actuarial gain on plan assets	129,111	121,512
Fair value of plan assets at the end of the year	1,437,078	1,176,492

	Note	2025	2024
		(Rupees in '000)	
13.2.11 Analysis of Present value of defined benefit obligation			
Vested / Non-Vested			
Vested Benefits		513,157	1,188,711
Non-Vested benefits		740,075	5,923
		1,253,232	1,194,634
13.2.12 Disaggregation of fair value of plan assets			
Cash and cash equivalents (after adjusting current liabilities)		33,807	76,502
Equity instruments - listed		383,988	304,299
Debt instruments		1,019,282	795,691
		1,437,077	1,176,492

13.2.13 The Holding Company and ISL ensures asset / liability matching by investing in government securities, bank deposits and equity securities and does not use derivatives to manage its risk.

	2025	2024
13.2.14 Maturity profile of the defined benefit obligation	(Years)	
Weighted average duration of the defined benefit obligation		
Holding Company	9.88	9.81
ISL	11	10

Distribution of timing of benefit payments

	2025			2024		
	Holding Company	ISL	Total	Holding Company	ISL	Total
	Rupees in '000					
One year	54,707	21,266	75,973	57,348	26,045	83,393
Two years	76,595	27,086	103,681	63,993	20,980	84,973
Three years	73,394	26,957	100,351	80,305	80,159	160,464
Four years	45,399	29,496	74,895	81,013	27,057	108,070
Five years	109,541	82,722	192,263	51,994	30,142	82,136
Six years to ten years	410,253	8,769,847	,180,100	533,685	12,555,439	13,089,124

13.2.15 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2025			2024		
	Holding Company	ISL	Total	Holding Company	ISL	Total
	Rupees in '000					
Discount rate + 1%	681,188	453,108	1,134,296	680,155	405,150	1,085,305
Discount rate 1%	830,155	562,133	1,392,288	827,815	494,641	1,322,456
Long-Term Salary increase + 19	832,545	562,880	1,395,425	830,112	495,273	1,325,385
Long-Term Salary increase - 1%	678,115	451,606	1,129,721	677,186	403,912	1,081,098

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant acturial assumptions, the same method (present value of the defined benefit obligation with the project unit credit method at the end of the reporting period) has been applied.

13.2.16 The Company contributes to the gratuity fund on the advice of the fund's actuary. The expense in relation to gratuity benefit for the year ending June 30, 2026 is expected to be Rs. 76.20 million for the Holding Company and ISL.

14. CASH AND BANK BALANCES

	Note	2025	2024
		(Rupees in '000)	
Cash at bank			
Conventional			
Current accounts			
- local currency		1,377,636	1,375,219
- foreign currency		1,953,346	783,953
Savings accounts			
- local currency	14.1 & 14.2	317,924	57,125
- foreign currency		-	1,003,629
Term deposit receipt	14.3	1,034,000	734,000
		4,682,906	3,953,926
Islamic			
Current accounts			
- local currency		171,888	109,938
- foreign currency		129,297	54,836
Cash in hand		7,547	4,874
		4,991,638	4,123,574

14.1 At June 30, 2025, the rates of mark up on savings accounts denominated in local currency range from 8.00% to 19.00% (2024: 11.01% to 19.00%) per annum.

14.2 This includes Rs. 279.25 million (2024: Rs. 30 million) held as margin in a restricted account against bank guarantee issued in favor Excise and Taxation Officer in respect of infrastructure cess.

14.3 This includes investment in Term Deposit Receipt (TDR) by ISL amounting to Rs. 384 million (2024: 384 million) having mark-up of 7.50% (2024: 18.50%). The TDR was placed against a bank guarantee submitted to the Nazir of Sindh High Court in relation to petition filed by the Company in the Court against chargeability of Super Tax.

14.3.1 Investment in Term Deposit Receipt (TDR) by ISL amounting to Rs. 150 million (2024: Rs. 50 million) having mark-up of 7.50% (2024: 18.50%). The TDR was placed against a bank guarantee submitted to the ETO.

14.3.2 Investment in Term Deposit Receipt (TDR) by ISL amounting to Rs. 500 million (2024: Rs. 150 million) having mark-up of 10.55% (2024: 19.30%)

15. SHARE CAPITAL

Authorised share capital

2025	2024		2025	2024
(Number of shares)			(Rupees in '000)	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	200,000,000	200,000,000

Issued, subscribed and paid-up capital

2025	2024		2025	2024
(Number of shares)			(Rupees in '000)	
6,769,725	6,769,725	Fully paid ordinary shares of Rs. 10 each issued for cash	6,769,725	6,769,725
125,112,155	125,112,155	Fully paid ordinary shares of Rs.10 each issued as bonus shares	125,112,155	125,112,155
131,881,880	131,881,880		131,881,880	131,881,880

15.1 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.

16. GENERAL RESERVES

General reserve is maintained for fulfilling various business needs including meeting contingencies, offsetting future losses, enhancing the working capital and paying dividends.

17. REVALUATION SURPLUS

	Note	2025	2024
		(Rupees in '000)	
Freehold land			
Balance at beginning of the year		1,718,593	1,686,100
Surplus on revaluation of freehold land		465,739	50,000
Disposal of land		-	(17,507)
Balance at end of the year		2,184,332	1,718,593
Leasehold land			
Balance at beginning of the year		5,715,043	3,505,620
Surplus on revaluation of leasehold land		(167,200)	2,209,423
Balance at end of the year		5,547,843	5,715,043
Buildings			
Balance at beginning of the year		1,748,710	1,971,412
Surplus on revaluation of buildings		1,833,108	(27,609)
Disposal of buildings		-	(2,258)
Transferred to (unappropriated profit) in respect of incremental depreciation charged during the year		(182,802)	(192,835)
		3,399,016	1,748,710
Related deferred tax liability	17.2	(1,328,089)	(684,470)
Balance at end of the year - net of deferred tax		2,070,927	1,064,240
		9,803,102	8,497,876
Proportionate share of surplus on revaluation of building of equity accounted investee		640,413	693,021
Related deferred tax liability		(116,782)	(129,679)
		523,631	563,342
		10,326,733	9,061,218

17.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Holding Company in accordance with section 241 of the Companies Act, 2017.

17.2 Movement in related deferred tax liability

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	684,470	682,640
Deferred tax for the year	714,912	(10,768)
Effect of change in Normal Tax Regime ratio	-	91,985
Tax effect on disposal of building	-	(4,181)
Tax effect on incremental depreciation transferred to retained earnings	(71,293)	(75,206)
Balance at end of the year	1,328,089	684,470

18. LONG-TERM FINANCING - secured

	Note	2025	2024
		(Rupees in '000)	
CONVENTIONAL			
Long-Term Finance Facility (LTFF)	18.2	468,273	793,095
Long-Term Finance		-	145,455
Renewable Energy Financing Facility (REFF)		150,000	150,000
Temporary Economic Refinance Facility (TERF)	18.3	369,752	431,377
		988,025	1,519,927
ISLAMIC			
Diminishing Musharakah		-	3,011,364
Islamic Long-Term Finance Facility (ILTFF)	18.4	334,908	413,701
Islamic Temporary Economic Refinance Facility (ITERF)	18.5	200,728	226,858
Islamic Finance Facility for Renewabale Energy (IFRE)	18.6	66,667	75,556
		602,303	3,727,479
		1,590,328	5,247,406
Deferred income - government grant		(128,395)	(165,684)
		1,461,933	5,081,722
Current portion of long-term financing			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)		(111,525)	(327,789)
Long-Term Finance		-	(145,455)
Temporary Economic Refinance Facility (TERF)		(61,625)	(61,625)
		(210,650)	(534,869)
ISLAMIC			
Diminishing Musharakah		-	(311,364)
Islamic Long-Term Finance Facility (ILTFF)		(75,516)	(78,795)
Islamic Temporary Economic Refinance Facility (ITERF)		(30,244)	(26,130)
Islamic Finance Facility for Renewabale Energy (IFRE)		(8,889)	(8,889)
		(114,649)	(425,178)
		(325,299)	(960,047)
		1,136,634	4,121,675

18.1 Long-term finances utilised under mark-up arrangements

CONVENTIONAL	Sale price (Rupees in '000)	Purchase price (Rupees in '000)	Number of instalments and commencement date	Date of maturity/ repayment	Rate of mark-up per annum	Carrying amount 2025 (Rupees in '000)	Carrying amount 2024 (Rupees in '000)
i)							
LTFF							
MCB Bank Limited Assistance for plant and machiner	550,000	906,963	34 quarterly October 29, 2016	November 18, 2025	3.7% / 5.2% (fixed rate)	**26,771**	88,288
MCB Bank Limited Assistance for plant and machiner	100,000	149,976	34 quarterly August 31, 2019	August 31, 2027	3.5% (fixed rate)	**27,003**	39,396
MCB Bank Limited Assistance for plant and machiner	100,000	147,862	34 quarterly March 30, 2020	June 30, 2028	3.5% (fixed rate)	**32,961**	44,347
Allied Bank Limited Assistance for plant and machiner	500,000	578,167	16 half yearly December 30, 2023	July 20, 2032	2.5% to 7.5% (fixed rate)	**195,140**	215,379
Allied Bank Limited Assistance for plant and machiner	500,000	578,168	16 half yearly January 20, 2022	January 20, 2032	0.50% over SBP Refinance rate	**170,949**	195,370
Bank Al Habib Assistance for plant and machiner	1,000,000	2,501,562	16 half yearly December 12, 2016	May 30, 2026	1.00% over SBP Refinance rate	**2,426**	115,430
United Bank Limited Assistance for plant and machiner	1,000,000	4,675,000	32 quarterly October 16, 2016	July 15, 2026	1.00% over SBP Refinance rate	**13,023**	94,885
						468,273	793,095
ii) Long-term finance							
MCB Bank Limited Refinancing of capital expenditure/balancing, modernization and replacement (BMR)	800,000	1,164,316	11 half yearly June 30, 2020	June 28, 2025	0.1% over 6 months KIBOR	-	145,455
							145,455
iii) TERF National Bank of Pakistan Assistance for plant and machiner	500,000	1,188,140	16 half yearly April 6, 2021	April 6, 2031	1.25% over SBP Refinance rate	369,752	431,377
iv) Renewable Energy Finance Facility Bank Alfalah Limited	100,000	163,868	16 quarterly installments May 29,2024	May 29, 2029	3.00% over SBP Refinance rate	100,000	100,000
Allied Bank Limited	100,000	96,232	16 quarterly installments June 28, 2024	June 28, 2029	3.00% over SBP Refinance rate	50,000	50,000
						150,000	150,000
						988,025	1,519,927

ISLAMIC	Sale price	Purchase price	Number of instalments and commencement date	Date of maturity/ repayment	Rate of mark-up per annum	Carrying amount 2025	Carrying amount 2024
	(Rupees in '000)					(Rupees in '000)	
1) Diminishing Musharakah							
Meezan Bank Limited Acquisition of Musharakah assets	250,000	279,978	3 half yearly & 16 quarterly June 30, 2019	July 2, 2024	0.1% over 3 months KIBOR	-	11,364
Meezan Bank Limited Acquisition of Musharakah assets	1,688,000	3,022245	20 quarterly March 29, 2025	Dec 29, 2029	0.1% over 3 months KIBOR	-	1,688,000
Meezan Bank Limited Acquisition of Musharakah assets	1,312,000	2,349,043	20 quarterly March 29, 2025	Dec 29, 2029	0.1% over 3 months KIBOR	-	1,312,000
						-	3,011,364
ii) ILTFF							
Habib Bank Limited Acquisition of Musharakah assets	150,000	187,500	16 half yearly February 22, 2022	May 31, 2030	2.5% (fixed rate)	69,474	84,331
Meezan Bank Limited Assistance for plant and machiner	700,000	792,312	32 quarterly October 17, 2020	March 13, 2030	3.00% over SBP Refinance rate	265,434	329,370
						334,908	413,701
iii) ITERF							
Habib Bank Limited Assistance for plant and machiner	131,000	163,750	32 quarterly June 28, 2023	April 9, 2031 to June 18, 2031	2% (fixed rate)	87,446	101,858
Bank Islami Assistance for plant and machiner	125,000	156,250	32 quarterly November 06, 2024	May 6, 2031 August 26, 2032	2% (fixed rate)	113,282	125,000
						200,728	226,858
iv) IFRE							
Bank Islami Pakistan Limited Assistance for Solar Project	80,000	101,347	32 half yearly March 30, 2024	November 30, 2032	6.0% (fixed rate)	66,667	75,556
						602,303	3,727,479
						1,590,328	5,247,406

18.1.1 The above loans are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi and Survey number 402, 405 - 406, 95 Rehri Road, Landhi Town, Karachi of the Holding Company and by way of joint pari passu charge and ranking charge over the fixed assets of ISL (such as land, building, plant and machinery etc.).

18.1.2 In relation to these borrowings, the Holding Company and ISL need to observe certain financial and non-financial covenants as specified in the agreement with various lenders which are complied with as of the reporting date.

18.2 This represents finance facility loans obtained by the Holding Company and ISL from various banks under the State Bank of Pakistan's (SBP) Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.

18.3 This represents finance facility loans obtained from a commercial bank by ISL under SBP's Temporary Economic Refinance Facility available at below-market interest rates for setting up of new industrial units.

18.4 This represents finance facility loans obtained by the Holding Company and ISL from Islamic banks under SBP's Islamic Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.

18.5 This represents long-term loans obtained by the Holding Company under the SBP's Islamic Temporary Economic Refinance Facility available to the Holding Company from various Islamic banks at below-market interest rates.

18.6 This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewabale Energy for solar power project.

18.7 During the year, the Company opted for early repayment of Diminishing Musharakah loan amounting to Rs. 2,100 million (2024: Nil).

18.8 During the year, mark-up paid on conventional and Islamic long-term finance amounts to Rs. 48.6 million (2024: Rs. 146.35 million) and Rs. 386.9 million (2024: Rs. 650.2 million) respectively.

19. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2025	2024
		(Rupees in '000)	
Balance at beginning of the year		165,684	205,331
Deferred grant recorded:			
Government grant recognised in income	32	(37,289)	(39,647)
Balance at end of the year		128,395	165,684
Less: current portion of deferred income - government grant		(33,478)	(37,405)
		94,917	128,279

19.1 This represents deferred grant recognised in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' in respect of SBP's Refinance Scheme for the Islamic Temporary Economic Refinance Facility obtained at concessionary rates. The Company has fulfilled the criteria of the said loans and have accordingly recognised the grant income in the Consolidated Statement of Profit or Loss.

20. DEFERRED TAXATION - NET

	Balance at July 1, 2024	(Credit)/ charge to profit or loss for the year	(Credit)/ charge to other comprehensive income for the year	Balance at June 30, 2025	Balance at July 1, 2023	(Credit)/ charge to profit or loss for the year	(Credit)/ charge to other comprehensive income for the year	Balance at June 30, 2024
	----------	----------	----------	(Rupees in '000)	----------	----------	----------	----------
Accelerated tax depreciation	3,174,758	(163,740)	-	3,011,018	2,672,504	502,254	-	3,174,758
Share of proft from equity accounted investee	273,976	49,815	(12,897)	310,894	260,461	20,878	(7,363)	273,976
Surplus on revaluation of buildings	894,246	(92,340)	964,593	1,766,499	913,464	(100,435)	81,217	894,246
Provision for infrastructure cess and government levies	(1,695,076)	(414,347)	-	(2,109,423)	(1,048,029)	(647,047)	-	(1,695,076)
Loss allowance on trade debts	(91,330)	3,731	-	(87,599)	(66,500)	(24,830)	-	(91,330)
Provision for net realisable value write down against stores and spares	(103,564)	-	-	(103,564)	(53,091)	(50,473)	-	(103,564)
Provision for compensated absences	(9,579)	4,429	-	(5,150)	(6,653)	(2,926)	-	(9,579)
Provision for lease liability	(8,061)	6,490	-	(1,571)	(4,786)	(3,275)	-	(8,061)
Staff retirement benefits	(28,729)	(3,201)	82,060	50,130	(52,518)	(31,428)	66,749	(28,729)
Gas Infrastructure Development Cess	(1,794)	16,673	-	14,879	5,774	(7,568)	-	(1,794)
Unrealised exchange losses	(1,863)	(14,810)	-	(16,673)	(35,879)	34,016	-	(1,863)
Minimum Tax	(158,567)	(2,109)	-	160,676)	(152,504)	(6,063)	-	(158,567)
Net effect of consolidation adjustments -note 20.3	(1,215)	(11,268)	-	(12,483)	(92,820)	91,605	-	(1,215)
Tax loss - note 20.2	(147,136)	10,790	-	(136,346)	(147,136)	-	-	(147,136)
Provision for long term & trade deposit	(1,768)	-	-	(1,768)	-	(1,768)	-	(1768)
Provision for stores & spares	(35,322)	(20,913)	-	(56,235)	-	(35,322)	-	(35,322)
Provision for WPPF	(10,117)	-	-	(10,117)	-	(10,117)	-	(10,117)
Total	2,048,859	(630,799)	1,033,756	2,451,815	2,192,287	(272,499)	140,603	2,048,859

20.1 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 Consolidated Statement of Financial Position.

20.2 The deferred tax asset on tax loss will be recoverable based on the estimated future taxable income and approved business plans and budgets. The aggregate amount of temporary differences associated with the investment in subsidiaries for which deferred tax liabilities have not been recognized related to undistributed profit and foreign currency translation reserve amounted to Rs. 9,684.64 million (2024: Rs. 9,571.29 million) and Rs. 73.65 million (2024: Rs. 80.66 million) respectively. A deferred tax liability has not been recognised on these temporary differences as there is no expectation of disposal of foreign subsidiaries and there is no expectation that the temporary differences related to undistributable profits will reverse in foreseeable future.

20.3 This represents tax impact arising on elimination of unrealised gain on inventory and property, plant and equipment on intra-group transactions.

20.4 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including steel, are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

		Note	2025	2024
21.	**TRADE AND OTHER PAYABLES**		(Rupees in '000)	
	Trade creditors	21.1	8,531,548	5,722,042
	Bills payable		331,097	148,027
	Accrued expenses	21.2	3,419,948	3,812,873
	Provision for Infrastructure Cess	21.3	6,163,979	5,114,316
	Short-term compensated absences		13,204	27,751
	Workers' Profit Participation Fund	21.5	20,684	252,582
	Workers' Welfare Fund	21.6	273,480	326,500
	Current portion of deferred income - government grant	19	33,478	37,405
	Provision for Government Levies	21.4	6,423	4,717
	Others		51,367	68,744
			18,845,208	15,514,957

21.1 This includes payable to Sumitomo Corporation, related party of ISL, amounting to Rs. 4,374.76 million (2024: Rs. 4,831 million).

21.2 This includes accrual of Gas Infrastructure Development Cess amounting to Rs. 1,614.06 million (2024: Rs. 1,605.34 million).

This also includes an accrual against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 631.61 million (2024: Rs. 631.61 million). On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 1, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. The Holding Company and ISL preferred an appeal against the said order before the divisional bench.

On March 28, 2024 the divisional bench of the SHC upheld the order of the single judge and ordered for encashment of securities deposited. The Holding Company is considering an appeal before the Supreme Court against the said order, however, in the meantime 25% of the differential has been deposited with the SSGC under protest.

		2025	2024
21.3	**Provision for Infrastructure Cess**	(Rupees in '000)	
	Balance at beginning of the year	5,114,316	4,291,707
	Charge for the year	1,049,663	822,609
	Balance at end of the year	6,163,979	5,114,316

21.3.1 The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amount to Rs. 1,570 million (2024: Rs. 5,370 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Holding Company and ISL on the basis of prudence. Subsequently through the Sindh Finance Act 2015 and 2016, the legislation has increased the rate to 1.25% of Sindh infrastructure cess. The Holding Company and ISL had obtained a stay against this and the ultimate dispute had been linked with the previous infrastructure cess case.

The case was decided on June 4, 2021 by the SHC whereby the court declared the first four versions of the law unconstitutional and a release of bank guarantees was ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 3, 2021. The Holding Company and ISL were not in agreement with the above orders and filed an appeal before the Supreme Court of Pakistan (SCP).

On September 1, 2021, the SCP granted a stay order against the operation of the order of SHC dated June 4, 2021, that the bank guarantees already submitted by the Holding Company and ISL in pursuant to the order of the SHC is valid and enforceable. The Court further ordered that imports should be released on submission of fresh bank guarantees equivalent to the duty under the Act.

From July 01, 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

		Note	2025	2024
			(Rupees in '000)	
21.4	**Provision for Government levies - stamp duty**			
	Balance at beginning of the year		4,717	3,094
	Provided during the year		3,600	3,600
	Payment during the year		(1,894)	(1,977)
	Balance at end of the year		6,423	4,717
21.5	**Workers' Profit Participation Fund**			
	Balance at beginning of the year		252,582	277,336
	Interest on funds utilized in the Holding Company's business 75% (2024: 75%)	30	1,107	1,320
			253,689	278,656
	Expense for the year	31	175,101	282,588
			428,790	561,244
	Payments made during the year		(408,106)	(308,662)
	Balance at end of the year		20,684	252,582
21.6	**Workers' Welfare Fund**			
	Balance at beginning of the year		326,500	389,776
	Charge for the year		66,798	115,598
	Payment / adjustment during the year		(119,818)	(178,874)
	Balance at end of the year		273,480	326,500

The Holding Company and ISL have filed a constitutional petition with the SHC against a notice to the companies for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 despite the fact that the companies are making the payments of Workers Welfare Fund to the Federal Government. A stay was obtained on the ground that the Holding Company and ISL are trans-provincial establishments operating industrial and commercial activities across Pakistan and are liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971.

22. CONTRACT LIABILITIES

During the year, the Holding Company and ISL recognised revenue amounting to Rs. 1,763.08 million (2024: Rs. 2,248.21 million) out of the contract liabilities balance outstanding at the beginning of the year.

23. SHORT-TERM BORROWINGS - secured

	Note	2025	2024
CONVENTIONAL		(Rupees in '000)	
Running finance under mark-up arrangement from banks	23.1	770,453	489,808
Short-term borrowing under Money Market Scheme maturing within three months	23.1	1,415,000	300,000
Short-term borrowing under Export Refinance Scheme	23.2	4,650,000	4,650,000
Short-term borrowing under Export Finance Scheme	23.3	1,014,300	662,889
Short-term borrowing under FE-25 import	23.4	-	1,223,955
		7,849,753	7,326,652

ISLAMIC	Note	2025	2024
		(Rupees in '000)	
Short-term borrowing under Money Market Scheme maturing within three months		1,250,000	1,000,000
Short-term borrowing under Running Musharakah	23.5	305,522	219,684
Short-term borrowing under Islamic Export Refinance Scheme	23.6	300,000	100,000
		1,855,522	1,319,684
		9,705,275	8,646,336

23.1 The facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding Company range from 11.48% to 22.52% (2024: 20.24% to 22.52%) per annum. The rates of mark-up on these finances obtained by ISL range is Nil (2024: 22.09% to 22.52%) per annum.

23.2 The Holding Company and ISL have obtained short-term running finance facilities under the Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities obtained by Holding Company is 8.00% to 17.50% (2024: 17.50%) per annum. The rates of mark-up on these facilities obtained by ISL range from 7.75% to 8.00% (2024: 17.25% to 17.50%) per annum. These facilities mature within six months and are renewable.

23.3 The Holding Company and ISL had obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities is 2.00% to 3.00% (2024: 2.00% to 2.50%) per annum. These facilities mature within six months.

23.4 The Holding Company has obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities is Nil (2024: 7.50% to 10.25%) per annum.

23.5 The Holding Company and ISL have obtained facilities for short-term finance under Running Musharakah. The rates of profit on these finances obtained by the Holding Company range from 11.53% to 22.29% (2024: 20.30% to 22.29%) per annum. The rates of profit on the finances obtained by ISL range from 11.48% to 12.59% (2024: 21.99% to 22.43%) per annum.

23.6 ISL has availed short-term running finance facility under the Islamic Export Refinance Scheme of the SBP from an Islamic bank. The rates of profit on this facility range from 8.00% (2024: 17.50%) per annum. This facility matures within six months and is renewable.

23.7 As at June 30, 2025, the unavailed facilities from the above borrowings for the Holding Company amounted to Rs. 10,958 million (2024: Rs. 12,938 million) and for ISL amounted to Rs. 22,051 million (2024: Rs. 23,289 million).

23.8 The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future movable assets of the Holding Company and ISL.

24. TAXATION - NET	Note	2025	2024
		(Rupees in '000)	
Balance at beginning of the year		430,854	1,840,449
Tax payments / adjustment made during the year		(2,425,414)	(3,180,467)
		(1,994,560)	(1,340,018)
Add: Provision for income tax	33 & 34	1,996,663	1,770,872
Balance at end of the year		2,103	430,854

24.1 Under the Finance Act, 2022, the Federal Government inserted section 4C to the Income Tax Ordinance, 2001 which imposed a super tax on persons earning more than Rs. 150 million at varying rates. The Holding Company and ISL, along with the other companies, filed a petition in SHC on October 22, 2022 against the chargeability of Super Tax for the tax year 2022 and accordingly submitted a bank guarantee amount to Rs. 748.75 million in the Nazir of SHC. On December 22, 2022, the SHC decided that the Super Tax shall be applicable from FY 2023 instead of FY 2022 at a rate of a maximum 4%. In an appeal by FBR against this order, the Supreme Court passed an interim order to encash the bank guarantees by 4% till the case is finally decided. Consequently, the bank guarantee was reduced to Rs. 623.25 million.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

	Description of factual basis of the proceeding and relief sought	Name of court	Principal parties	Date instituted
	Holding Company			
25.1.1	The Collector of Customs has charged the Company for a redemption fine of Rs. 83 million on clearance of imported raw material consignments in 2006. The Company has filed an appeal before the Sindh High Court (SHC), which has set aside the examination reports including subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities had filed an application for leave to appeal against the order of the SHC. The management anticipates that the chances of admission of such appeal are remote.	Sindh High Court	Collector of Customs / Federation of Pakistan	August 30, 2007
25.1.2	The Company filed the suit before SHC challenging the chargeability of tax on inter corporate dividend in respect of dividend declared by its subsidiary, International Steels Limited. On October 21, 2016 Court granted stay against which 500,000 shares of subsidiary company were pledged as a security with Nazir of the Court. In one of the litigation to which Company is not a party, Supreme Court of Pakistan (SCP) issued an order on February 21, 2018 whereby continuity of suits was made subject to depositing minimum 50% of the tax calculated by the tax authorities. A review petition has been filed against such order of the SCP in which Company is not a party and the decision is awaited. In view of such developments, the suit was withdrawn and a petition was filed before the SHC, which is pending hearing. On a separate application challenging the chargeability of tax on inter corporate dividend, stay is granted by the SHC in respect of dividends declared by the subsidiary company on June 2, 2017, September 26, 2017, January 23, 2018, September 29, 2021, January 31, 2022 and August 18, 2022 against bank guarantees amounting to Rs. 76.6 million, Rs. 36.8 million, Rs. 55.1 million, Rs. 257.3 million, Rs. 73.5 million and Rs. 165.4 million respectively submitted to the Nazir of the Court. The management, based on legal advice, is confident that the ultimate decision in the above case will be in favour of the Company.	Sindh High Court	FBR / Commissioner Inland Revenue / Federation of Pakistan	November 1, 2016
25.1.3	As per section 95 of the Custom Act read with Customs Rules, 2001, the Company sold zinc wastages generated from imports under manufacturing bond at 0% duty for export during 2012-13, 2013-14 and 2014-15. All these sales were subject to sales tax payments in term of Custom Rules. However, on August 31, 2020, the Collector of Customs (Adjudication - II) has passed ONO no. 473, 474 and 475 against the Company and ordered for recovery of customs duty amounting to Rs. 402.72 million on zinc wastages. The Holding Company filed appeals against these orders in the Customs Tribunal. However, due to non-functioning of Tribunal and considering the importance, Company preferred to file an appeal with the SHC. SHC granted stay order against the order of the Collector of Customs and issued notices for the hearing. The SHC vide its order dated October 12, 2021 has disposed off the case with directions to the Appellate Tribunal to decide the pending appeal within sixty days. The SHC further directed that the respondents shall not take any coercive action against the Company in respect of the impugned demand till the conclusion of the appeal. The case was decided against IIL by the Custom Appelate Tribunal. Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the SHC. The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.	Sindh High Court	Collector of Customs	October 10, 2020

International Steels Limited

		Forum	Parties	Date
25.1.4	A petition was filed before the Sindh High Court seeking order for the issuance of quota for concessionary import under SRO 565; release of 85,000 tons of HRC arrived at the Port in November 2019 and for future shipments. SHC granted release of 85,000 tons of HRC against submission of bank guarantee for the differential amount of duty & taxes amounting to Rs. 1,651 million. In a seperate order SHC instructed the authorities to allow provisional quota subject to submission of bank guarantee for the difference of duty & taxes. As ordered, the Input-Output Co-efficient Organisation (IOCO) is issuing quota equivalent to ordered/shipped quantity of raw material on case to case basis.	Sindh High Court	I.S.L. vs Federation of Pakistan / Director IOCO / The Chief Collector (South)	November 4, 2019

25.2 Commitments
Holding Company and ISL

25.2.1 Capital expenditure commitments outstanding as at June 30, 2025 amounted to Nil (2024: Rs. 6.86 million).

25.2.2 Commitments under letters of credit for raw materials and stores and spares as at June 30, 2025 amounted to Rs. 23,396.20 million (2024: Rs. 12,991.20 million).

25.2.3 Facilities for opening letters of credit and guarantees from banks as at June 30, 2025 amounted to Rs. 55,449 million (2024: Rs. 55,700 million) and Rs. 13,984 million (2024: Rs. 13,984 million) respectively, of which the unutilised balance at year-end amounted to Rs. 32,052 million (2024: Rs. 42,702 million) and Rs. 1,193 million (2024: Rs. 1,903 million) respectively.

Holding Company

25.2.4 Commitments under purchase contracts as at June 30, 2025 amounted to Rs. 681.90 million (2024: Rs. 17.53 million).

ISL

25.2.5 Post-dated cheques issued in favour of Collector of Customs for the concession availed on account of special rate of duties and taxes on import of Hot Rolled Coils under SRO 565 and manufacturing bond as at June 30, 2025 amounted to Rs. 3,162 million (2024: Rs. 4,510 million).

26. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025	2024
	(Rupees in '000)	
Sale of goods less returns		
Local	89,306,474	95,050,065
Sales tax	(12,744,550)	(14,254,437)
Trade discounts	(4,059,105)	(3,731,700)
	72,502,819	77,063,928
Export	13,939,552	22,114,509
Export commission & discounts	(629,330)	(22,361)
	13,310,222	22,092,148
	85,813,041	99,156,076

26.1 The domestic sales revenue of ISL includes Rs. 7,754.16 million (2024: Rs. 7,394.30 million) on account of sales from manufacturing facility located at National Industrial Parks, Bin Qasim Industrial Park, Karachi which is a Special Economic Zone.

26.2 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	2025	2024
	(Rupees in '000)	
Primary geographical markets:		
Local	71,971,460	77,063,927
Asia	4,989,689	4,996,215
Europe	1,345,806	3,279,376
Australia	1,448,355	2,502,967
Africas	5,367,824	22,594
Americas	689,907	11,290,997
	85,813,041	99,156,076
Major Product Lines:		
Steel products	80,196,952	94,644,088
Polymer products	5,616,089	4,511,988
	85,813,041	99,156,076

27. COST OF SALES

	Note	2025	2024
		(Rupees in '000)	
Raw material consumed			
Opening stock of raw material		8,352,320	12,615,638
Purchases		63,557,696	73,277,521
		71,910,016	85,893,159
Closing stock of raw material	9	(6,234,699)	(8,352,320)
		65,675,317	77,540,839
Manufacturing overheads			
Salaries, wages and benefits	27.1	2,204,769	2,186,329
Electricity, gas and water		3,503,584	3,130,805
Depreciation and amortisation		2,168,412	2,138,014
Operational supplies and consumables		406,630	339,289
Repairs and maintenance		421,380	330,568
Sundries		62,830	69,570
Reversal of provision for receivable against short shipment		-	(140,000)
Vehicle, travel and conveyance		142,302	141,922
Security and janitorial		141,664	126,112
Computer stationary and software support fees		107,247	99,875
Internal material handling		72,539	71,723
Insurance		65,431	62,763
Postage, telephone and stationery		49,203	46,533
Provision for capital spares		120,000	104,308
Toll manufacturing		686	348,898
Rent, rates and taxes		6,801	9,524
Environment controlling expense		10,141	8,440
Provision for net realisable value written down		52,465	129,089
		9,536,084	9,203,762
		75,211,401	86,744,601
Work-in-process			
Opening stock		2,557,557	1,623,223
Closing stock	9	(3,965,548)	(2,557,557)
		(1,407,991)	(934,334)
Cost of goods manufactured		73,803,410	85,810,267
Finished goods, by-products and scrap			
Opening stock		12,476,974	12,792,676
Purchases		354,007	363,891
Closing stock	9	(9,384,610)	(12,476,974)
		3,446,371	679,592
		77,249,781	86,489,859

27.1 These include Rs. 41.04 million (2024: Rs. 38.13 million) in respect of contribution to the Provident Funds, Rs. 68.03 million (2024: Rs. 73.14 million) in respect of the Gratuity Funds and Rs. 20.26 million (2024: Rs. 21.24 million) in respect of compensated absences.

28. SELLING AND DISTRIBUTION EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Freight and forwarding		2,104,594	2,755,282
Salaries, wages and benefits	28.1	598,531	461,467
Advertising and sales promotion		204,627	193,344
Vehicle, travel and conveyance		124,833	116,547
Depreciation and amortisation		65,246	43,156
Insurance		29,193	31,994
Postage, telephone and stationery		26,923	18,653
Rent, rates and taxes		13,545	10,428
Electricity, gas and water		13,706	10,563
Certification and registration charges		7,644	7,778
Repairs and maintenance		1,337	1,099
Office supplies		19	144
Others		14,588	24,374
		3,204,786	3,674,829

28.1 These include Rs. 12.59 million (2024: Rs. 11.04 million) in respect of contribution to the Provident Funds, Rs. 10.87 million (2024: Rs. 12.55 million) in respect of the Gratuity Funds and Rs. 5.97 million (2024: Rs. 1.11 million) in respect of compensated absences.

29. ADMINISTRATIVE EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Salaries, wages and benefits	29.1	559,306	627,206
Legal and professional charges		128,944	116,294
Depreciation and amortisation		65,123	46,307
Vehicle, travel and conveyance		70,503	71,345
Postage, telephone and stationery		19,230	16,596
Certification and registration charges		12,472	22,170
Electricity, gas and water		6,937	6,105
Insurance		4,708	4,709
Entertainment		4,318	2,965
Repairs and maintenance		7,356	5,337
Rent, rates and taxes		1,493	2,123
Office supplies		1,621	1,289
Others		62,031	31,690
		944,042	954,136

29.1 These include Rs. 17.30 million (2024: Rs. 16.83 million) in respect of contribution to the Provident Funds, Rs. 17.39 million (2024: Rs. 19.50 million) in respect of the Gratuity Funds and Rs. 9.47 million (2024: Rs. 0.34 million) in respect of compensated absences.

30. FINANCE COST

	Note	2025	2024
		(Rupees in '000)	
Conventional:			
- Interest on long-term financing		73,061	173,700
- Interest on short-term borrowings		766,448	1,322,727
		839,509	1,496,427
Islamic:			
- Mark-up on long-term financing		385,291	649,492
- Mark-up on short-term borrowings		105,802	87,607
		491,093	737,099
Bank charges		80,264	112,735
Unwinding of Gas Infrastructure Development Cess		8,614	62,598
Interest on Workers' Profit Participation Fund	21.5	1,107	1,320
Interest on lease liabilities	5.2.1	12,098	2,473
Exchange gain on borrowings		(6,721)	(78,657)
		1,425,964	2,333,995

		Note	2025	2024
31.	**OTHER OPERATING CHARGES**		**(Rupees in '000)**	
	Workers' Profit Participation Fund	21.5	175,101	282,588
	Workers' Welfare Fund		66,798	115,598
	Donations	31.1	33,600	63,600
	Business development expenses		498	2,076
	Auditors' remuneration	31.2	19,327	11,090
			295,324	474,952

31.1 Donations

31.1.1 Donations to the following organization exceed 10 % of total amount of donations made or Rs. 1 million which ever is higher.

	Note	2025	2024
		(Rupees in '000)	
The Citizen Foundation		-	9,600
Amir Sultan Chinoy Foundation		22,000	35,750
SINA Health Education and Welfare Trust		3,750	-
Aga Khan Education Services Pakistan		-	10,000
		25,750	55,350

31.2 Auditors' remuneration

		2025	2024
Audit fee		7,393	6,112
Half yearly review		3,000	2,000
Certifications for regulatory purposes		7,548	1,476
Out of pocket expenses		1,386	1,502
		19,327	11,090

32. OTHER INCOME - NET

	Note	2025	2024
Income from financial assets			
Income on bank deposits - conventional		382,583	328,534
Unwinding of government grant	19	37,289	39,647
Net foreign exchange losses		(126,828)	(182,933)
Income from non-financial assets			
Gain on disposal of property, plant and equipment		123,158	43,782
Loss on remeasurement of Gas Infrastructure Development Cess		(134)	(6,609)
Rental income		3,252	2,981
Loss from power generation	32.1	(322,573)	(228,424)
Liability no longer payable - written off		-	46,041
Others		157,906	25,556
		254,653	68,575

32.1 Loss from power generation

	Note	2025	2024
Revenue - net of sales tax		86,622	265,305
Cost of electricity produced:			
Salaries, wages and benefits	32.1.1	(36,575)	(36,399)
Electricity, gas and water		(1,889,987)	(2,011,493)
Insurance		-	(24)
Depreciation	4.1.1	(299,768)	(256,620)
Operational supplies and consumables		(20,595)	(36,577)
Repairs and maintenance		(87,007)	(67,938)
Sundries		(2,844)	(2,669)
		(2,336,776)	(2,411,720)
Self consumption		1,927,581	1,917,991
Loss from power generation		(322,573)	(228,424)

32.1.1 These include Rs. 1.00 million (2024: Rs. 0.90 million) in respect of contribution to the Provident Funds, Rs. 1.13 million (2024: Rs.4.90 million) in respect of the Gratuity Funds and Nil (2024: Rs. 0.03 million) in respect of compensated absences.

32.1.2 The Holding Company and ISL have power generation facilities at their premises. The Holding Company and ISL have generated electricity in excess of its requirements which is supplied to K-Electric Limited under respective agreements.

	Note	2025	2024
		(Rupees in '000)	
33. LEVIES			
Final tax u/s 154		(520)	(271,866)
Minimum tax u/s 153		(5,983)	-
		(6,503)	(271,866)
34. INCOME TAX EXPENSE			
Current			
- for the year	34.1	(2,066,847)	(2,293,022)
- for prior years		76,687	794,015
		(1,990,160)	(1,499,007)
Deferred		630,799	272,499
		(1,359,361)	(1,226,508)

34.1 This includes super tax of Rs. 562.71 million (2024: Rs. 701.50 million) as imposed by the Finance Act, 2022.

34.2 Relationship between income tax expense and accounting profit

	Effective tax rate (%)		2025	2024
			(Rupees in '000)	
Profit before levies and income tax			2,944,482	5,325,409
Tax at the enacted rate	(29.00)	(29.00)	(853,900)	(1,544,367)
Tax effect of :				
Income subject to final tax regime	-	1.48	-	78,787
Exempt income	5.20	2.76	153,068	146,799
Income taxed as separate block of income	(4.23)	(3.06)	(124,517)	(163,157)
Super tax	(19.12)	(13.17)	(563,003)	(701,504)
Write off of minimum tax	-	(0.15)	-	(8,198)
Tax credit	0.22	0.10	6,554	5,235
Prior year	2.60	14.92	76,687	794,630
Change in Normal Tax Regime ratio	-	1.42	-	75,776
Permanent differences	-	0.03	-	1,335
Others	(0.94)	(2.42)	(27,716)	(128,863)
Consolidation adjustments	(1.12)	(1.03)	(33,037)	(54,847)
Levies and income tax - note 33 & 34	(46.39)	(28.12)	(1,365,864)	(1,498,374)

	Note	2025	2024
35. EARNINGS PER SHARE - BASIC AND DILUTED		(Rupees in '000)	
Profit for the year attributable to owners of the Holding Company		898,978	2,168,613
		(Number)	
Weighted average number of ordinary shares outstanding during the year	15	131,881,880	131,881,880
		(Rupees)	
Earnings per share - basic and diluted		6.82	16.44

35.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2025 and 2024.

36. CASH GENERATED FROM OPERATIONS

	Note	2025	2024
		(Rupees in '000)	
Profit before levies and income tax		2,944,482	5,325,409
Adjustments for:			
Depreciation of property, plant and equipment	4.1.1	2,567,369	2,471,920
Depreciation of right-of-use assets	5.1	25,227	9,196
Amortisation of intangible assets	6	5,951	2,983
Charge of loss allowance on trade debts	10.3	40,616	49,822
Provision for net realisable value written down	27	52,465	129,089
Provision for capital spares	4.3	120,000	104,308
Provision for staff retirement benefits	13.2.8	97,417	111,087
Provision for compensated absences		35,700	22,713
Income on bank deposits	32	(382,583)	(328,534)
Gain on disposal of property, plant and equipment	32	(123,158)	(43,782)
Government grant income	32	(37,289)	(39,647)
Gain on remeasurement of Gas Infrastructure Development Cess	32	134	6,609
Unwinding of Gas Infrastructure Development Cess	30	8,614	62,598
Share of profit from equity accounted investee	7.1.2	(37,301)	(78,351)
Finance cost		1,417,350	2,271,397
		6,734,994	10,076,816
Changes in working capital	36.1	2,742,486	4,262,900
		9,477,480	14,339,716

36.1 CHANGES IN WORKING CAPITAL

	2025	2024
(Increase) / decrease in current assets:		
Stores and spares	(28,841)	21,193
Stock-in-trade	(1,711,610)	3,483,386
Trade debts	1,133,446	586,870
Advances, trade deposit and prepayments	(214,309)	(70,185)
Other receivables	24,508	22,886
Sales tax receivable	336,632	179,543
	(460,174)	4,223,693
Increase / (decrease) in current liabilities:		
Trade and other payables	3,322,490	394,152
Contract liabilities	(119,830)	(354,945)
	2,742,486	4,262,900

37. CASH AND CASH EQUIVALENTS

	Note	2025	2024
Cash and bank balances	14	4,712,388	4,093,574
Less: Term Deposit Receipts (TDRs)	14	(1,034,000)	(734,000)
Running finance under mark-up arrangement from banks	23	(770,453)	(489,808)
		2,907,935	2,869,766

37.1 Short term borrowings other than running finance have been reclassified as financing activities and term deposit receipts have been reclassified as investing activities in the statement of cash flows which were previously included as cash and cash equivalents.

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	---(Rupees in '000)---					
Managerial Remuneration	39,927	27,977	-	-	634,195	545,807
Bonus	9,982	9,326	-	-	216,473	170,964
Variable performance pay	-	13,060	-	-	173,155	166,381
Retirement benefits	2,494	2,352	-	-	61,238	58,487
Rent, utilities allowance etc.	14,973	13,989	-	-	327,607	272,904
Ex Gratia	-	-	-	-	3,954	375
Directors' fee	-	-	11,300	9,600	6,900	9,319
	67,376	66,704	11,300	9,600	1,423,522	1,224,237
Number of persons	2*	1	9**	8	214	170

* During the year, Mr. Yousuf H. Mirza was appointed as the Chief Executive Officer of the Holding Company to fill the casual vacancy created due to resignation of Mr. Sohail R. Bhojani.

** During the year, Mr. Shoaib Mir was appointed as an Independent Director to fill the casual vacancy created due to resignation of Mr. Adnan Afridi.

38.1 The Chief Executives, directors and certain executives are provided with free use of Company maintained vehicles & Chief Executive of Holding Company is provided with security guard in accordance with the Company's policy.

38.2 Fee paid to 9 (2024: 8) non-executive directors were Rs. 11.30 million (2024: Rs. 9.6 million) on account of meetings attended by them.

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

a) Financial risk management

The Board of Directors of respective group entities have overall responsibility for the establishment and oversight of the risk management framework for the respective group entity. Each group entity has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

b) Risk management framework

The Board of Directors of respective group entities meet frequently throughout the year for developing and monitoring the risk management of the respective group entity. The risk management policies are established for each group entity to identify and analyse the risks faced by the respective entity, to set appropriate risk limits and controls and to monitor risks including adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the respective group entity's activities. Each group entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the respective group entity's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group entity.

39.1 Credit risk

Credit risk is the risk of financial loss to a group entity if a customer or counterparty to a financial instrument fails to meet its contractual obligation without considering fair value of collateral available there against.

39.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at reporting date is as follows:

	Note	2025	2024
		(Rupees in '000)	
Long-term deposit		9,689	6,477
Trade debts - net of provision	10	3,436,163	4,612,850
Trade deposits	11	28,001	26,483
Other receivables	12	47,945	72,453
Bank balances	14	4,984,091	4,118,700
		8,505,889	8,836,963

The group entities do not take into consideration the value of collateral while testing financial assets for impairment. The group entities consider the credit worthiness of counter parties as part of their risk management.

Long-term deposits

These represent long-term deposits with various parties for the purpose of securing supplies of raw materials and services. No credit exposure is foreseen there against as the amounts are paid to counter parties as per the agreement and are refundable on termination of agreement with respective counterparties.

Trade debts

The exposure to credit risk of each group entity arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers of the respective group entities have been transacting with them for several years. The Holding Company and ISL establish an allowance for impairment that represents its estimate of incurred losses.

Trade deposits

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management of group entities does not expect to incur credit loss there against.

Other Receivables

These mainly include receivable from K-Electric Limited (KE) on account of electricity provided to it from the 4 MW and 18 MW plant located at factory sites of the Holding Company and Subsidiary Company respectively under an agreement. The Group does not expect to incur credit loss aginst these receivables.

Analysis of gross amounts receivable from local and foreign trade debtors and from KE are as follows:

	2025	2024
	(Rupees in '000)	
Domestic	1,600,384	2,768,415
Export	2,100,010	2,094,849
	3,700,394	4,863,264

39.1.2 Impairment losses

The aging of trade debtors and amounts receivable from KE at the reporting date was as follows:

	2025 Gross	2025 Impairment	2024 Gross	2024 Impairment
	----------------------------	(Rupees in '000)	----------------------------	
0 - 60 days	**2,985,061**	**1,527**	3,676,324	2,325
61 - 180 days	**162,240**	**9,125**	713,023	2,452
181 - 365 days	**152,895**	**25,122**	272,734	18,917
More than 365 days	**400,198**	**188,339**	201,183	201,183
Total	**3,700,394**	**224,113**	4,863,264	224,877

Management of the Group entities believes that the unimpaired balances that are past dues are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held or credit lines available:

Bank	Rating agency	Rating	
		Short term	Long term
Habib Bank Limited	VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Faysal Bank Limited	PACRA	A-1+	AA
Dubai Islamic Bank	VIS	A-1+	AA
Bank Al Habib Limited	PACRA	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Meezan Bank Limited	VIS	A-1+	AAA
Bank Al Falah Limited	PACRA	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+
Samba Bank Limited	PACRA	A-1	AA
Soneri Bank Limited	PACRA	A-1+	AA-
Industrial & Commercial Bank of China	Moody's	P-1*	A-1
Bank Islami Pakistan Limited	PACRA	A-1	AA-
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+

39.1.3 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of Group entities' performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

39.2 Liquidity risk

Liquidity risk is the risk that a group entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that group entity could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The approach of group entities to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's or group's reputation. The group entities ensure that they have sufficient liquidity including credit lines to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	2025				
	Contractual cashflows				
	Carrying amount	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)				
Non-derivative financial liabilities					
Long-term financing	**1,461,933**	**(201,687)**	**(172,145)**	**(1,217,879)**	**(177,259)**
Trade and other payables	**12,347,164**	**(12,347,164)**	**-**	**-**	**-**
Accrued mark-up	**132,701**	**(132,701)**	**-**	**-**	**-**
Short-term borrowings	**9,705,275**	**(9,705,275)**	**-**	**-**	**-**
Lease liabilities	**81,941**	**(9,086)**	**(9,086)**	**(4,415)**	**-**
Unclaimed dividend	**42,994**	**(42,994)**	**-**	**-**	**-**
	23,772,008	**(22,438,907)**	**(181,231)**	**(1,222,294)**	**(177,259)**

	2024				
	Contractual cashflows				
	Carrying amount	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)				
Non-derivative financial liabilities					
Long-term financing	5,081,722	(716,357)	(927,154)	(5,058,825)	(660,945)
Trade and other payables	9,779,437	(9,779,437)	-	-	-
Accrued mark-up	403,534	(403,534)	-	-	-
Short-term borrowings	8,646,336	(8,646,336)	-	-	-
Lease liabilities	15,714	(5,650)	(5,650)	(4,415)	-
Unclaimed dividend	48,354	(48,354)	-	-	-
	23,975,097	(19,599,668)	(932,804)	(5,063,240)	(660,945)

39.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rates of mark-up have been disclosed in respective notes to these consolidated financial statements.

39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect a group entity'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 optimising the return. Group entities are exposed to currency risk and interest rate risk only.

39.3.1 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.

Exposure to currency risk

The Group is exposed to currency risk on trade debts, trade and other payables and bank balances that are denominated in a currency other than the functional currency of the Group. The Group's exposure to foreign currency risk is as follows:

	2025						2024					
	Rupees	US Dollars	AUD	Euro	Canadian Dollars	Yuan	Rupees	US Dollars	AUD	Euro	Canadian Dollars	Yuan
	(In '000)											
Financial assets												
Bank Balance	1,953,346	4,393	2,851	162	706	-	1,842,418	6,613	-	-	-	-
Trade debts	2,100,010	5,676	3,324	-	145	-	2,094,849	5,811	3,324	-	4,786	-
Financial liabilities												
Trade and other payables	(5,514,194)	(27,457)	(6,543)	(168)	(4,490)	-	(5,245,677)	(17,613)	(7,797)	(7)	-	(73)
Net exposure	(1,460,838)	(17,388)	(368)	(6)	(3,639)	-	(1,308,410)	(5,189)	(4,473)	(7)	4,786	(73)

The following significant exchange rates applicable during the year:

	Reporting date rate	
	2025 Buying / Selling	**2024 Buying / Selling**
US Dollars (USD) to Pakistan Rupee	283.53 / 283.96	278.15 / 278.59
Australian Dollars (AUD) to Pakistan Rupee	185.45 / 185.75	184.32 / 184.62
Euro to Pakistan Rupee	332.62 / 333.12	297.46 / 297.92
Canadian Dollars (CAD) to Pakistan Rupee	207.45 / 207.77	202.69 / 203.01
Yuan to Pakistan Rupee	39.58 / 39.63	38.29 / 38.35

Sensitivity analysis

A 10 percent strengthening / (weakening) of the Pak Rupee against the USD, AUD, Euro and CAD at June 30, would have (decreased) / increased the equity / profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same for both the years. However, current year amount is net of corporate tax while there is no impact of corporate tax on the prior as income was subject to minimum tax.

	Effect on Consolidated Statement of Profit or Loss	
	2025	2024
	(Rupees in '000)	
As at June 30		
Effect in USD	**(280,350)**	(82,319)
Effect in AUD	**(3,982)**	(46,910)
Effect in Euro	**(115)**	(118)
Effect in CAD	**(42,907)**	54,825
Effect in Yuan	**-**	(159)

39.3.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long-term borrowings from banks.

At the reporting date the interest rate profile of the Group's interest-bearing financial instrument is:

	Carrying amount	
	2025	2024
	(Rupees in '000)	
Fixed rate instruments		
Financial liabilities	**2,559,410**	6,901,075
Variable rate instruments		
Financial liabilities	**8,706,157**	6,942,867

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by Rs. 53.11 million (2024: Rs. 42.35 million) with corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for both the years. However, current year amount is net of corporate tax while there is no impact of corporate tax on prior year as income was subject to minimum tax.

Fair value sensitivity analysis for fixed rate instruments

The Group do not account for any fixed rate financial assets and liabilities at fair value through the Consolidated Statement of Profit or Loss. Therefore a change in interest rates at the reporting date would not affect the Consolidated Statement of Profit or Loss.

39.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025				
	Short-term borrowings	Long-term financing	Dividend	Lease Liablilities	Total
	(Rupees in '000)				
Balance as at July 1, 2024	**8,682,466**	**5,449,126**	**48,784**	**15,714**	**14,196,090**
Changes from financing cash flows					
Repayment of long-term loan	-	(3,657,078)	-	-	(3,657,078)
Proceeds from long-term loan	-	-	-	-	-
Addition in lease liabilities	-	-	-	84,800	
Lease rental paid	-	-	-	(30,671)	(30,671)
Dividend paid	-	-	(1,036,733)	-	(1,036,733)
Total changes from financing activities	-	(3,657,078)	(1,036,733)	54,129	(4,724,482)
Other changes					
Interest expense	943,232	462,226	-	12,098	1,417,556
Interest paid	(1,053,368)	(585,633)	-	-	(1,639,001)
Changes in short-term borrowings	1,058,939	-	-	-	1,058,939
Total loan related other changes	948,803	(123,407)	-	12,098	837,494
Equity related other changes	-	-	1,031,420	-	1,031,420
Balance as at June 30,2025	**9,631,269**	**1,668,641**	**43,471**	**81,941**	**11,340,522**

	2024				
	Short-term borrowings	Long-term financing	Dividend	Lease Liablilities	Total
	(Rupees in '000)				
Balance as at July 1, 2023	11,298,177	6,324,152	56,173	24,832	17,703,335
Changes from financing cash flows					
Repayment of long-term loan	-	(1,104,328)	-	-	(1,104,328)
Proceeds from long-term loan	-	150,000	-	-	150,000
Lease rental paid	-	-	-	(11,591)	(11,591)
Dividend paid	-	-	(1,484,639)	-	(1,484,639)
Total changes from financing activities	-	(954,328)	(1,484,639)	(11,591)	(2,450,558)
Other changes					
Interest expense	1,410,334	823,192	-	2,473	2,235,999
Interest paid	(1,666,951)	(743,184)	-	-	(2,410,135)
Deferred government grant recognised	-	(706)	-	-	(706)
Changes in short-term borrowings	(2,359,094)	-	-	-	(2,359,094)
Total loan related other changes	(2,615,711)	79,302	-	2,473	(2,533,936)
Equity related other changes	-	-	1,477,250	-	1,477,250
Balance as at June 30,2024	8,682,466	5,449,126	48,784	15,714	14,196,090

39.5 Price risks

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The group entities have no exposure to price risk as its investments are measured at cost.

39.6 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the Consolidated Statement of Financial Position approximate their fair values.

39.7 Financial instruments by categories

	Note	2025	2024
		(Rupees in '000)	
Financial assets			
Held at amortised cost			
- Long-term deposit		9,689	6,477
- Trade debts - net of provision	10	3,436,163	4,612,850
- Trade deposits	11	28,001	26,483
- Other receivables	12	47,945	72,453
- Cash and bank balances	14	4,991,638	4,123,574
		8,513,436	8,841,837
Financial liabilities			
Held at amortised cost			
- Long-term financing	18	1,461,933	5,081,722
- Trade and other payables	21	12,347,164	9,779,437
- Accrued mark-up		132,701	403,534
- Short-term borrowings	23	9,705,275	8,646,336
- Unclaimed dividend		42,994	48,354
		23,690,067	23,959,383

39.8 None of the financial assets and liabilities are offset in the Consolidated Statement of Financial Position.

40. CAPITAL MANAGEMENT

The objective of group entities when managing capital is to safeguard its ability to operate as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The group entities intend to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

41. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. Land and Building) with sufficient regularity and obtains rate from financial institution to value derivative financial instruments. Involvement of external valuers is decided upon by managements of group entities. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, Group entities uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2025, the fair value of all financial assets and financial liabilities carried at amortised cost is approximate to their carrying value. The Holding Company and ISL measures the Land and Buildings at fair value and all of the resulting fair value estimates in relation to Land and Buildings of the Company are included in Level 2.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Holding Company and ISL's Land and Buildings measured at fair value:

Assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable inputs and fair value measurement
Revalued fixed assets - Land and buildings	June 30, 2025	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure, current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building is considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair values are subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

Management of the Group entities assessed that the fair values of cash and cash equivalents, other receivable, trade deposits, trade receivables, short-term borrowings, trade and other payables, accrued mark-up and unclaimed dividends approximate their carrying amounts largely due to their short-term maturities. For long-term deposit and long-term financing, management consider that their carrying values approximates their fair value owing to credit standing of counterparties and interest payable on borrowings are market rates. Fair value of investment in equity accounted investee is disclosed in note 7 to these consolidated financial statements.

42. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the associated undertakings, directors of the group entities , key management employees and staff retirement funds. The group entities continue to follow a policy whereby all transactions with related parties are entered into at commercial terms at rate agreed under a contract/arrangement/agreement. The contribution to the defined contribution plan (Provident Fund) of the group entities, wherever applicable, are made as per the terms of employment and contribution to the defined benefit plan (Gratuity Fund) of the group entities, wherever applicable, are in accordance with latest actuarial advice. Remuneration of key management personnel is in accordance with their terms of employment and the policies of respective group entities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the respective group entity. The Group entities consider their Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be their key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

42.1 Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements, are as follows:

	2025	2024
	(Rupees in '000)	
Associated companies		
Sales	2,292,735	4,426,531
Purchases	36,269,909	34,785,487
Rent income	3,793	2,981
Dividend paid	120,651	199,922
Dividend received	10,852	-
Registration and training	2,782	3,444
Reimbursement of expenses	36,041	15,372
Subscription	2,500	2,500
Donation	27,636	27,104
Key management personnel		
Remuneration	829,421	773,875
Purchase of vehicles	4,690	-
Non-executive directors		
Directors' fee	11,300	9,600
Staff retirement funds		
Contributions paid	211,390	192,449

The following are the related parties with whom the Group had entered into transaction or have arrangement / agreement in place:

Name of the related party	Relationship and percentage of shareholding
Pakistan Cables Limited	Associated company - 17.12% (2024:17.12%) shareholding
Sumitomo Corporation	Associated company - 9.08% (2024: 9.08%) shareholding in ISL
Chinoy Engineering & Construction (Private) Limited	Associated company - 34% (2024: Nil) shareholding
The Pakistan Business Council	Associated company by virtue of common directorship
Lahore University of Management Sciences	Associated company by virtue of common directorship
German Pakistan Chamber ofCommerce and Industry	Associated entity by virtue of common directorship
Landhi Association of Trade & Industry	Associated company by virtue of common directorship
Employers' Federation of Pakistan	Associated company by virtue of common directorship
Amir Sultan Chinoy Foundation	Associated company by virtue of common directorship
Pakistan Japan Business Forum	Associated company by virtue of common directorship
Lucky Core Industries Limited (ICI Pakistan)	Associated company by virtue of common directorship
Intermark (Private) Limited	Associated company by virtue of common directorship

42.2 Outstanding balances with related parties have been separately disclosed in trade debts, advances, deposits and prepayments and trade and other payables respectively. These are settled in ordinary course of business.

43. SHARIAH COMPLIANCE STATUS DISCLOSURE

		Note	2025	2024
			(Rupees in '000)	
Consolidated statement of financial position - Liability Side				
i)	Short-term financing as per Islamic mode	23	**1,855,522**	4,678,281
ii)	Long-term financing as per Islamic mode	18	**572,268**	3,687,967
iii)	Mark-up accrued on conventional loan		**86,657**	151,274
iv)	Mark-up accrued on Islamic loan		**46,048**	252,278
Consolidated statement of financial position - Asset Side				
i)	Shariah-compliant bank balances	14	301,185	164,774
Consolidated statement of profit and loss				
i)	Revenue earned from Shariah-compliant business segment	26	89,753,680	103,341,935
ii)	Loss from foreign exchange	32	(72,846)	(144,369)
iii)	Profit paid on Islamic mode of financing		(405,382)	(628,070)
iv)	Share of net income of associate accounted for using the equity method	7	37,301	78,351
v)	Profit on bank deposit - Islamic	32	15,211	9,843
Break-up of Other income excluding profits on bank deposits				
Shariah compliant income				
	Government grant - Islamic		**9,477**	10,477
	Dividend income from associated company		**10,853**	-
	Gain on disposal of property, plant and equipment		**123,158**	43,782
	Rental income		**3,252**	2,981
	Loss from power generation		**(322,573)**	(2,253)
	Liability no longer payable - written off		**188,743**	46,041
	Others		21,836	25,285
Shariah non-compliant income				
	Government grant - Conventional		27,812	29,200
	Income on bank deposits - conventional		40,236	29,507
	Loss on remeasurement of Gas Infrastructure Development Cess		**(134)**	(1,116)

44. ANNUAL PRODUCTION CAPACITY

The production capacity at the year end was as follows:

	2025	2024
	(Rupees in '000)	
Holding company		
* Steel pipe	**585,000**	585,000
* Galvanizing	**90,000**	90,000
* Cold rolled steel strip	**50,000**	50,000
* Polymer pipes and fittings	**35,000**	35,000
* Stainless steel - pipe	**4,800**	4,800

** Annual production capacity of steel pipe, galvanizing, cold rolled steel strip, polymer pipes and fittings and stainless steel pipe as per sales mix is 335,000, 60,000, 20,000, 35,000 and 4,800 metric tonnes respectively*

Subsidiary company - International Steels Limited

Galvanising	**462,000**	462,000
Cold rolled steel coil	**1,000,000**	1,000,000
Cold rolled annealed	**454,000**	454,000
Cold rolled full hard	**46,000**	46,000
Colour coated	**84,000**	84,000

The actual production for the year was as follows:

Holding company

Steel pipe	**62,057**	76,731
Galvanizing pipe	**26,722**	31,333
Polymer pipes & fittings	**9,314**	7,092
Stainless steel - pipe	**1,085**	1,253

Subsidiary company - International Steels Limited

Galvanising	**147,825**	172,200
Cold rolled steel strip	**108,045**	95,477
Colour coated	**8,168**	6,185

The name-plate capacities of the plants are determined based on a certain product mix. The actual production mix is different. Actual production during the year was sufficient to meet the market demand.

45. SEGMENT REPORTING

Performance is measured based on respective segment results. Information regarding the reportable segments specified in note 3.18 is presented below.

45.1 Segment revenue and results

	2025				
	Steel coils & sheets segment	**Steel pipes segment**	**Polymer segment**	**Investment segment**	**Total**
	(Rupees in '000)				
For the year ended June 30, 2025					
Revenue from contracts with customers					
Local	50,731,414	16,206,660	5,564,745	-	72,502,819
Exports	9,403,107	3,907,115	-	-	13,310,222
	60,134,521	20,113,775	5,564,745	-	85,813,041
Cost of sales	(54,790,278)	(18,492,305)	(3,967,198)	-	(77,249,781)
Gross profit	5,344,243	1,621,470	1,597,547	-	8,563,260
Selling and distribution expenses	(1,556,217)	(1,464,239)	(184,330)	-	(3,204,786)
Administrative expenses	(459,335)	(387,951)	(96,756)	-	(944,042)
Charge of loss allowance on trade debts	-	(68,240)	27,624	-	(40,616)
	(2,015,552)	(1,920,430)	(253,462)	-	(4,189,444)
Finance cost	(804,513)	(486,359)	(135,092)	-	(1,425,964)
Other operating charges	(219,541)	8,846	(84,629)	-	(295,324)
	(1,024,054)	(477,513)	(219,721)	-	(1,721,288)
Other income	97,645	157,008	-	-	254,653
Share of loss in equity accounted investee - net of tax	-	-	-	37,301	37,301
Profit before levies and income tax	2,402,282	(619,465)	1,124,364	37,301	2,944,482
Levies					(6,503)
Income tax expense					(1,359,361)
Profit for the year					1,578,618

	2024				
	Steel coils & sheets segment	Steel pipes segment	Polymer segment	Investment segment	Total
	(Rupees in '000)				
For the year ended June 30, 2024					
Revenue from contracts with customers					
Local	52,626,120	19,925,819	4,511,989	-	77,063,928
Exports	15,098,953	6,993,195	-	-	22,092,148
	67,725,073	26,919,014	4,511,989	-	99,156,076
Cost of sales	(58,916,998)	(24,387,353)	(3,185,508)	-	(86,489,859)
Gross profit	8,808,075	2,531,661	1,326,481	-	12,666,217
Selling and distribution expenses	(2,079,677)	(1,456,204)	(138,948)	-	(3,674,829)
Administrative expenses	(472,739)	(448,519)	(32,878)	-	(954,136)
Charge of loss allowance on trade debts	-	(9,495)	(40,327)	-	(49,822)
	(2,552,416)	(1,914,218)	(212,153)	-	(4,678,787)
Finance cost	(853,333)	(1,253,089)	(227,573)	-	(2,333,995)
Other operating charges	(404,279)	(8,523)	(62,150)	-	(474,952)
	(1,257,612)	(1,261,612)	(289,723)	-	(2,808,947)
Other income	(64,030)	133,463	-	(858)	68,575
Share of profit in equity accounted investee - net of tax	-	-	-	78,351	78,351
Profit before levies and income tax	4,934,017	(510,706)	824,605	77,493	5,325,409
Levies					(271,866)
Taxation					(1,226,508)
Profit for the year					3,827,035

45.2 Segment assets and liabilities

	Steel coils & sheets segment	Steel pipes segment	Polymer segment	Investment segment	Total
	----------------------------	(Rupees in '000)	----------------------------		
As at June 30, 2025					
Segment assets	50,067,519	21,200,382	3,095,020	1,995,587	76,358,508
Segment liabilities	24,956,897	6,516,353	475,681	-	31,948,932
As at June 30, 2024					
Segment assets	44,092,433	24,152,231	3,270,430	1,909,524	73,424,617
Segment liabilities	20,892,214	10,239,207	317,109	-	31,448,530

Reconciliation of segment assets and liabilities with total assets and liabilities in the Consolidated Statement of Financial Position is as follows:

	2025	2024
	(Rupees in '000)	
Total for reportable segments assets	**76,358,508**	73,424,617
Unallocated assets	**1,433,124**	1,242,414
Total assets as per Consolidated Statement of Financial Position	**77,791,632**	74,667,031
Total for reportable segments liabilities	**31,948,932**	31,448,530
Unallocated liabilities	**3,217,938**	3,355,988
Total liabilities as per Consolidated Statement of Financial Position	**35,166,870**	34,804,518

45.3 Segment revenues reported above are revenues generated from external customers. There were no inter-segment sales during the year.

45.4 Segment assets reported above comprise of property, plant and equipment, stores and spares, stock-in-trade, trade debts and cash and bank balance. These assets are identified based on the operations of the segment and remaining assets and liabilities are presented as unallocated assets and liabilities.

45.5 Additions to non-current assets in relation to steel coils and sheets, steel pipes and polymer segments amounts to Rs. 2,051.02 million (2024: Rs. 1,809.10 million), Rs. 473.07 million (2024: Rs. 708.4 million), and Rs. 16.95 million (2024: Rs. 54.00 million) respectively.

45.6 Information about major customers

Revenue from major customers individually accounting for more than 10% of the segment revenue for steel pipes segment and polymer segment was Nil (2024: Nil) and Rs. 2,923 million (2024: Rs. 1,420 million) respectively.

45.7 Geographical information

The consolidated net revenue is from external customers by geographical location is disclosed in note 26.2.

45.8 Management considers that revenue from its ordinary activities are shariah compliant.

46. INTERESTS IN OTHER ENTITIES

46.1 Non-controlling interests

Set out below is summarised financial information of Subsidiary Company (ISL) which has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

	2025	2024
	(Rupees in '000)	
NCI Percentage (%)	43.6654%	43.6654%
Non-current assets	21,606,021	20,449,248
Current assets	28,461,498	24,240,532
Non-current liabilities	2,642,713	2,759,337
Current liabilities	22,314,184	18,733,013
Intercompany eliminations	(2,789)	(2,104)
Net assets attributable to non-controlling interests	10,965,871	10,130,169
Revenue	62,310,883	69,299,633
Expenses	60,751,622	65,644,822
Profit for the year	1,559,261	3,654,811
Profit attributable to non-controlling interests	679,640	1,658,422
Other comprehensive income attributable to non-controlling interests	724,379	14,731
Total comprehensive income attributable to non-controlling interests	1,404,019	1,673,153

46.2 Associates

Details about the Holding Company's investment in associated company and summarised financial information are disclosed in note 7 to these consolidated financials statements.

46.3 Summarised cashflows of a subsidiary with material non-controlling interest

	ISL	
	2025	2024
	(Rupees in '000)	
Cash flows generated from operating activities	2,301,158	4,978,716
Cash flows used in investing activities	(1,182,625)	(2,077,199)
Cash flows used in financing activities	(689,898)	(2,024,326)
Net increase in cash and cash equivalents	428,635	877,191

47. NUMBER OF EMPLOYEES

	(Number)	
Holding company		
Average number of employees during the year	909	932
Total employees at the year end	909	930
Subsidiary companies		
Average number of employees during the year	677	683
Total employees at the year end	690	682

48. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Holding Company, in their meeting held on August 21, 2025 has proposed a final cash dividend of Rs. 4.00 (2024: Rs. 3.50) per share amounting to Rs. 527.53 million (2024: Rs. 461.59 million) for the year ended June 30, 2025 . The approval of the members of the Holding Company for the dividend shall be obtained at the Annual General Meeting to be held on September 26, 2025.

The Board of Directors of ISL in their meeting held on August 19, 2025 has proposed a final cash dividend of Rs. 2.50 (2024: Rs. 3.00) per share amounting to Rs. 1,088 million (2024: Rs. 1,305 million) for the year ended June 30, 2025. The approval of the members of ISL for the dividend shall be obtained at the Annual General Meeting to be held on September 24, 2025.

These consolidated financial statements do not include the effect of the aforementioned proposed dividends which will be accounted for in the consolidated financial statements for the year ending June 30, 2026.

49. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue on August 21, 2025 by the Board of Directors of the Holding Company.

Jehangir Shah Director & Chairman Board Audit Committee	**Salman Najeeb** Chief Financial Officer	**Yousuf H. Mirza** Chief Executive Officer

SECTION 10.0

Shareholders' Information

international™
industries
built on trust

Shareholders' Information

Ownership

On June 30, 2025 there were 4,499 members on the record of the Company's ordinary shares.

Dividend

The Board of Directors of the Company has recommended 40 % final cash dividend for the year as per its Profit Appropriation Policy. The proposal shall be placed before the shareholders of the Company at the Annual General Meeting for their consideration and approval on September 26, 2025. The dividend amounts, if approved at the AGM, shall be directly credited to their designated banks to the shareholders listed in the Company's members register at the close of business on September 17, 2025 and shall be subject to the Zakat and Tax deductions as per applicable law.

Financial Calendar

Results

Year ended June 30, 2025	Approved on	21-Aug-25
	Announced on	22-Aug-25
Third quarter ended March 31, 2025	Approved and Announced on	25-Apr-25
Half year ended December 31, 2024	Approved on	30-Jan-25
	Announced on	31- Jan-25
First quarter ended September 30, 2024	Approved and Announced on	28-Oct-24

Dividends (Paid)

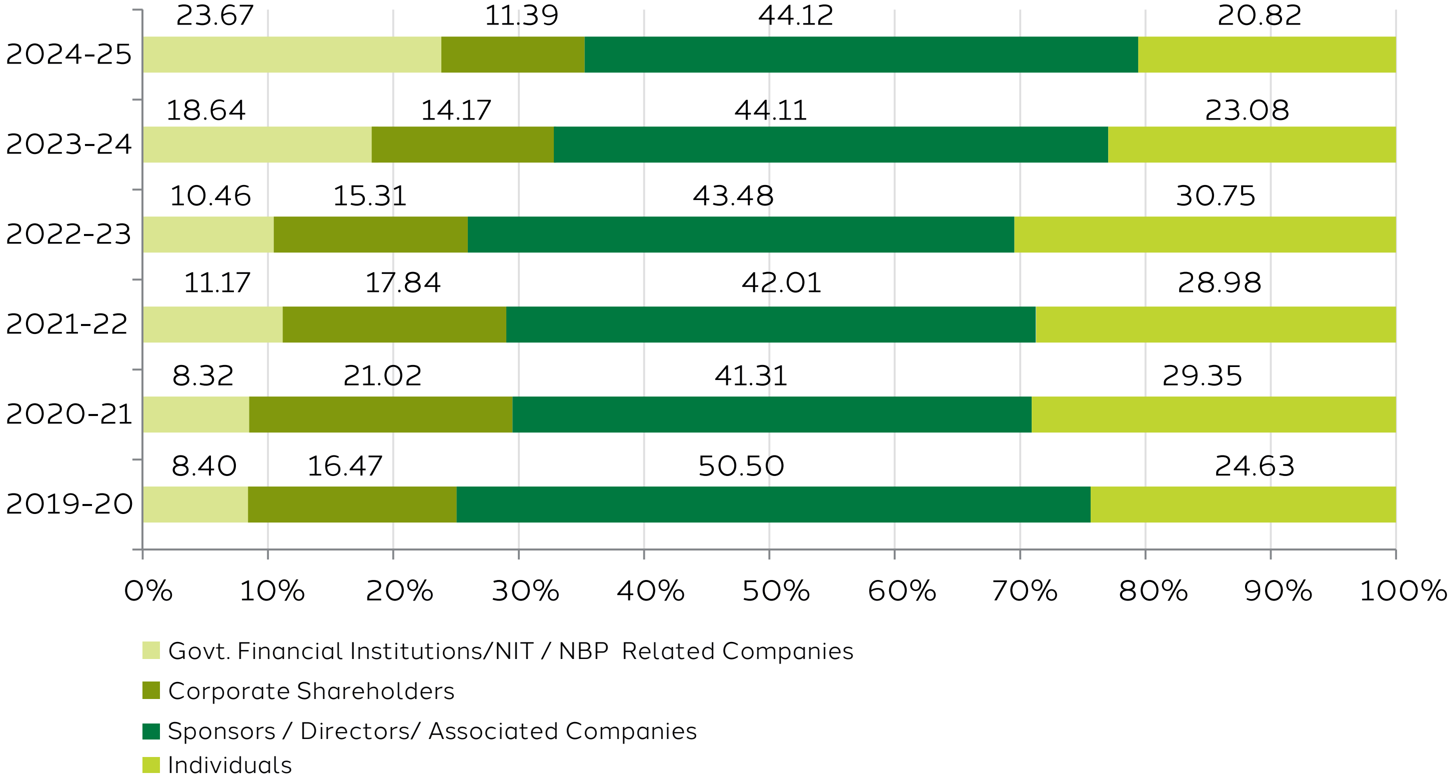
Final – Cash (2024)	Approved on	27-Sept-24
	Entitlement date	20-Sept-24
	Statutory limit upto which payable	10-Oct-24
	Paid on	09-Oct-24

LATEST ANNUAL REPORT ISSUED ON	05-Sept-25
77TH ANNUAL GENERAL MEETING	26-Sept-25

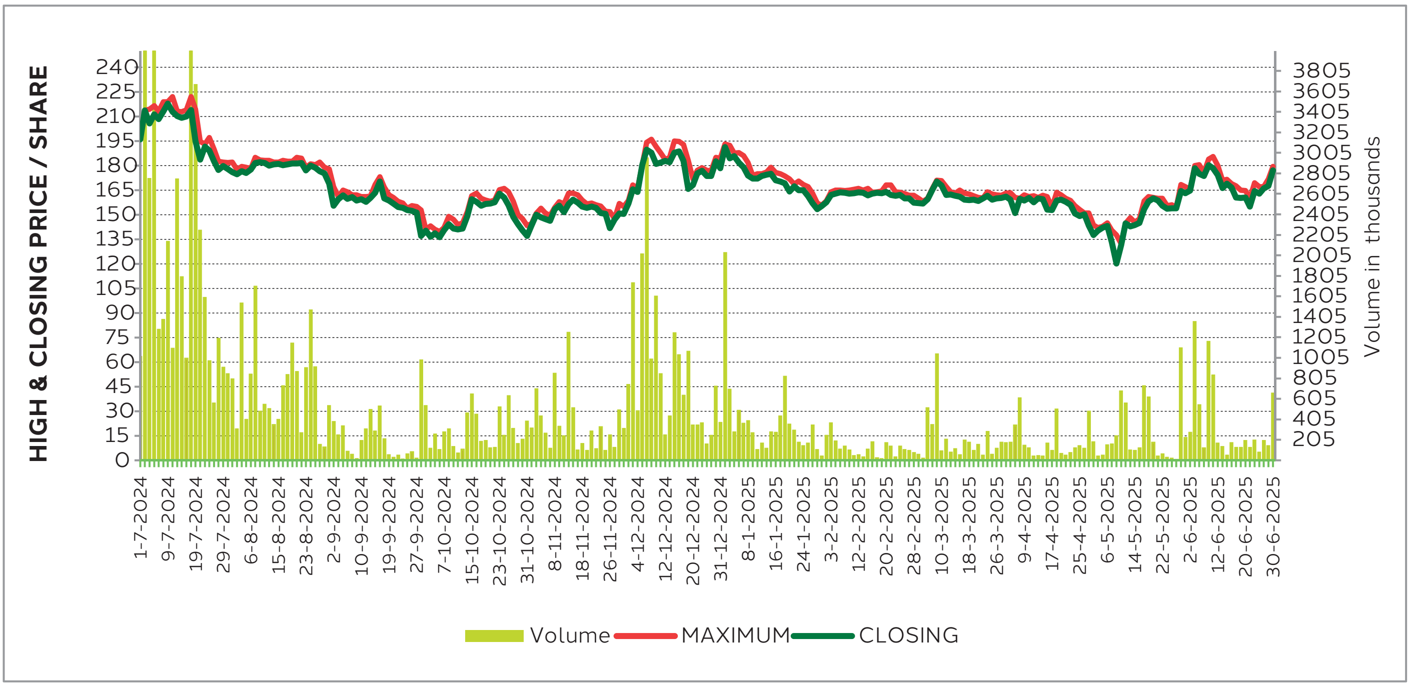
Tentative Dates of Financial Results 2025-26

For the Period	To be Announced on
1st Quarter	23-Oct-25
2nd Quarter	29-Jan-26
3rd Quarter	23-Apr-26
Annual Accounts	20-Aug-26

Shareholders' Composition



Share Prices - Trend v/s Volume Traded FY 2024-25



Pattern of Shareholding

As at June 30, 2025

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	FROM	TO		
1500	1	100	41,750	0.0317
885	101	500	260,254	0.1973
532	501	1000	434,098	0.3292
867	1001	5000	2,111,076	1.6007
264	5001	10000	1,973,071	1.4961
100	10001	15000	1,222,835	0.9272
64	15001	20000	1,162,385	0.8814
39	20001	25000	890,529	0.6752
25	25001	30000	701,066	0.5316
17	30001	35000	557,497	0.4227
14	35001	40000	533,871	0.4048
16	40001	45000	690,781	0.5238
19	45001	50000	910,173	0.6901
10	50001	55000	524,341	0.3976
9	55001	60000	525,964	0.3988
5	60001	65000	315,826	0.2395
7	65001	70000	472,013	0.3579
4	70001	75000	298,752	0.2265
5	75001	80000	386,097	0.2928
14	80001	90000	1,196,158	0.9070
10	90001	100000	981,440	0.7442
12	100001	120000	1,325,302	1.0049
10	120001	150000	1,348,716	1.0227
17	150001	200000	3,004,732	2.2784
9	200001	250000	2,036,823	1.5444
5	250001	300000	1,358,786	1.0303
5	300001	400000	1,668,071	1.2648
2	400001	500000	907,000	0.6877
2	500001	600000	1,113,737	0.8445
2	600001	700000	1,258,600	0.9543
3	700001	800000	2,318,300	1.7579
5	800001	1000000	4,617,364	3.5011
2	1000001	1100000	2,127,469	1.6132
3	1100001	1300000	3,667,573	2.7810
1	1300001	1500000	1,467,840	1.1130
1	1500001	1600000	1,507,088	1.1428
1	1600001	1700000	1,700,000	1.2890
3	1700001	2500000	7,500,000	5.6869
2	2500001	4000000	6,618,816	5.0187
3	4000001	5000000	13,728,162	10.4094
1	5000001	7000000	6,252,183	4.7407
2	7000001	12500000	24,245,200	18.3840
1	12500001	12800000	12,743,874	9.6631
1	12800001	13200000	13,176,267	9.9910
4,499	Company Total		131,881,880	100.0000

Categories of Shareholders

As at June 30, 2025

Particulars	No. of Shareholders	Share Held	Percentage
Directors, Chief Executive Officer and their spouse(s), and Family Member	22	56,695,569	42.9897
Associated Companies	3	1,488,657	1.1288
Govt. Financial Institutions/NIT / NBP Related Companies	15	31,213,577	23.6678
Banks, Development Financial Institutions, Non Banking Financial Institutions	8	3,229,878	2.4491
Insurance Companies	3	1,907,200	1.4461
Modarabas and Mutual Funds	27	4,931,063	3.7390
Foreign Companies	4	271,126	0.2056
Public, Private and Other Companies	104	4,685,993	3.5532
General Public - Local	4,190	27,305,622	20.7046
General Public - Foreign	123	153,195	0.1162
Total	**4,499**	**131,881,880**	**100.0000**

Key Shareholdings And Share Trading

Information on shareholding required under-reporting framework is as follows:

	No. of Shares	Percentage
Directors & Spouses	29,740,526	22.55
Sponsoring Family Members	26,955,043	20.44
Executives	6	0.00
Associated Companies	1,488,657	1.13
Govt. Financial Institutions/NIT /NBP & Related Companies	31,213,577	23.67

Members Having 5% or More of Voting Rights

Name of Shareholder	Shares Held	Percentage
State Life Insurance Corp. of Pakistan	1,3,176,267	9.99
Kamal A. Chinoy	12,743,974	9.66
Mustapha A.Chinoy	12,376,275	9.38
National Bank of Pakistan	11,869,525	9.00

Shares Trading By Directors / Executives

During FY 2024-25

Following shares transactions were made by Directors, Executives and their family members or their private owned companies during the financial year July 1, 2024 to June 30, 2025

No. of Shares	
Sold	**Purchased**
-	3,744

Free Float Of Shares

As at June 30, 2025

S - No.	Category of Shareholders	Shares Held
	Total Outstanding Shares	131,881,880
1	Government Holding as Promoter	(17,629,439)
2	Directors / Sponsors/ Senior Management	(56,694,875)
3	Physical Shares	(1,449,321)
4	Associated / Group Companies	(1,488,657)
5	Shares issued under Employee Stock Option Schemes that cannot be sold in the open market in the normal course	-
6	Treasury Shares	-
7	Any other category that is barred from selling	-
	Free Float	**54,619,588**

Notice of Annual General Meeting

Notice is hereby given to the Members that the 77th Annual General Meeting of International Industries Limited will be held on Friday, September 26, 2025, at 9:00 a.m. at the Jasmine Hall, Beach Luxury Hotel, Off: M.T. Khan Road, Karachi, to transact the following business:

Ordinary Business

Financial Statements

1. To receive, consider, and adopt the Audited Annual Financial Statements (unconsolidated and consolidated) of the Company for the year ended June 30, 2025, together with the Reports of the Directors and Auditors thereon.

As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including the Notice of Meeting and Financial Statements of the Company has been transmitted to the shareholders and uploaded on the website of the Company which can be viewed using the following link or QR enable code:

https://iil.com.pk/en/page/investors/financial-information

Dividend

2. To consider and approve the payment of Rs. 4.00 per share (40%) as the final cash dividend for the financial year ended June 30, 2025, as recommended by the Board of Directors.

Auditors

3. To appoint statutory auditors of the Company for the year ending June 30, 2026 and fix their remuneration. The retiring Auditors, M/s A. F. Ferguson & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment at a fee to be mutually agreed and reimbursements of out-of-pocket expenses at actuals.

Election of Directors

4. To elect 8 Directors for a period of three (3) years commencing from September 30, 2025
   - As required U/s 159(1), the Board has fixed the number of Directors to be elected as eight (8).
   - The following are the retiring directors:

1.	Mr. Kamal A. Chinoy	5.	Mr. Mustapha A. Chinoy
2.	Mr. Asif Jooma	6.	Mr. Mansur Khan
3.	Mr. Haider Rashid	7.	Mrs. Selina Rashid Khan
4.	Mr. Jehangir Shah	8.	Mr. Shoaib Mir

Any other Business

5. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

The information as required under section 166(3) of the Companies Act, 2017 is being provided along with the Notice of the Annual General Meeting being sent to the Shareholders.

Karachi: August 21, 2025

By Order of the Board
International Industries Ltd.
M. Irfan Bhatti
Company Secretary &
Head of Legal Affairs

Notes:

1. Participation in the AGM via Video Conferencing Facility:

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for International Industries Limited AGM 2025" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to investors@iil.com.pk. Video link and login credentials will be shared with members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

Registration to attend the Annual General Meeting through Video Conferencing Facility

1. FolioNo./CDC investors A/cNo./Sub-A/c No.--------------------------
2. Name of Shareholder:--------------------------
3. Cell Phone Number:--------------------------
4. Email Address :--------------------------
5. No. of Shares held at the 1st day of the Book Closure to establish the right to attend AGM:---------

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address: investors@iil.com.pk

2. Closure of Share Transfer Books

The Register of Members and the Share Transfer Books will be closed from September 18, 2025, to September 26, 2025 (both days inclusive) to establish the right to attend the Annual General Meeting and to receive the dividend declared.

3. Attending AGM and Appointment of Proxy

A. A Member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf.
B. An instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarized, certified copy of the power or authority, must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. Form of Proxy is enclosed.
C. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

i) For Attending AGM

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

ii) For Appointing Proxy

a. In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per CDC regulations shall submit the Proxy Form as per the above requirement.
b. Attested copies of the CNIC of the beneficial owners and the proxy shall be furnished with the Proxy Form. The proxy shall produce his original CNIC at the time of the meeting.

4. Mandatory Information (Email, CNIC, IBAN and Zakat Declaration)

A. In compliance with Section 119 of the Companies Act, 2017 and Regulation 19 Companies (General Provisions and Forms) Regulations, 2018 members are requested to immediately provide their mandatory information such as CNIC number, updated mailing address, email, contact mobile/telephone number and International Bank Account Number (IBAN) together with a copy of their CNIC to update our records and to avoid any non-compliance of the law. Otherwise, all dividends will be withheld in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017;

- For physical shares to M/s CDC Share Registrar Services Limited
- For shares in CDS to CDC Investors A/c Services or respective participant

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

5. Unclaimed Dividends and Bonus Shares

Shareholders, who for any reason, could not claim their dividend and/or bonus shares are advised to contact our Shares Registrar M/s CDC Share Registrar Services Limited to collect/enquire about their unclaimed dividends and/or bonus shares if any.

6. E-Dividend Mandate

As per Section 242 of the Companies Act, 2017, in the case of a Public listed company, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled shareholders.

Therefore, through this notice, all shareholders are requested to update their bank account No. (IBAN) and details in the Central Depository System through respective participants. In case of physical shares, provide bank account details to our Share Registrar, M/s CDC Share Registrar Services Limited. Please ensure an early update of your particulars to avoid any inconvenience. The e-Dividend mandate form is enclosed.

7. Conversion of Physical Shares into Book Entry Form

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form to convert their shares into book-entry form.

We hereby request all such members of International Industries Limited who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System to facilitate conversion of physical shares into book-entry form.

Members are informed that holding shares in book-entry form has several benefits inc uding but not limited to;

- Secure and convenient custody of shares
- Conveniently tradeable and transferable
- No risk of loss, damage or theft
- No stamp duty on transfer of shares in book-entry form
- Seamless credit of bonus or right shares

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

8. Filer and Non-Filer Status

i) The Government of Pakistan through the Finance Act, 2025 in Section 150 of the Income Tax Ordinance, 2001 prescribed the following rates for withholding tax against dividend payments by the companies;

a) For filers of income tax returns – 15%
b) For non-filers of income tax returns – 30%

Members whose names are not entered into the Active Taxpayers List (ATL) provided on the FBR website, although they are filers, are advised to make sure that their names are entered into the ATL to avoid higher tax deductions against dividends.

ii) For any query/problem/information, the investors may contact the Share Registrar at the following phone numbers or email addresses:

M/s CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S, Shahrah-e-Faisal, Karachi
Customer Support Service Nos: +92-080023275 E-mail : info@cdcsrsl.com

iii) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Share Registrar i.e., M/s CDC Share Registrar Services Limited. The shareholders, while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio number.

9. Electronic Voting

The members are hereby notified that pursuant to Section 143-145 of the Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 5, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through the electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of International Industries Limited (the "Company") will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the special business whenever needed in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Statement Under Section 166(3) of the Companies Act, 2017
Ordinary Business
Agenda Item 4 – Election of Directors

The term of office of the present directors of the Company will expire on September 30, 2025. In terms of Section 159(1) of the Companies Act, 2017 ("Act"), the directors have fixed the number of directors at eight (8) to be elected in the Annual General Meeting for a period of three years.

The present directors are interested to the extent that they are eligible for re-election as directors of the Company.

Any person who seeks to contest an election to the office of director shall, whether he is a retiring director or otherwise, file with the Company at its registered office, 101 Beaumont Plaza, 10 Beaumont Road, Karachi-75530, not later than fourteen days before the date of the meeting, the following documents:

i. Notice of her/his intention to offer herself/himself for the election of directors in terms of Section 159(3) of the Act, together with the consent to act as a director as prescribed under the Companies Act, 2017; and Companies Regulations, 2024.
ii. A detailed profile along with office address as required under SECP's SRO 634 (I)/2014 dated 10 July 2014;
iii. A director must be a member of the Company at the time of filing of his/her consent for contesting the election of directors except a person representing a member, which is not a natural person.
iv. A declaration confirming that:
    1. She/He is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange Limited;
    2. She/He is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law, rules and regulations.
    3. Independent directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166(2) of the Act.

8۔فائلر اور نان فائلر کی حیثیت

i)حکومت پاکستان نے انکم ٹیکس آرڈیننس،2001 کے سیکشن 150 میں فنانس ایکٹ، 2025 کے ذریعے کمپنیوں کی طرف سے ڈیویڈینڈ کی ادائیگیوں کے مقابل ودہولڈنگ ٹیکس کے لیے درج ذیل شرحیں تجویز کیں۔

a)انکم ٹیکس گوشوارے جمع کرانے والوں کے لیے-15%

b)انکم ٹیکس گوشوارے جمع نہ کرانے والوں کے لیے-30%

وہ ممبران جن کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس پیئرز لسٹ (اے ٹی ایل) میں درج نہیں ہیں، اگر چہ وہ فائلرز ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے نام اے ٹی ایل میں درج کیے گئے ہیں تاکہ ڈیویڈینڈ کے مقابل زیادہ ٹیکس کٹوتیوں سے بچا جاسکے۔

ii) کسی بھی سوال/مسئلہ/معلومات کے لیے، سرمایہ کار درج ذیل فون نمبرز، یا ای میل پتوں پر شیئر رجسٹرار سے رابطہ کر سکتے ہیں:

• میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ سی ڈی سی ہاؤس، 99-بی، بلاک بی، ایس ایم سی ایچ ایس، شاہراہ فیصل، کسٹمر سپورٹ سروس نمبر 92-0800-23275+ ای میل: info@cdcsrsl.com

iii) سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیئر ہولڈرز کو اپنے متعلقہ شرکاء کے ہاں اپنا نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ کرنا ضروری ہے، جب کہ کارپوریٹ فزیکل شیئر ہولڈرز کو اپنے NTN سرٹیفکیٹ کی ایک کاپی شیئر رجسٹرار یعنی میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ کو بھیجنی چاہیے۔شیئر ہولڈرز کو NTN یا NTN سرٹیفکیٹ بھیجتے وقت، جیسا کہ معاملہ ہو، کمپنی کا نام اور اپنے متعلقہ فولیو نمبر کا حوالہ دینا چاہیے۔

9۔الیکٹرانک ووٹنگ

ممبران کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ، 2017 اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے سیکشن 145-143 کے مطابق، 5 دسمبر 2022 کے نوٹیفکیشن کے ذریعے ترمیم کی گئی، جو کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کے ذریعے جاری کیا گیا، جس میں، SECP نے تمام لسٹڈ کمپنیوں کو خصوصی امور کے طور پر درجہ بند تمام امور پر ممبران کو الیکٹرانک ووٹنگ سہولت اور ڈاک کے ذریعے ووٹنگ کا حق فراہم کرنے کی ہدایت کی ہے۔

اس کے مطابق، انٹرنیشنل انڈسٹریز لمیٹڈ ("کمپنی") کے اراکین کو جب بھی ضرورت ہو اور مذکورہ ضوابط میں موجود شرائط کے مطابق الیکٹرانک ووٹنگ کی سہولت کے ذریعے ووٹ کا حق استعمال کرنے یا خصوصی امور کے لیے ڈاک کے ذریعے ووٹ دینے کی اجازت دی جائے گی۔

کمپنیز ایکٹ، 2017 کے سیکشن (3)166 کے تحت بیان

عام امور

ایجنڈا آئٹم 4-ڈائریکٹرز کا انتخاب

کمپنی کے موجودہ ڈائریکٹرز کی مدت تقرری 30 ستمبر 2025 کو ختم ہو جائے گی کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن (1)159 کے مطابق، ڈائریکٹرز نے تین سال کی مدت کے لیے سالانہ اجلاس عام میں منتخب ہونے والے ڈائریکٹرز کی تعداد آٹھ (8) مقرر کی ہے۔

موجودہ ڈائریکٹرز اس حد تک دلچسپی رکھتے ہیں کہ وہ کمپنی کے ڈائریکٹرز کے طور پر دوبارہ انتخاب کے اہل ہیں۔

کوئی بھی شخص جو ڈائریکٹر کے دفتر کے لیے الیکشن لڑنا چاہتا ہے، چاہے وہ ریٹائر ہونے والا ڈائریکٹر ہو یا بصورت دیگر، کمپنی کے ہاں اس کے رجسٹرڈ آفس، 101 بیومونٹ پلازہ، 10 بیومونٹ روڈ، کراچی-75530 میں اجلاس کی تاریخ سے کم از کم چودہ دن پہلے، درج ذیل دستاویزات جمع کرائے گا۔

(i) ایکٹ کے سیکشن (3)159 کے مطابق ڈائریکٹرز کے انتخاب کے لیے خود کو پیش کرنے کے اپنے ارادے کا نوٹس، معہ کمپنیز ایکٹ 2017 کے تحت بطور ڈائریکٹر کام کرنے کی رضامندی؛

(ii) SECP کے SRO 634(I)/2014 مورخہ 10 جولائی 2014 کے تحت مطلوبہ دفتری پتہ کے ساتھ ایک تفصیلی پروفائل؛

(iii) ڈائریکٹرز کا انتخاب لڑنے کے لیے اپنی رضامندی داخل کرتے وقت ڈائریکٹر کمپنی کا رکن ہونا چاہیے، سوائے اس شخص کے جو کہ کسی رکن کی نمائندگی کر رہا ہو، جو کہ فطری شخص نہیں ہے۔

(iv) ایک اعلامیہ جو اس بات کی تصدیق کرتا ہے کہ:

1) وہ متعلقہ قوانین، میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن آف دی کمپنی اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے فہرستی ضوابط کے تحت اپنے فرائض اور اختیارات سے آگاہ ہے۔

2) وہ کمپنیز ایکٹ کی بھی دفعات، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور کسی دوسرے قابل اطلاق قانون، قواعد وضوابط کے تحت فہرستی کمپنی کا ڈائریکٹر بننے کے لیے نا اہل نہیں ہے۔

آزاد ڈائریکٹرز کا انتخاب ایکٹ کے سیکشن 159 کے مطابق ڈائریکٹرز کے انتخاب کے عمل کے ذریعے کیا جائے گا اور وہ ایکٹ کی دفعہ (2)166 کے تحت طے شدہ معیار پر پورا اُترتے ہوں۔

اکاؤنٹ نمبر (IBAN) اپنے CNIC کے ہمراہ فراہم کریں تاکہ قانون کی کوئی عدم تعمیل نہ ہو۔ بصورت دیگر، تمام منافع جات کمپنیز (ڈسٹری بیوشن آف ڈیویڈینڈز) ریگولیشنز، 2017 کے ریگولیشن 6 کے مطابق روک لیا جائے گا۔

• فزیکل شیئرز کے لیے — میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ کو

• CDS میں شیئرز کے لیے — CDC انویسٹرز اکاؤنٹ سروسز یا متعلقہ پارٹیسپنٹ

B۔ اراکین سے درخواست ہے کہ وہ زکوٰۃ اور عشر آرڈیننس 1980 کے مطابق زکوٰۃ سے استثنیٰ کے لیے ایک اعلامیہ (CZ-50) جمع کرائیں اور ایڈریس میں اگر کوئی تبدیلی ہو تو اطلاع دیں۔

5۔ غیر دعویٰ شدہ ڈیویڈینڈز اور بونس شیئرز

شیئر ہولڈرز، جو کسی بھی وجہ سے اپنے ڈیویڈینڈ اور/ یا بونس شیئرز کا دعویٰ نہیں کر سکے، انہیں ہدایت کی جاتی ہے کہ وہ ہمارے شیئر رجسٹرار میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ سے رابطہ کریں تاکہ وہ اپنے غیر دعویٰ شدہ ڈیویڈینڈ اور/ یا بونس حصص کے بارے میں معلومات حاصل کریں۔

6۔ ای ڈیویڈینڈ مینڈیٹ

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے مطابق، پبلک لسٹڈ کمپنی کی صورت میں، نقد میں قابل ادائیگی کوئی بھی ڈیویڈینڈ صرف الیکٹرانک موڈ کے ذریعے حقدار شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں بھیج دیا جائے گا۔

لہذا، نوٹس ہذا کے ذریعے، تمام حصص یافتگان کو ہدایت کی جاتی ہے کہ وہ اپنے بینک اکاؤنٹ نمبر (IBAN) اور تفصیلات متعلقہ شرکاء کے ذریعے سنٹرل ڈیپازٹری سسٹم میں اپ ڈیٹ کریں۔ فزیکل شیئرز کی صورت میں، ہمارے شیئر رجسٹرار، میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو بینک اکاؤنٹ کی تفصیلات فراہم کریں۔ کسی بھی قسم کی تکلیف سے بچنے کے لیے براہ کرم اپنی تفصیلات کی جلد از جلد اپ ڈیٹ کو یقینی بنائیں۔ ای ڈیویڈینڈ مینڈیٹ فارم منسلک ہے۔

7۔ فزیکل شیئرز کو بک انٹری شکل میں تبدیل کرنا

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق تمام موجودہ کمپنیوں کو کمپنیز ایکٹ 2017 کے شروع ہونے کی تاریخ سے چار سال سے زیادہ کی مدت کے اندر اپنے فزیکل شیئرز کو بک انٹری شکل میں تبدیل کرانے کی ضرورت ہے۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکلر #CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ اپنے ایسے ممبران کو ہدایت کریں جن کے پاس ابھی بھی فزیکل شکل میں حصص ہیں تاکہ وہ اپنے حصص کو بک انٹری شکل میں تبدیل کریں۔

ہم یہاں انٹرنیشنل انڈسٹریز لمیٹڈ کے ایسے تمام ممبران سے درخواست کرتے ہیں جو فزیکل شکل میں حصص رکھتے ہیں اپنے شیئرز کو جلد از جلد بک انٹری شکل میں تبدیل کریں۔ انہیں سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ یا پاکستان سٹاک ایکسچینج کے کسی بھی فعال ممبر/ اسٹاک بروکر سے رابطہ کرنے کا مشورہ دیا جاتا ہے تاکہ وہ سینٹرل ڈیپازٹری سسٹم میں اکاؤنٹ کھولیں تاکہ فزیکل شیئرز کو بک انٹری شکل میں تبدیل کیا جا سکے۔

ممبران کو مطلع کیا جاتا ہے کہ بک انٹری شکل میں حصص رکھنے کے کئی فائدے ہیں بشمول:
- حصص کی محفوظ اور آسان تحویل
- آسانی سے قابل تجارت اور قابل منتقلی
- نقصان، گم یا چوری کا کوئی خطرہ نہیں۔
- بک انٹری شکل میں حصص کی منتقلی پر کوئی سٹیمپ ڈیوٹی نہیں۔
- بونس یا رائٹ شیئرز کا بغیر کسی رکاوٹ کے کریڈٹ

ہم ایک بار پھر کمپنی کے ممبران کو تاکید کرتے ہیں کہ وہ اپنے بہترین مفاد میں اپنے فزیکل شیئرز کو جلد از جلد بک انٹری شکل میں تبدیل کریں۔

نوٹس:

1۔ ویڈیو کانفرنسنگ سہولت کے ذریعے اجلاس میں شرکت:

ویڈیو کانفرنسنگ کے ذریعے اجلاس میں شرکت کرنے میں دلچسپی رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ درج ذیل معلومات معہ عنوان "رجسٹریشن برائے انٹرنیشنل انڈسٹریز لمیٹڈ AGM 2025" اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی دونوں اطراف کی مؤثر کاپی کے ساتھ investors@iil.com.pk پر ای میل کریں۔ ویڈیو لنک اور لاگ اِن کی اسناد اِن ممبروں کے ساتھ شیئر کی جائیں گی جن کی ای میلز، تمام مطلوبہ تفصیلات پر مشتمل، AGM کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوگئی ہوں۔

ویڈیو کانفرنسنگ کے ذریعے سالانہ اجلاس عام میں شرکت کے لئے رجسٹریشن
1۔ فولیو نمبر/سی ڈی سی انویسٹر اکاؤنٹ نمبر/سب اکاؤنٹ نمبر ______
2۔ نام شیئر ہولڈر ______
3۔ سیل فون نمبر ______
4۔ ای میل ایڈریس ______
5۔ حقوق کے قیام کے لئے کتابوں کی بندش کے پہلے دن پر ملکیتی حصص کی تعداد ______

شیئر ہولڈرز AGM کے ایجنڈا آئٹمز کے لیے اپنے تبصرے اور سوالات ای میل ایڈریس: investors@iil.com.pk پر بھی فراہم کر سکتے ہیں۔

2۔ حصص منتقلی کی کتابوں کی بندش

ممبران کا رجسٹر اور شیئر ٹرانسفر بکس 18 ستمبر 2025 سے 26 ستمبر 2025 تک (دونوں دن شامل ہیں) بند رہیں گے تا کہ سالانہ عام اجلاس میں شرکت کرنے اور اعلان کردہ ڈیویڈینڈ حاصل کرنے کے استحقاق کا تعین کیا جا سکے۔

3۔ AGM میں شرکت اور پراکسی کی تقرری

A۔ سالانہ اجلاس عام میں شرکت، تقریر اور ووٹ دینے کا حقدار رکن کسی دوسرے رکن کو اپنی طرف سے شرکت کرنے، تقریر اور ووٹ دینے کے لیے اپنا پراکسی مقرر کرنے کا اہل ہے۔

B۔ پراکسی اور پاور آف اٹارنی یا دیگر اتھارٹی جس کے تحت اس پر دستخط کیے گئے ہیں کا تقرر کرنے والی دستاویز یا پاور یا اتھارٹی کی ایک مصدقہ کاپی اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں جمع کرائی جانی چاہیے۔ پراکسی فارم منسلک ہے۔

C۔ CDC اکاؤنٹ ہولڈرز کو مزید برآں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 مورخہ 26 جنوری 2000 میں دی گئی درج ذیل گائیڈ لائنز پر عمل کرنا ہوگا۔

i) AGM میں شرکت کے لیے

a) افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی سیکیورٹیز اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کے وقت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) دکھا کر اپنی شناخت کا ثبوت پیش کریں۔

b) کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی جس میں نامزد شخص کے نمونہ کے دستخط ہوں پیش کیا جائے گا (جب تک اسے پہلے فراہم نہ کیا گیا ہو)۔

ii) پراکسی کی تقرری کے لیے

a) افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں مندرجہ بالا ہدایات کے مطابق پراکسی فارم جمع کرائیں گے۔

b) حقیقی مالکان اور پراکسی کے CNIC کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ پیش کی جائیں گی۔ پراکسی اجلاس کے وقت اپنا اصل CNIC پیش کرے گا۔

4۔ لازمی معلومات (ای میل، CNIC، IBAN اور زکوٰۃ ڈیکلیریشن)

A۔ کمپنیز ایکٹ، 2017 کے سیکشن 119 اور ریگولیشن 19 کمپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز، 2018 کی تعمیل میں ممبران سے درخواست کی جاتی ہے کہ وہ ہمارے ریکارڈز کو اپ ڈیٹ کرنے کے لئے فوری طور پر اپنی لازمی معلومات جیسے کہ CNIC نمبر، اپ ڈیٹ شدہ میلنگ ایڈریس، ای میل، موبائل/ ٹیلی فون نمبر اور بین الاقوامی بینک

اطلاع برائے سالانہ اجلاس عام

international™
industries
built on trust

ممبران کو بذریعہ ہذا مطلع کیا جاتا ہے کہ انٹرنیشنل انڈسٹریز لمیٹڈ ("کمپنی") کا 77 واں سالانہ اجلاس عام بروز جمعہ **26 ستمبر 2025ء** کو صبح **09:00** بجے جاسمین ہال، بیچ لگژری ہوٹل، آف: ایم ٹی خان روڈ، کراچی میں منعقد ہوگا جس میں مندرجہ ذیل امور سرانجام دیئے جائیں گے:

عمومی امور

مالیاتی حسابات

1۔ 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشواروں معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور وخوض اور منظور کرنا۔

جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 223 کے تحت اور S.R.O No. 389(I)/2023 مورخہ 21 مارچ 2023 کی شرائط کے مطابق، سالانہ رپورٹ بشمول نوٹس اجلاس اور کمپنی کے مالی گوشوارے شیئر ہولڈرز کو ارسال کر دیئے گئے ہیں اور کمپنی کی ویب سائٹ پر اپ لوڈ کر دیئے گئے ہیں جو درج ذیل لنک یا QR کوڈ کا استعمال کرتے ہوئے ملاحظہ کیئے جاسکتے ہیں:

https://iil.com.pk/en/page/investors/financial-information

ڈیویڈینڈ

2۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے حتمی نقد منافع کے طور پر 4.00 روپے فی حصص (40%) کی ادائیگی پر غور کرنا اور منظوری دینا۔

آڈیٹرز

3۔ 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹرز، میسرز A.F. فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، اہل ہونے کی بناء پر، باہمی رضامندی کی فیس اور دیگر اصل اخراجات پر دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

ڈائریکٹرز کا انتخاب

4۔ 30 ستمبر 2025 سے شروع ہونے والی تین (3) سال کی مدت کے لیے 8 ڈائریکٹرز کا انتخاب کرنا

• زیرِ دفعہ 159(1) کے تقاضہ کے مطابق، بورڈ نے منتخب ہونے والے ڈائریکٹرز کی تعداد آٹھ (8) مقرر کی ہے۔

ریٹائر ہونے والے ڈائریکٹرز درج ذیل ہیں:

1۔ جناب کمال اے چنائے　2۔ جناب آصف جمعہ　3۔ جناب حیدر رشید　4۔ جناب جہانگیر شاہ

5۔ جناب مصطفیٰ اے چنائے　6۔ جناب منصور خان　7۔ محترمہ سلینا آر خان　8۔ جناب شعیب میر

کوئی دیگر امور

5۔ صاحبِ صدر کی اجازت سے کوئی دیگر امور جو سالانہ اجلاس عام میں سرانجام دیئے جاسکتے ہیں۔

کمپنیز ایکٹ 2017 کے سیکشن 166(3) کے تحت مطلوبہ معلومات شیئر ہولڈرز کو بھیجے جانے والے سالانہ اجلاس عام کے نوٹس کے ساتھ فراہم کی جا رہی ہیں۔

کراچی: 21 اگست 2025

بحکم بورڈ

انٹرنیشنل انڈسٹریز لمیٹڈ

ایم عرفان بھٹی

کمپنی سیکرٹری اور سربراہ قانونی امور

E-Dividend Mandate Form

To: Date: ____________

Subject: Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/We/Messrs.____
being a/the shareholder(s) of International Industries Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividends declared by it, into my/our bank account as detailed below:

(i) Shareholder's details:	
Name of Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me/us are correct and I/we shall keep the Company informed in case of any changes in the said particulars in the future.

Yours faithfully

____
Signature of Shareholder

(Please affix ompany stamp in case of corporate entity)

Notes:

1. Please provide complete IBAN, after checking with your bank branch, to enable electronic credit directly into your bank account.

2. This letter must be sent to the shareholder 's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company.


www.jamapunji.pk
Jama Punji
سرمایہ کاری سمجھداری کے ساتھ
Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk
Key features:
Licensed Entities Verification
Scam meter*
Jamapunji games*
Tax credit calculator*
Company Verification
Insurance & Investment Checklist
FAQs Answered
Stock trading simulator (based on live feed from KSE)
Knowledge center
Risk profiler*
Financial calculator
Subscription to Alerts (event notifications, corporate and regulatory actions)
Jamapunji application for mobile device
Online Quizzes
jamapunji.pk
@jamapunji_pk
Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan
*Mobile apps are also available for download for android and ios devices

international™ industries
built on trust

Proxy Form

I / We ____

of ____

being a member of INTERNATIONAL INDUSTRIES LIMITED and holder of ______________________

ordinary shares as per Share Register Folio No. ____________________ and / or CDC Participant I.D.

No. __________ and Sub Account No. ____________________ hereby appoint ____________________

____________________________________ of ____________________________________

or failing him ____

of ____

as my proxy to vote for me and on my behalf at the annual general meeting of the Company to be held on September 26, 2025 and at any adjournment thereof.

Signed this ____________ day of ____________ 2025

Witness:

1 Signature ____________________

Name ____________________

Address ____________________

NIC or Passport No. ____________________

2 Signature ____________________

Name ____________________

Address ____________________

NIC or Passport No. ____________________

Signature

Revenue Stamp

(Signature should agree with the specimen signature registered with the Company)

Note:

Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy must a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their National Identity Card or Passport with this proxy form before submission to the Company.

A member of ASC AMIR S. CHINOY GROUP

FOLD HERE

AFFIX
STAMP
HERE

CDC SHARE REGISTRAR SERVICES LIMITED

CDC House, 99- B, Block - B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.
Telephone Nos: +92-0800-23275
FAX: +92-21-34326053
E-mail : info@cdcsrsl.com
Website: www.cdcsrsl.com

FOLD HERE

international™
industries
built on trust

فارم برائے پراکسی

میں/ہم ____________________

سکنہ ____________________ بحثیت ممبر(ز) انٹرنیشنل انڈسٹریز لمیٹڈ،

حامل ____________________ عمومی شیئرز، بذریعہ ہذا ____________________

سکنہ ____________________ کو بذریعہ فولیو/سی ڈی سی اکاؤنٹ نمبر ____________________

یا اس کی عدم دستیابی کی صورت میں ____________________

سکنہ ____________________

جو انٹرنیشنل انڈسٹریز لمیٹڈ کا ممبر ہے بذریعہ فولیو/سی ڈی سی اکاؤنٹ نمبر ____________________ کو اپنا/ ہمارا پراکسی مقرر کرتا ہوں/ کرتے ہیں، جو اپنی/ہماری غیر حاضری میں میری/ہماری جگہ **26** ستمبر**2025** کو کراچی میں منعقد ہونے والے کمپنی کے **77** ویں سالانہ اجلاس عام میں یا کسی ملتوی شدہ اجلاس شرکت کرنے، بولنے اور ووٹ دینے کا حقدار ہوگا/ہوں گے۔

میں/ہم نے اپنے ہاتھ/مہر سے گواہی دی بتاریخ ____________ **2025**

مذکورہ شخص کے دستخط ____________________

ان افراد کی موجودگی میں

۱۔ دستخط: ____________________

نام: ____________________

پتہ: ____________________

CNIC/پاسپورٹ نمبر: ____________________

ریونیو اسٹمپ پر دستخط

۲۔ دستخط: ____________________

نام: ____________________

پتہ: ____________________

CNIC/پاسپورٹ نمبر: ____________________

فولیو/سی ڈی سی اکاؤنٹ نمبر

یہ دستخط کمپنی کے ریکارڈ پر موجود دستخط کے مطابق ہونا چاہیئے

اہم ہدایات:

۱۔ یہ پراکسی فارم مکمل شدہ اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر واقع 101 بیومونٹ پلازہ، 10، بیومونٹ روڈ، کراچی-75530 پر سالانہ اجلاس عام کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازمی طور پر وصول ہو جائے۔

۲۔ کسی ایسے شخص کو پراکسی مقرر نہیں کیا جا سکتا جو کمپنی کا/ کی ممبر نہ ہو، سوائے کارپوریشن کے، جو ممبر نہ ہونے والے فرد کو پراکسی مقرر کر سکتی ہے۔

۳۔ اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور کوئی ممبر کمپنی کے پاس ایک سے زیادہ پراکسی کی دستاویز جمع کراتا ہے تو ایسی تمام دستاویزات نا قابل قبول قرار دی جائیں گی۔

CDC اکاؤنٹ ہولڈرز/ کارپوریٹ اکائی کی صورت میں:

درج بالا کے علاوہ درج ذیل شرائط بھی پورا کرنا ہوں گی:

ا۔ پراکسی فارم پر دو گواہوں کے دستخط ہونا لازمی ہے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں۔

ب۔ بینیفیشل اونر(ز) اور پراکسی کے CNICs یا پاسپورٹس کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کی جائیں۔

ج۔ کارپوریٹ اکائی ہونے کی صورت مں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹرنی بشمول نامزد کردہ افراد کے نمونے کے دستخط مع پراکسی فارم (اگر پہلے جمع نہ کرایا گیا ہو) کے ہمراہ کمپنی کے پاس جمع کرائے جائیں۔

د۔ پراکسی کو سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔

FOLD HERE

AFFIX
STAMP
HERE

CDC SHARE REGISTRAR SERVICES LIMITED

CDC House, 99- B, Block - B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.
Telephone Nos: +92-0800-23275
FAX: +92-21-34326053
E-mail : info@cdcsrsl.com
Website: www.cdcsrsl.com

FOLD HERE

international™
industries
built on trust

101 Beaumont Plaza,
10 Beaumont Road,
Karachi-75530

iil.com.pk