



**INTERNATIONAL  
INDUSTRIES LTD.**

Promising Reliability, For Now and Tomorrow



A member of

**ASC** AMIR S.  
CHINYOY  
GROUP

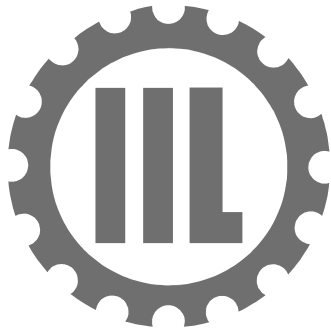
# Progress with purpose

## Unaudited Financial Statements

For the three months ended September 30, 2024

# 2024





International Industries Limited

In the name of Allah, Most Gracious, Most Merciful.  
This is by the Grace of Allah.

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# Company Information

## Chairman (Non-Executive)

Mr. Kamal A. Chinoy

## Independent Directors

Mr. Adnan Afridi  
Mr. Asif Jooma  
Mr. Haider Rashid  
Mr. Jehangir Shah  
Mr. Mansur Khan

## Non-Executive Directors

Mr. Mustapha A. Chinoy  
Mrs. Selina Rashid Khan

## Chief Executive Officer

Mr. Yousuf H. Mirza

## Chief Financial Officer

Mr. Muhammad Akhtar

## Company Secretary & Head of Legal Affairs

Mr. Mohammad Irfan Bhatti

## Chief Internal Auditor

Mr. Muhammad Atif Khan

## External Auditor

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  
JB Bank Ltd.  
The Bank of Punjab

## Legal Advisor

K. M. S. 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: +9221-111-019-019  
E-mail: investors@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, 1st Floor, Hurmaz Plaza, Opp. Airport, Main  
University Road, Peshawar, Pakistan  
Telephone: +9291-5845068

## IIL Construction Solutions (Pvt.) Ltd.

101 Beaumont Plaza, 10 Beaumont Road,  
Karachi – 75530, Pakistan  
Website: www.iil.com.pk/csl

## Trading Office

Plot No. 91-C, Phase-II  
Ext. 24th Commercial Street,  
DHA, Karachi.

## IIL Americas Inc.

Suite 210-5800  
Ambler Drive, Mississauga  
ONL4W4J4, Canada

## IIL Australia Pty Limited

101-103, Abbott Road, Hallam, Victoria 3803, Australia  
Website: www.iilaustralia.com

## Factories

### 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, Sheikhpura Road, Lahore, Pakistan  
Telephone: +9242-37190491-3

## 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: +92-0800-23275  
Fax: +92-21-34326053  
E-mail: info@cdcsrsl.com  
Website: www.cdcsrsl.com

## Corporate Website

www.iil.com.pk

# Directors' Report

For the period ended September 30, 2024

The Directors of your Company are pleased to present the financial statements for the period ended September 30, 2024.

The global steel prices reflected increased volatility driven mainly by consumption in China, due to reduction in construction activity. The situation was further impacted by protection measures against imports from China by major economies as well as falling prices of inputs mainly coking coal and iron ore. Domestic steel consumption remained subdued on account of decreased activity in major sectors like construction, automobiles and infrastructure related projects.

The interest rate declined by 3% to 17.5% following a consistent drop in the inflation rate reaching 7.9% after nearly 36 months and is expected to follow the trend. The effective management of the current account deficit resulted in stability of the exchange rate over the last 15 months. The IMF's Executive Board approval of 37 months Extended Fund Facility (EFF) of USD 7.0 Bn in September 2024 will help in stabilizing the economy and likely to support moderate growth in the medium term.

The misuse of sales tax exemption on imports including steel in FATA/PATA regions continued to adversely impact the domestic industry in spite of continued discussions with the government. The domestic market remained sluggish as compared to same period last year resulting in a 31% lower sales volume during the period under review. Similarly, slowdown in major global economies due to geopolitical tensions and raw material price volatility, resulted in 42% decline in export sales against the same period last year. Consequently, unconsolidated sales revenue for the period at Rs. 5.3 Bn was 35% lower than in the same period last year.

Unconsolidated Profit after Tax (PAT) for the period under review was Rs. 454 Mn (EPS Rs. 3.44), compared to Rs. 417 Mn (EPS 3.16) during the first quarter of last year.

The consolidated LAT for the period under review was Rs. 50 Mn, compared to a PAT of Rs. 901 Mn during the first quarter of last year. Our major subsidiary, International Steels Limited (ISL), reported a similar pattern where Net Sales Revenue dropped from to Rs 13.5 Bn from Rs 19.2 Bn in same period last year. ISL generated PAT of Rs. 179 Mn (EPS Rs. 0.41), which was 84% lower than Rs. 1,117 Mn (EPS Rs. 2.57) during the comparative period.

We extend our gratitude to all stakeholders for their continued support and look forward to a productive remainder of the financial year.

For & on behalf of the Board of Directors



Kamal A. Chinoy  
Chairman

Karachi.

Date: October 28, 2024

## ڈائریکٹرز کی رپورٹ

برائے 30 ستمبر 2024

زیر جائزہ مدت میں غیر مجموعی بعد از ٹیکس منافع 454 ملین روپے (فی حصص آمدنی: 3.44 روپے) رہا، جو گزشتہ سال کی پہلی سہ ماہی میں 417 ملین روپے (فی حصص آمدنی: 3.16 روپے) تھا۔

مذکورہ مدت میں مجموعی بعد از ٹیکس نقصان (LAT) 50 ملین روپے رہا، جبکہ گزشتہ سال کی پہلی سہ ماہی کے دوران 901 ملین روپے کا بعد از ٹیکس منافع (PAT) حاصل ہوا تھا۔ ہماری اہم ذیلی کمپنی، انٹرنیشنل اسٹیلز لمیٹڈ (ISL)، نے بھی اسی رجحان کی عکاسی کرتے ہوئے اپنی رپورٹ پیش کی، جہاں خالص سیلز ریونیو گزشتہ سال کی اس مدت کے 19.2 بلین روپے کے مقابلے میں کم ہو کر 13.5 بلین روپے رہا۔ انٹرنیشنل اسٹیلز لمیٹڈ نے 179 ملین روپے (فی حصص آمدنی: 0.41 روپے) کا بعد از ٹیکس منافع (PAT) حاصل کیا، جو کہ تقابلی مدت میں 1,117 ملین روپے (فی حصص آمدنی: 2.57 روپے) کے مقابلے میں 84 فیصد کم ہے۔

ہم اپنے تمام اسٹیک ہولڈرز کے مسلسل تعاون پر ان کے تہہ دل سے مشکور ہیں اور امید کرتے ہیں کہ آئندہ مالی سال مؤثر کارکردگی کا مظاہرہ کریں گے۔

برائے اور منجانب  
انٹرنیشنل انڈسٹریز لمیٹڈ

کمال اے چنائے  
چیمبرمین

کراچی

مورخہ 28 اکتوبر 2024

## ڈائریکٹرز کی رپورٹ

برائے 30 ستمبر 2024

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2024 کو اختتام پذیر ہونے والی مدت کے مالیاتی گوشوارے بخوشی پیش کر رہے ہیں۔

عالمی اسٹیل کی قیمتوں میں چین میں تعمیراتی سرگرمیوں میں کمی کی وجہ سے غیر یقینی صورتحال دیکھی گئی۔ اس کے ساتھ ہی بڑی معیشتوں کی جانب سے چین سے درآمدات کے خلاف حفاظتی اقدامات اور بنیادی خام مال، جیسے کہ کوئنگ کول (Coking Coal) اور آئرن اور (Iron Ore) کی قیمتوں میں کمی نے بھی اس صورتحال کو متاثر کیا ہے۔ مقامی سطح پر اسٹیل کی طلب میں کمی رہی جس کی وجہ اہم شعبہ جات جیسے تعمیرات، آٹوموبائل اور انفراسٹرکچر سے متعلقہ منصوبوں کی سرگرمی میں کمی ہے۔

انٹرسٹ کی شرح میں 3 فیصد کمی واقع ہوئی جو 17.5 فیصد تک آگئی، اس کی وجہ افراط زر میں مسلسل کمی ہے، جو تقریباً 36 ماہ کے بعد 7.9 فیصد تک پہنچ گئی ہے اور اس میں مزید کمی متوقع ہے۔ کرنٹ اکاؤنٹ خسارے کے مؤثر انتظام نے گزشتہ 15 ماہ کے دوران زیر مبادلہ کی شرح کو مستحکم رکھا۔ آئی ایم ایف ایکزیکیٹو بورڈ کی جانب سے ستمبر 2024 میں 37 ماہ کی ایکسٹینڈڈ فنڈ فیسیلیٹی (EFF) کے 7.0 بلین امریکی ڈالر کی منظوری نے معیشت کو مستحکم کرنے میں معاونت کرے گی، جس سے درمیانی مدت میں معتدل نمو متوقع ہے۔

فاٹا/پاٹا (FATA/PATA) کے علاقوں میں اسٹیل سمیت درآمدات پر سیلز ٹیکس سے استثنیٰ کے غلط استعمال نے ملکی صنعت پر منفی اثر ڈالا ہے، باوجود اس کے کہ حکومت کے ساتھ اس مسئلے پر مسلسل بات چیت جاری ہے۔ مقامی مارکیٹ گزشتہ سال کے اسی عرصے کے مقابلے میں سست روی کا شکار رہی، جس کے نتیجے میں زیر جائزہ مدت کے دوران سیلز کا حجم 31 فیصد کم ہوا۔ اسی طرح، جغرافیائی سیاسی تنازعات اور خام مال کی قیمتوں میں غیر یقینی صورتحال کے باعث بڑی عالمی معیشت میں سست روی رہی، جس کی وجہ سے برآمدی فروخت گزشتہ سال اسی مدت کے مقابلے میں 42 فیصد کم رہی۔ اس کے نتیجے میں، اس مدت میں غیر مجموعی سیلز ریونیو 5.3 بلین روپے رہا جو گزشتہ سال کی اسی مدت کے مقابلے میں 35 فیصد کم ہے۔

# UNCONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2024



# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2024

	(Un-audited) Note <b>September 30,</b> <b>2024</b>	(Audited) June 30, 2024
	----- (Rupees in '000) -----	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5 <b>12,232,409</b>	12,246,466
Intangible assets	<b>1,252</b>	1,584
Investments	6 <b>3,420,965</b>	3,372,515
Long-term deposits	<b>5,413</b>	4,358
Deferred taxation - net	<b>65,261</b>	35,496
	<b>15,725,300</b>	15,660,419
<b>CURRENT ASSETS</b>		
Stores and spares	<b>180,705</b>	195,318
Stock-in-trade	7 <b>9,360,541</b>	9,897,354
Trade debts	<b>3,998,167</b>	4,998,267
Advances, trade deposits and prepayments	<b>76,523</b>	59,027
Other receivables	<b>777,208</b>	38,370
Sales tax receivable	<b>98,984</b>	404,182
Cash and bank balances	<b>431,221</b>	384,717
	<b>14,923,349</b>	15,977,235
<b>TOTAL ASSETS</b>	<b>30,648,649</b>	31,637,654
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital		
Issued, subscribed and paid-up capital	<b>1,318,819</b>	1,318,819
Revenue reserves		
General reserve	<b>2,700,036</b>	2,700,036
Unappropriated profit	<b>7,450,453</b>	7,440,635
Capital reserve		
Revaluation surplus on property, plant and equipment	<b>6,950,729</b>	6,968,184
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>18,420,037</b>	18,427,674
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long-term financing - secured	8 <b>3,142,029</b>	3,276,359
Deferred income - government grant	<b>27,818</b>	30,035
Staff retirement benefits	<b>77,687</b>	73,664
	<b>3,247,534</b>	3,380,058
<b>CURRENT LIABILITIES</b>		
Trade and other payables	9 <b>4,020,010</b>	2,678,911
Contract liabilities	<b>555,293</b>	566,883
Short-term borrowings - secured	10 <b>2,552,829</b>	5,086,048
Unpaid dividend	<b>461,587</b>	-
Unclaimed dividend	<b>38,588</b>	41,275
Current portion of long-term financing - secured	8 <b>558,126</b>	615,103
Taxation - net	<b>765,812</b>	576,614
Accrued mark-up	<b>28,833</b>	265,088
	<b>8,981,078</b>	9,829,922
<b>TOTAL LIABILITIES</b>	<b>12,228,612</b>	13,209,980
<b>CONTINGENCIES AND COMMITMENTS</b>		
	11	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,648,649</b>	31,637,654

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



**Jehangir Shah**  
 Director & Chairman  
 Board Audit Committee



**Muhammad Akhtar**  
 Chief Financial  
 Officer



**Yousuf H. Mirza**  
 Chief Executive  
 Officer

# Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the period ended September 30, 2024

Note	<u>Three months ended</u>	
	<b>September 30, 2024</b>	September 30, 2023
----- (Rupees in '000) -----		
Revenue from contracts with customers	12 <b>5,289,464</b>	8,111,793
Cost of sales	<b>(4,766,958)</b>	(7,095,728)
<b>Gross profit</b>	<b>522,506</b>	1,016,065
Selling and distribution expenses	<b>(317,812)</b>	(283,819)
Administrative expenses	<b>(106,738)</b>	(87,957)
Reversal / (charge) of loss allowance on trade debts	<b>3,002</b>	(36,421)
	<b>(421,548)</b>	(408,197)
Operating profit	<b>100,958</b>	607,868
Finance cost	<b>(230,480)</b>	(480,709)
Other operating charges	<b>(19,193)</b>	(13,001)
	<b>(249,673)</b>	(493,710)
Other income	13 <b>844,194</b>	583,393
<b>Profit before levies and income tax</b>	<b>695,479</b>	697,551
Levies	14 -	(10,783)
<b>Profit before tax</b>	<b>695,479</b>	<b>686,768</b>
Income tax expense	15 <b>(241,529)</b>	(269,613)
<b>Profit after tax for the period</b>	<b>453,950</b>	<b>417,155</b>
<b>Earnings per share</b>		
- basic and diluted (Rupees)	<b>3.44</b>	3.16

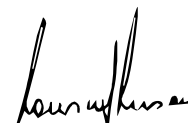
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**Jehangir Shah**  
 Director & Chairman  
 Board Audit Committee



**Muhammad Akhtar**  
 Chief Financial  
 Officer



**Yousuf H. Mirza**  
 Chief Executive  
 Officer

# Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended September 30, 2024

	<u>Three months ended</u>	
	<u>September 30, 2024</u>	<u>September 30, 2023</u>
	----- (Rupees in '000) -----	
Profit after tax for the period	453,950	417,155
<b>Other comprehensive income / (loss)</b>		
Items that will not be subsequently reclassified to Unconsolidated Statement of Profit or Loss		
Remeasurement of staff retirement benefits		
- Adjustment related to opening deferred tax balance	-	3,480
Surplus on revaluation of land and buildings		
- Adjustment related to opening deferred tax balance	-	(25,504)
<b>Other comprehensive income / (loss) for the period - net of tax</b>	-	(22,024)
<b>Total comprehensive income for the period</b>	<u><u>453,950</u></u>	<u><u>395,131</u></u>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



**Jehangir Shah**  
Director & Chairman  
Board Audit Committee



**Muhammad Akhtar**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer

# Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the period ended September 30, 2024

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserve	Total
		General reserve	Unappropriated profit	Revaluation surplus on property, plant and equipment	
----- (Rupees in '000) -----					
<b>Balance as at July 1, 2023</b>	<b>1,318,819</b>	<b>2,700,036</b>	<b>6,322,088</b>	<b>4,908,327</b>	<b>15,249,270</b>
Profit after tax for the period	-	-	417,155	-	417,155
Other comprehensive income / (loss) for the period	-	-	3,480	(25,504)	(22,024)
Total comprehensive income / (loss) for the period	-	-	420,635	(25,504)	395,131
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	31,545	(31,545)	-
<b>Transactions with owners recorded directly in equity - distributions</b>					
Dividend:					
- Final dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	-	(263,764)
<b>Balance as at September 30, 2023</b>	<b>1,318,819</b>	<b>2,700,036</b>	<b>6,510,504</b>	<b>4,851,278</b>	<b>15,380,637</b>
<b>Balance as at July 1, 2024</b>	<b>1,318,819</b>	<b>2,700,036</b>	<b>7,440,635</b>	<b>6,968,184</b>	<b>18,427,674</b>
Profit after tax for the period	-	-	453,950	-	453,950
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	453,950	-	453,950
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	17,455	(17,455)	-
<b>Transactions with owners recorded directly in equity - distributions</b>					
Dividend:					
- Final dividend at 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024	-	-	(461,587)	-	(461,587)
<b>Balance as at September 30, 2024</b>	<b>1,318,819</b>	<b>2,700,036</b>	<b>7,450,453</b>	<b>6,950,729</b>	<b>18,420,037</b>

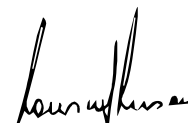
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**Jehangir Shah**  
 Director & Chairman  
 Board Audit Committee



**Muhammad Akhtar**  
 Chief Financial  
 Officer



**Yousuf H. Mirza**  
 Chief Executive  
 Officer





# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

## 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 Sheikhpura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhpura.

The sales offices and warehouse of the Company are situated as follows:

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Hall no.1, Second Floor, Rafi Shopping Center, Plot No.7, Safari Valley, Rawalpindi;
- iii) 1592, 2nd Floor, Quaid-e-Azam Shopping Centre no. 1, Multan Cantt;
- iv) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
- v) Plot no. 91-C, Phase-II Ext., 24th Commercial Street, DHA, Karachi; and
- vi) Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and associate have been accounted for at cost less accumulated impairment losses, if any. Details of the Company's investment in subsidiaries and associated company are stated in note 6 to these unconsolidated condensed interim financial statements.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

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

- 2.1.2** These unconsolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2024.
- 2.1.3** The comparative Unconsolidated Condensed Interim Statement of Financial Position presented in these unconsolidated condensed interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative Unconsolidated Condensed Interim Statement of Profit or Loss, Unconsolidated Condensed Interim Statement of Comprehensive Income, Unconsolidated Condensed Interim Statement of Cash Flows and Unconsolidated Condensed Interim Statement of Changes in Equity are extracted from the un-audited unconsolidated condensed interim financial statements for the period ended September 30, 2023.
- 2.1.4** These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

## **2.2 Basis of measurement**

These unconsolidated condensed interim 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 which are stated at fair value.

## **2.3 Functional and presentation currency**

These unconsolidated condensed interim 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.

## **3. MATERIAL ACCOUNTING POLICIES INFORMATION**

- 3.1** The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of audited annual separate financial statements of the Company as at and for the year ended June 30, 2024.

## **3.2 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 reporting.

# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2025. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

## 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

**4.1** The preparation of unconsolidated condensed interim 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.

**4.2** The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2024.

**4.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2024.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work- in-progress (including capital stores and spares)	Total
	----- (Rupees in '000) -----		
<b>Cost / revalued amount</b>			
Balance at beginning of the period	16,275,174	91,565	16,366,739
Additions	-	149,609	149,609
Transfers	33,149	(33,149)	-
Disposals	(64,484)	-	(64,484)
	<u>16,243,839</u>	<u>208,025</u>	<u>16,451,864</u>
<b>Accumulated depreciation</b>			
Balance at beginning of the period	(4,120,273)	-	(4,120,273)
Charge for the period	(153,037)	-	(153,037)
Disposals	53,857	-	53,857
	<u>(4,219,454)</u>	<u>-</u>	<u>(4,219,454)</u>
<b>Written down value as at September 30, 2024 (Un-audited)</b>	<u>12,024,384</u>	<u>208,025</u>	<u>12,232,409</u>
Written down value as at June 30, 2024 (Audited)	<u>12,154,901</u>	<u>91,565</u>	<u>12,246,466</u>

## Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

### 6. INVESTMENTS

(Un-audited) September 30, 2024 (Number of shares)	(Audited) June 30, 2024		(Un-audited) September 30, 2024 ----- (Rupees in '000) -----	(Audited) June 30, 2024
<b>Quoted Companies</b>				
<b>245,055,543</b>	245,055,543	International Steels Limited (ISL) - subsidiary company, at cost	<b>2,450,555</b>	2,450,555
<b>7,615,588</b>	7,615,588	Pakistan Cables Limited (PCL) - associated company, at cost	<b>817,553</b>	817,553
<b>Un-quoted Companies</b>				
<b>150,000</b>	150,000	IIL Americas Inc. (IIL Americas) - subsidiary company, at cost	<b>17,966</b>	17,966
<b>100,000</b>	100,000	IIL Australia Pty. Limited (IIL Australia) - subsidiary company, at cost	<b>9,168</b>	9,168
<b>7,727,270</b>	7,727,270	IIL Construction Solutions (Private) Limited (IIL CSL) - subsidiary company, at cost	<b>77,273</b>	77,273
<b>4,845,000</b>	-	Chinoy Engineering & Construction (Private) Limited (CECL) - associated company, at cost	<b>48,450</b>	-
			<b><u>3,420,965</u></b>	<b><u>3,372,515</u></b>

### 7. STOCK-IN-TRADE

	Note		
Raw material - in hand	7.1	<b>3,172,966</b>	4,533,554
- in transit		<b>1,515,774</b>	670,681
		<b><u>4,688,740</u></b>	<u>5,204,235</u>
Work-in-process		<b>760,886</b>	996,717
Finished goods		<b>3,611,506</b>	3,446,490
By-products		<b>32,073</b>	34,404
Scrap material		<b>267,336</b>	215,508
		<b><u>9,360,541</u></b>	<u>9,897,354</u>

**7.1** Raw material amounting to Rs.1.89 million as at September 30, 2024 (June 30, 2024: Rs. 1.7 million) was held at a vendor's premises for the production of pipe caps.

# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>8. LONG-TERM FINANCING - secured</b>			
<b>CONVENTIONAL</b>			
Long-Term Finance Facility (LTFF)	8.2	361,077	387,410
Long-Term Finance		-	145,455
		361,077	532,865
<b>ISLAMIC</b>			
Diminishing Musharakah		3,000,000	3,011,364
Islamic Long-Term Finance Facility (ILTFF)	8.3	79,512	84,331
Islamic Temporary Economic Refinance Facility (ITERF)	8.4	223,256	226,858
Islamic Finance Facility for Renewable Energy (IFRE)	8.5	73,333	75,556
		3,376,101	3,398,109
		3,737,178	3,930,974
Less: Deferred income - government grant		(37,023)	(39,512)
Less: Current portion of long-term financing:			
<b>CONVENTIONAL</b>			
Long-Term Finance Facility (LTFF)		(55,765)	(108,406)
Long-Term Finance		-	(145,455)
		(55,765)	(253,861)
<b>ISLAMIC</b>			
Diminishing Musharakah		(449,900)	(311,364)
Islamic Long-Term Finance Facility (ILTFF)		(14,860)	(14,859)
Islamic Temporary Economic Refinance Facility (ITERF)		(28,712)	(26,130)
Islamic Finance Facility for Renewable Energy (IFRE)		(8,889)	(8,889)
		(502,361)	(361,242)
		(558,126)	(615,103)
		3,142,029	3,276,359

**8.1** 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.

**8.1.1** 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.



## Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

- 8.2** 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.
- 8.3** 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.
- 8.4** 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.
- 8.5** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for solar power project.

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>9. TRADE AND OTHER PAYABLES</b>			
Trade creditors		<b>379,683</b>	94,452
Bills payable		<b>1,044,565</b>	148,027
Accrued expenses	9.1	<b>941,771</b>	1,070,464
Provision for Infrastructure Cess	9.2	<b>1,290,479</b>	1,260,670
Short-term compensated absences		<b>1,500</b>	8,928
Workers' Profit Participation Fund		-	240
Workers' Welfare Fund	9.3	<b>86,058</b>	85,109
Current portion of deferred income			
- government grant		<b>9,205</b>	9,477
Others		<b>266,749</b>	1,544
		<b>4,020,010</b>	2,678,911

- 9.1** These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 358.61 million (June 30, 2024: Rs. 357.09 million)

This also includes a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 86.65 million (June 30, 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 01, 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.

## Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

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 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.

- 9.2** This represents a provision 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. 1,367 million (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 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 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.

- 9.3** 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.

## Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>10. SHORT-TERM BORROWINGS - secured</b>			
<b>CONVENTIONAL</b>			
Running finance under mark-up arrangement from banks	10.1	<b>242,943</b>	489,808
Short-term borrowing under Money Market Scheme maturing within three months	10.1	-	300,000
Short-term borrowing under Export Refinance Scheme	10.2	<b>700,000</b>	1,300,000
Short-term borrowing under Export Finance Scheme	10.3	<b>572,207</b>	552,601
Short-term borrowing under FE-25 Import	10.4	<b>920,621</b>	1,223,955
<b>ISLAMIC</b>			
Short-term borrowing under Money Market Scheme maturing within three months		-	1,000,000
Short-term borrowing under Running Musharakah maturing within three months	10.5	<b>117,058</b>	219,684
		<b>2,552,829</b>	5,086,048

**10.1** 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 finances range from 19.70% to 20.72% (June 30, 2024: 20.24% to 22.52%) per annum.

**10.2** 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 14.50% (June 30, 2024: 17.50%) per annum. These facilities mature within six months and are renewable.

**10.3** 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 is 2.00% to 2.50% (June 30, 2024: 2.00% to 2.50%) per annum.

**10.4** The Company has obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities range from 8.50% to 9.00% (June 30, 2024: 7.50% to 10.25%) per annum.

# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

- 10.5** The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit on these facilities range from 19.60% to 20.52% (June 30, 2024: 20.30% to 22.29%) per annum.
- 10.6** As at September 30, 2024, the unavailed facilities from the above borrowings amounted to Rs. 15,562 million (June 30, 2024: Rs. 12,938 million).
- 10.7** 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.

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

There have been no significant changes during the period in the contingencies reported in the annual audited unconsolidated financial statements for the year ended June 30, 2024 except as discussed below:

- 11.1.1** In relation to the case of the sale of zinc wastages generated from imports under manufacturing bond, the Appellate Tribunal heard the case and the Customs department submitted its response during the hearing. The Appellate Tribunal, thereafter, reserved its order and, subsequently, announced its decision upholding the order of the Collector of Customs (Adjudication - II). Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the Sindh High Court (SHC). The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.
- 11.1.2** In connection to the application challenging the chargeability of tax on inter corporate dividends from the Company's subsidiary, International Steels Limited (ISL), the Company has filed various constitutional petitions before the SHC covering past dividends issued by ISL. Stay orders were granted in each respective case against submission of bank guarantees amounting Rs. 664.7 million (June 30, 2024: Rs. 664.7 million). The SHC has dismissed our petitions. The Company preferred appeals before the Supreme Court against all such dismissal orders by the SHC.
- 11.2 Commitments**
- 11.2.1** Capital expenditure commitments outstanding as at September 30, 2024 amounted to Rs. 39.81 million (June 30, 2024: Rs. 6.86 million).
- 11.2.2** Commitments under letters of credit for raw materials and stores and spares as at September 30, 2024 amounted to Rs. 1,645.32 million (June 30, 2024: Rs. 885.06 million).
- 11.2.3** Commitments under purchase contracts as at Sep 30, 2024 amounted to Rs. 670.55 million (2024: Rs. 17.53 million).
- 11.2.4** The facilities for opening letters of credit and guarantees from banks as at September 30, 2024 amounted to Rs. 14,700 million (June 30, 2024: Rs. 15,200 million) and Rs. 3,800 million (June 30, 2024: Rs. 3,800 million) respectively, of which the unutilised balance at period-end amounted to Rs. 13,015 million (June 30, 2024: Rs. 14,308 million) and Rs. 295 million (June 30, 2024: Rs. 313 million) respectively.

# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

	(Un-audited)	
	Three months ended	
	September 30, 2024	September 30, 2023
	----- (Rupees in '000) -----	
<b>12. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Sale of goods less returns		
Local	6,048,323	9,097,210
Sales tax	(852,985)	(1,299,034)
Trade discounts	(578,318)	(764,712)
	<u>4,617,020</u>	<u>7,033,464</u>
Export	<u>672,444</u>	<u>1,081,979</u>
Export commission & discounts	<u>-</u>	<u>(3,650)</u>
	<u>672,444</u>	<u>1,078,329</u>
	<u><u>5,289,464</u></u>	<u><u>8,111,793</u></u>

## 13. OTHER INCOME

This includes dividend income from subsidiary and associated companies amounting to Rs. 735.20 million (September 30, 2023: Rs. 612.60 million).

	Note	(Un-audited)	
		Three months ended	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
<b>14. LEVIES</b>			
Final Tax u/s 154		-	10,783
<b>15. INCOME TAX EXPENSE</b>			
Current		266,167	289,719
Prior		5,126	11,861
Deferred		(29,764)	(31,967)
		<u>241,529</u>	<u>269,613</u>



# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

	Note	(Un-audited)	
		Three months ended	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
<b>16. CASH GENERATED FROM OPERATIONS</b>			
Profit before income tax		<b>695,479</b>	697,551
<b>Add/(less): Adjustment for non-cash charges and other items</b>			
Depreciation of property, plant and equipment		<b>153,037</b>	153,515
Amortisation of intangible assets		<b>333</b>	383
(Reversal) / charge of loss allowance on trade debts		<b>(3,002)</b>	36,421
Provision for staff retirement benefits		<b>14,153</b>	18,000
Provision for compensated absences		<b>2,507</b>	6,539
Income on bank deposits		<b>(5,380)</b>	(4,335)
Gain on disposal of property, plant and equipment		<b>(21,138)</b>	(5,763)
Loss on remeasurement of Gas Infrastructure Development Cess		<b>134</b>	194
Unwinding of Gas Infrastructure Development Cess		<b>1,382</b>	4,998
Dividend income		<b>(735,167)</b>	(612,639)
Government grant income		<b>(2,488)</b>	(2,664)
Finance cost		<b>229,098</b>	475,711
		<b>328,948</b>	767,911
Changes in working capital	16.1	<b>3,174,252</b>	3,820,007
		<b>3,503,200</b>	4,587,918
<b>16.1 Working capital changes</b>			
Decrease /(increase) in current assets:			
Stores and spares		<b>14,613</b>	(4,645)
Stock-in-trade		<b>536,813</b>	4,111,017
Trade debts		<b>1,003,102</b>	781,093
Advances, trade deposits and prepayments		<b>(17,496)</b>	26,284
Other receivables		<b>(3,671)</b>	(99,160)
Sales tax receivable		<b>305,198</b>	528,942
		<b>1,838,559</b>	5,343,531
(Decrease) / increase in current liabilities:			
Trade and other payables		<b>1,347,283</b>	(1,151,054)
Contract liabilities		<b>(11,590)</b>	(372,470)
		<b>1,335,693</b>	(1,523,524)
		<b>3,174,252</b>	3,820,007

## Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

	Note	(Un-audited)	
		Three months ended	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
<b>17. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>431,221</b>	271,904
Running finance under mark-up arrangement from banks	10	<b>(242,943)</b>	(265,376)
Short-term borrowing under Money Market Scheme maturing within three months	10	-	(960,000)
Short-term borrowing under Running Musharakah maturing within three months	10	<b>(117,058)</b>	(126,551)
		<b>71,220</b>	(1,080,023)
<b>18. TRANSACTIONS WITH RELATED PARTIES</b>			

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 all transactions with related parties are entered into at commercial terms 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 contributions 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 under terms of their employment / entitlement.

# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

		(Un-audited)	
		Three months ended	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
<b>18.1</b>	<b>Transactions with related parties</b>		
	<b>Subsidiary companies</b>		
	Sales	<u>405,478</u>	<u>806,899</u>
	Purchases	<u>295,486</u>	<u>167,217</u>
	Cost of shared resources	<u>19,715</u>	<u>41,457</u>
	Reimbursement of expenses	<u>4,962</u>	<u>90,655</u>
	Rental income	<u>3,430</u>	<u>3,191</u>
	Dividend income	<u>735,167</u>	<u>612,639</u>
	<b>Associated companies</b>		
	Sales	<u>-</u>	<u>20,396</u>
	Purchases	<u>2,647</u>	<u>3,794</u>
	Reimbursement of expenses	<u>-</u>	<u>265</u>
	Dividend income	<u>-</u>	<u>1,267</u>
	Subscription	<u>-</u>	<u>2,500</u>
	Registration and training	<u>-</u>	<u>930</u>
	<b>Key management personnel</b>		
	Remuneration and allowances	<u>142,626</u>	<u>125,509</u>
	<b>Staff retirement funds</b>		
	Contribution paid	<u>30,000</u>	<u>21,584</u>
	<b>Non-executive directors</b>		
	Directors' fee	<u>3,700</u>	<u>2,000</u>

# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

## 19. SEGMENT REPORTING

The Company has identified Steel, Polymer and Investments as reportable segments. Performance is measured based on respective segment's results. Information regarding the Company's reportable segments is presented below.

### 19.1 Segment revenue and results

	Steel segment	Polymer segment	Investments segment	Total
	----- (Rupees in '000) -----			
<b>For the three months ended September 30, 2024</b>				
Revenue from contracts with customers				
Local	3,659,394	957,626	-	4,617,020
Exports	672,444	-	-	672,444
	<u>4,331,838</u>	<u>957,626</u>	<u>-</u>	<u>5,289,464</u>
Cost of sales	<u>(4,036,104)</u>	<u>(730,854)</u>	<u>-</u>	<u>(4,766,958)</u>
<b>Gross profit</b>	<b>295,734</b>	<b>226,772</b>	<b>-</b>	<b>522,506</b>
Selling and distribution expenses	(279,307)	(38,505)	-	(317,812)
Administrative expenses	(87,414)	(19,324)	-	(106,738)
(Charge) / reversal of loss allowance on trade debts	(1,678)	4,680	-	3,002
	<u>(368,399)</u>	<u>(53,149)</u>	<u>-</u>	<u>(421,548)</u>
Finance cost	(188,753)	(41,727)	-	(230,480)
Other operating charges	(7,325)	(11,868)	-	(19,193)
	<u>(196,078)</u>	<u>(53,595)</u>	<u>-</u>	<u>(249,673)</u>
Other income	109,027	-	735,167	844,194
<b>(Loss) / profit before levies and income tax</b>	<b><u>(159,716)</u></b>	<b><u>120,028</u></b>	<b><u>735,167</u></b>	<b><u>695,479</u></b>
Income tax expense				(241,529)
<b>Profit after tax for the period</b>				<b><u>453,950</u></b>
<b>For the three months ended September 30, 2023</b>				
Revenue from contracts with customers				
Local	5,715,903	1,317,562	-	7,033,464
Exports	1,078,329	-	-	1,078,329
	<u>6,794,232</u>	<u>1,317,562</u>	<u>-</u>	<u>8,111,793</u>
Cost of sales	<u>(6,086,671)</u>	<u>(1,009,057)</u>	<u>-</u>	<u>(7,095,728)</u>
<b>Gross profit</b>	<b>707,561</b>	<b>308,505</b>	<b>-</b>	<b>1,016,065</b>
Selling and distribution expenses	(256,302)	(27,517)	-	(283,819)
Administrative expenses	(80,476)	(7,481)	-	(87,957)
Charge of loss allowance on trade debts	(4,115)	(32,306)	-	(36,421)
	<u>(340,893)</u>	<u>(67,304)</u>	<u>-</u>	<u>(408,197)</u>
Finance cost	(402,630)	(78,079)	-	(480,709)
Other operating charges	(723)	(12,278)	-	(13,001)
	<u>(403,353)</u>	<u>(90,357)</u>	<u>-</u>	<u>(493,710)</u>
Other income	(29,246)	-	612,639	583,393
<b>(Loss) / profit before levies and income tax</b>	<b><u>(65,931)</u></b>	<b><u>150,844</u></b>	<b><u>612,639</u></b>	<b><u>697,551</u></b>
Levies				(10,783)
Income tax expense				(269,613)
<b>Profit after tax for the period</b>				<b><u>417,155</u></b>

## Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2024

### 19.2 Segment assets and liabilities

	Steel segment	Polymer segment	Investments segment	Total
----- (Rupees in '000) -----				
<b>As at September 30, 2024 - Un-audited</b>				
Segment assets	<u>21,604,966</u>	<u>3,903,840</u>	<u>3,420,965</u>	<u>28,929,771</u>
Segment liabilities	<u>7,804,626</u>	<u>955,342</u>	<u>-</u>	<u>8,759,968</u>
<b>As at June 30, 2024 - Audited</b>				
Segment assets	<u>23,716,798</u>	<u>3,270,430</u>	<u>3,372,515</u>	<u>30,359,743</u>
Segment liabilities	<u>9,774,363</u>	<u>317,109</u>	<u>-</u>	<u>10,091,472</u>

Reconciliation of segment assets and liabilities with total assets and liabilities in the Unconsolidated Statement of Financial Position is as follows :

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----		
Total for reportable segments assets	<b>28,929,771</b>	30,359,743
Unallocated assets	<b>1,718,878</b>	1,277,911
<b>Total assets as per Unconsolidated Statement of Financial Position</b>	<b><u>30,648,649</u></b>	<u>31,637,654</u>
Total for reportable segments liabilities	<b>8,759,968</b>	10,091,472
Unallocated liabilities	<b>3,468,644</b>	3,118,508
<b>Total liabilities as per Unconsolidated Statement of Financial Position</b>	<b><u>12,228,612</u></b>	<u>13,209,980</u>

### 20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue on October 28, 2024 by the Board of Directors of the Company.



**Jehangir Shah**  
Director & Chairman  
Board Audit Committee



**Muhammad Akhtar**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer



# CONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2024

# Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2024

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	32,094,590	32,253,795
Right-of-use assets		34,341	13,049
Intangible assets		453,232	410,437
Investment in equity accounted investee	6	2,016,624	1,909,524
Long-term deposits		5,647	6,477
		<u>34,604,434</u>	<u>34,593,282</u>
<b>CURRENT ASSETS</b>			
Stores and spares		1,187,705	1,097,458
Stock-in-trade	7	28,814,518	28,975,670
Trade debts		3,329,951	4,612,850
Advances, trade deposits and prepayments		212,683	215,406
Other receivables		169,313	72,453
Sales tax receivable		1,238,934	976,338
Cash and bank balances		2,709,630	4,123,574
		<u>37,662,734</u>	<u>40,073,749</u>
<b>TOTAL ASSETS</b>		<u><u>72,267,168</u></u>	<u><u>74,667,031</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
<b>Revenue reserves</b>			
General reserve		3,222,432	3,222,432
Unappropriated profit		15,496,705	16,049,218
<b>Capital reserve</b>			
Exchange translation reserves		87,298	80,657
Revaluation surplus on property, plant and equipment		9,039,768	9,061,218
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>29,165,022</u>	<u>29,732,344</u>
Non-controlling interest		9,638,457	10,130,169
		<u>38,803,479</u>	<u>39,862,513</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured	8	3,950,723	4,121,675
Deferred income - government grant		119,348	128,279
Staff retirement benefits		77,687	18,142
Deferred taxation - net		2,010,467	2,048,859
Lease liabilities		17,059	4,415
		<u>6,175,284</u>	<u>6,321,371</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	11,748,494	15,514,957
Contract liabilities		2,140,378	2,467,336
Short-term borrowings - secured	10	11,125,013	8,646,336
Unpaid dividend		461,587	-
Unclaimed dividend		38,588	41,275
Unpaid dividend attributable to non-controlling interest (NCI)		569,833	430
Unclaimed dividend attributable to non-controlling interest (NCI)		6,949	7,079
Current portion of long-term financing - secured	8	822,268	960,047
Current portion of lease liabilities		14,706	11,299
Taxation - net		212,840	430,854
Accrued mark-up		147,749	403,534
		<u>27,288,405</u>	<u>28,483,147</u>
<b>TOTAL LIABILITIES</b>		<u>33,463,689</u>	<u>34,804,518</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	11	<u><u>72,267,168</u></u>	<u><u>74,667,031</u></u>

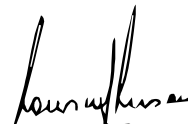
The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.



**Jehangir Shah**  
 Director & Chairman  
 Board Audit Committee



**Muhammad Akhtar**  
 Chief Financial  
 Officer



**Yousuf H. Mirza**  
 Chief Executive  
 Officer

## Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the three months ended September 30, 2024

	Note	Three months ended	
		September 30, 2024	September 30, 2023
----- (Rupees in '000) -----			
Revenue from contracts with customers	12	18,878,777	27,153,138
Cost of sales		(17,288,975)	(23,569,780)
<b>Gross profit</b>		<b>1,589,802</b>	<b>3,583,358</b>
Selling and distribution expenses		(798,322)	(718,122)
Administrative expenses		(224,365)	(225,044)
Reversal / (charge) of loss allowance on trade debts		591	(34,234)
		(1,022,096)	(977,400)
<b>Operating profit</b>		<b>567,706</b>	<b>2,605,958</b>
Finance cost		(534,508)	(679,739)
Other operating charges		(61,629)	(160,045)
		(596,137)	(839,784)
Other income		259,727	93,625
Share of (loss) / profit in equity accounted investee		(7,849)	34,737
<b>Profit before income tax</b>		<b>223,447</b>	<b>1,894,536</b>
Income tax expense	13	(273,389)	(993,214)
<b>(Loss) / Profit after tax for the period</b>		<b>(49,942)</b>	<b>901,322</b>
<b>(Loss) / Profit attributable to:</b>			
- Owners of the Holding Company		(128,063)	350,931
- Non-controlling interest (NCI)		78,121	550,391
		(49,942)	901,322
----- (Rupees) -----			
<b>(Loss) / Earnings per share - basic and diluted</b>		<b>(0.97)</b>	<b>2.66</b>

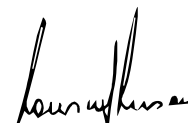
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Board Audit Committee



**Muhammad Akhtar**  
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Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer

# Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months ended September 30, 2024

	Three months ended	
	September 30, 2024	September 30, 2023
	----- (Rupees in '000) -----	
(Loss) / Profit after tax for the period	(49,942)	901,322
<b>Other comprehensive income / (loss)</b>		
Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss		
Remeasurements of staff retirement benefits		
- Adjustment related to opening deferred tax balance	-	3,480
Related deferred tax for the period	-	-
	-	3,480
Surplus on revaluation of land and buildings		
- Adjustment related to opening deferred tax balance on buildings	-	(69,634)
Proportionate share of surplus on revaluation of land and buildings of equity accounted investee	9,448	-
Related deferred tax for the period	(2,362)	-
	7,086	-
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss		
Foreign operations - foreign currency translation difference	6,641	(4,787)
Proportionate share of other comprehensive income of equity accounted investee	13,523	(2,301)
Other comprehensive income / (loss) for the period	27,250	(73,242)
Total comprehensive (loss) / income for the period	<u>(22,692)</u>	<u>828,080</u>
Total comprehensive (loss) / income attributable to:		
- Owners of the Holding Company	(100,813)	277,689
- Non-controlling interest (NCI)	78,121	550,391
	<u>(22,692)</u>	<u>828,080</u>

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



**Jehangir Shah**  
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Board Audit Committee



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Officer



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Officer

# Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the three months ended September 30, 2024

	Attributable to owners of the Holding Company						Total	Non- controlling interest	Total equity	
	Issued, subscribed and paid-up capital	Revenue reserves		Total revenue reserves	Capital reserve					
		General reserve	Unappropriated profit		Revaluation surplus on property, plant and equipment	Exchange translation reserves				Total capital reserves
	(Rupees in '000)									
<b>Balance as at July 1, 2023</b>	1,318,819	3,112,325	14,275,645	17,387,970	7,068,935	83,445	7,152,380	25,859,169	9,406,738	35,265,907
Profit after tax for the period	-	-	350,931	350,931	-	-	-	350,931	550,391	901,322
Other comprehensive income / (loss) for the period	-	-	1,179	1,179	(69,634)	(4,787)	(74,421)	(73,242)	-	(73,242)
Total comprehensive income / (loss) for the period	-	-	352,110	352,110	(69,634)	(4,787)	(74,421)	277,689	550,391	828,080
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	43,904	43,904	(43,904)	-	(43,904)	-	-	-
Proportionate share of revaluation surplus on property, plant and equipment - PCL	-	-	766	766	(799)	-	(799)	(33)	-	(33)
<b>Transactions with owners recorded directly in equity</b>										
Distributions to owners of Holding Company - Final dividend @ 20% (Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	(263,764)	-	-	-	(263,764)	-	(263,764)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(474,861)	(474,861)
<b>Balance as at September 30, 2023</b>	1,318,819	3,112,325	14,408,661	17,520,986	6,954,598	78,658	7,033,256	25,873,061	9,482,268	35,355,329
<b>Balance as at July 1, 2024</b>	1,318,819	3,222,432	16,049,218	19,271,650	9,061,218	80,657	9,141,875	29,732,344	10,130,169	39,862,513
(Loss) / profit after tax for the period	-	-	(128,063)	(128,063)	-	-	-	(128,063)	78,121	(49,942)
Other comprehensive income for the period	-	-	13,523	13,523	7,086	6,641	13,727	27,250	-	27,250
<b>Total comprehensive (loss) / income for the period</b>	-	-	(114,540)	(114,540)	7,086	6,641	13,727	(100,813)	78,121	(22,692)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	28,074	28,074	(28,074)	-	(28,074)	-	-	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	(4,460)	(4,460)	(462)	-	(462)	(4,922)	-	(4,922)
<b>Transactions with owners recorded directly in equity</b>										
Distributions to owners of Holding Company - Final dividend @ 35% (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)
<b>Balance as at September 30, 2024</b>	1,318,819	3,222,432	15,496,705	18,719,137	9,039,768	87,298	9,127,066	29,165,022	9,638,457	38,803,479

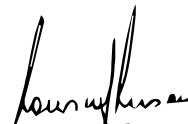
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**Jehangir Shah**  
Director & Chairman  
Board Audit Committee



**Muhammad Akhtar**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer

# Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the three months ended September 30, 2024

	Note	Three months ended	
		September 30, 2024	September 30, 2023
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash (used in) / generated from operations</b>	14	<b>(1,750,374)</b>	11,638,965
Finance cost paid		(773,347)	(867,795)
Income on bank deposits received		40,908	138,628
Staff retirement benefits paid		(11,131)	(15,614)
Payment on account of compensated absences		(18,584)	(15,740)
Income tax paid - net		(532,157)	(668,751)
(Increase) / decrease in long-term deposit		(1,055)	-
<b>Net cash (used in) / generated from operations</b>		<b>(3,045,740)</b>	10,209,693
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of property, plant and equipment		(479,431)	(564,820)
Payment for acquisition of intangible assets		(43,524)	(48,421)
Investment in associates		(96,900)	-
Investments in term deposit receipt		250,000	(1,600,000)
Proceeds from disposal of property, plant and equipment		47,001	28,392
<b>Net cash used in investing activities</b>		<b>(322,853)</b>	(2,184,849)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term financing		(318,010)	(234,557)
Repayment from short-term borrowings - net		(194,016)	(1,311,004)
Lease rentals paid		14,964	(2,871)
Dividends paid to non-controlling interest		(430)	(476,388)
Dividends paid to shareholders of the Holding Company		(2,687)	471,476
<b>Net cash used in financing activities</b>		<b>(500,179)</b>	(1,553,344)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,868,773)</b>	6,471,500
Cash and cash equivalents at beginning of the period		1,380,081	(3,133,006)
Effects of exchange rate changes in cash and cash equivalents		32,136	(5,983)
<b>Cash and cash equivalents at end of the period</b>	15	<b>(2,456,555)</b>	3,332,512

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



**Jehangir Shah**  
Director & Chairman  
Board Audit Committee



**Muhammad Akhtar**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

## 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 Construction Solutions (Private) Limited (IIL CSL) and its wholly owned foreign subsidiaries IIL Australia Pty. Limited (IIL Australia) and IIL Americas Inc. (IIL Americas) (together referred to as "the Group" and individually as "Group entities" and the Holding Company's 17.124% and 17.00% 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 Company also 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 Sheikhpura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhpura.

The sales offices and warehouse of the Holding Company are situated as follows:

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Hall No.1, Second Floor, Rafi Shopping Center, Plot No.7, Safari Valley, Rawalpindi;
- iii) 1592, 2nd Floor, Quaid-e-Azam Shopping Centre No.1, Multan Cantt;
- vi) Office No. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
- v) Plot no. 91-C, Phase-II Ext., 24th Commercial Street, DHA, Karachi; and
- vi) 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.



# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

The manufacturing facilities of the Subsidiary Company 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 the Subsidiary Company are situated as follows:

- i) Chinoy House, 6 Bank Square, Lahore;
- ii) Office no. 303-A, 3rd Floor, Evacuee Trust Complex, Sir Aga Khan Road, Sector F-5/1, Islamabad; and
- iii) Office no. 708-A, United Mall, Abdali Road, Multan.

**1.4** IIL CSL was incorporated on August 19, 2020 under the Companies Act, 2017. It is engaged in the business of providing scaffolding and other building solutions. Its registered office is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi 75530. Its sales offices are situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi-75530 and Chinoy House, 6 Bank Square, Lahore. The manufacturing facility of IIL CSL is located at LX 15 - 16, Landhi Industrial Area, Karachi.

**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 Mississauga, ON L4W 4J4, Canada.

**1.7** Details of the equity accounted investee is given in note 6 to these consolidated condensed interim financial statements.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

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

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

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

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

**2.1.1** These consolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Holding Company as at and for the year ended June 30, 2024.

**2.1.2** The comparative Consolidated Condensed Interim Statement of Financial Position presented in these consolidated condensed interim financial statements have been extracted from the audited annual consolidated financial statements for the year ended June 30, 2024, whereas the comparative Consolidated Condensed Interim Statement of Profit or Loss, Consolidated Condensed Interim Statement of Comprehensive Income, Consolidated Condensed Interim Statement of Cash Flows and Consolidated Condensed Interim Statement of Changes in Equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended September 30, 2023.

## **2.2 Basis of measurement**

These consolidated condensed interim 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 based on 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 which are stated at fair value.

## **2.3 Functional and presentation currency**

These consolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Holding Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

## **2.4 Basis of consolidation**

### **2.4.1 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 condensed interim financial statements include 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 interim 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 entities are eliminated. Unrealised profits and losses are also eliminated. Accounting policies of the Subsidiaries are consistent with the policies adopted by the Group.

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

## 2.4.2 Transactions and non-controlling interests

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 for the period, even if that results in a deficit balance.

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

**3.1** The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of audited annual consolidated financial statements as at and for the year ended June 30, 2024.

## 3.2 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 Group's financial reporting.

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the annual accounting periods beginning on or after July 1, 2025. However, these are considered either not to be relevant or to have any significant impact on the consolidated financial statements and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

## 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

**4.1** The preparation of consolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, 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.

**4.2** The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended June 30, 2024.

**4.3** The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended June 30, 2024.

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

## 5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work- in-progress (including capital spares)	Total
	----- (Rupees in '000) -----		
<b>Cost / revalued amount</b>			
Balance at beginning of the period	44,863,930	1,733,973	46,597,903
Additions	197,106	471,019	668,125
Translation reserve	90	-	90
Adjustments / transfers - net	39,262	(228,048)	(188,786)
Disposals	(80,300)	-	(80,300)
	<u>45,020,088</u>	<u>1,976,944</u>	<u>46,997,032</u>
<b>Accumulated depreciation</b>			
Balance at beginning of the period	(14,344,108)	-	(14,344,108)
Charge for the period	(618,830)	-	(618,830)
Disposals	60,496	-	60,496
	<u>(14,902,442)</u>	<u>-</u>	<u>(14,902,442)</u>
<b>Written down value as at September 30, 2024 (Un-audited)</b>	<u><u>30,117,646</u></u>	<u><u>1,976,944</u></u>	<u><u>32,094,590</u></u>
Written down value as at June 30, 2024 (Audited)	<u>30,519,822</u>	<u>1,733,973</u>	<u>32,253,795</u>
		(Un-audited)	(Audited)
	Note	<b>September 30, 2024</b>	June 30, 2024
		----- (Rupees in '000) -----	

## 6. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Pakistan Cables Limited (PCL) - associated company	6.1	<u><u>1,919,724</u></u>	<u>1,909,524</u>
Chinoy Engineering & Construction (Pvt.) Limited - associated company		<u><u>96,900</u></u>	<u>-</u>

**6.1** The Holding Company holds a 17.124% (June 30, 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 companies have common directorships. The price per share of PCL as at reporting date was Rs. 127.88 (June 30, 2024: Rs. 155.172) resulting in a market value of total investment amounting to Rs. 973.88 million (June 30, 2024: Rs. 1,182 million). The share of profit and other comprehensive income for the period is recognised based on the financial statements of PCL as at June 30, 2024 as the latest financial statements as at September 30, 2024 were presently not available.

**6.2** Market value of the investment disclosed in note 6.1 is categorised as level 1 fair value measurement in accordance with IFRS 13 "Fair Value Measurement".

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>7. STOCK-IN-TRADE</b>			
Raw material - in hand	7.1	8,990,621	8,352,320
- in transit		<u>6,972,255</u>	<u>5,588,819</u>
		<b>15,962,876</b>	13,941,139
Work-in-process		1,670,189	2,557,557
Finished goods - in hand		10,415,082	11,659,195
- in transit		<u>428,674</u>	<u>532,703</u>
By-products		40,000	37,378
Scrap material		<u>297,697</u>	<u>247,698</u>
		<b>28,814,518</b>	<b>28,975,670</b>

**7.1** Raw material of the Holding Company amounting to Rs. 1.89 million as at September 30, 2024 (June 30, 2024: Rs. 1.7 million) was held at a vendor's premises for the production of pipe caps.

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>8. LONG-TERM FINANCING - secured</b>			
<b>CONVENTIONAL</b>			
Long-Term Finance Facility (LTFF)	8.2	660,628	793,095
Long-Term Finance		-	145,455
Renewable Energy Financing Facility (REFF)		150,000	150,000
Temporary Economic Refinance Facility (TERF)	8.3	<u>431,377</u>	<u>431,377</u>
		<b>1,242,005</b>	1,519,927
<b>ISLAMIC</b>			
Diminishing Musharakah		<b>3,000,000</b>	3,011,364
Islamic Long-Term Finance Facility (ILTFF)	8.4	<b>390,439</b>	413,701
Islamic Temporary Economic Refinance Facility (ITERF)	8.5	<b>223,256</b>	226,858
Islamic Finance Facility for Renewabale Energy (IFRE)	8.6	<b>73,333</b>	75,556
		<b>3,687,028</b>	3,727,479
		<b>4,929,033</b>	5,247,406
Less: Deferred income - government grant		<b>(156,042)</b>	(165,684)

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- (Rupees in '000) -----	
Less: Current portion of long-term financing:		
<b>CONVENTIONAL</b>		
Long-Term Finance Facility (LTFF)	(188,250)	(327,789)
Long-Term Finance	-	(145,455)
Renewable Energy Financing Facility (REFF)	(9,375)	-
Temporary Economic Refinance Facility (TERF)	(61,625)	(61,625)
	<b>(259,250)</b>	<b>(534,869)</b>
<b>ISLAMIC</b>		
Diminishing Musharakah	(449,900)	(311,364)
Islamic Long-Term Finance Facility (ILTFF)	(75,517)	(78,795)
Islamic Temporary Economic Refinance Facility (ITERF)	(28,712)	(26,130)
Islamic Finance Facility for Renewabale Energy (IFRE)	(8,889)	(8,889)
	<b>(822,268)</b>	<b>(960,047)</b>
	<b>3,950,723</b>	<b>4,121,675</b>

- 8.1** 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.).
- 8.1.1** In relation to the above borrowings, the Holding Company and ISL need to observe certain financial and non-financial covenants as specified in the agreements with various lenders which are complied with as of the reporting date.
- 8.2** 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.
- 8.3** This represents finance facility loans obtained from various banks by ISL under SBP's Temporary Economic Refinance Facility available at below-market interest rates for setting up new industrial units.
- 8.4** 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.
- 8.5** 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.
- 8.6** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewabale Energy for solar power project.



## Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
Note	----- (Rupees in '000) -----	
<b>9. TRADE AND OTHER PAYABLES</b>		
Trade creditors	<b>1,271,409</b>	5,722,042
Bills payable	<b>1,044,565</b>	148,027
Accrued expenses	9.1 <b>3,236,752</b>	3,812,873
Provision for Infrastructure Cess	9.2 <b>5,433,400</b>	5,114,316
Provision for government levies	<b>5,349</b>	4,717
Short-term compensated absences	<b>13,924</b>	27,751
Workers' Profit Participation Fund	<b>11,330</b>	252,582
Workers' Welfare Fund	9.3 <b>331,983</b>	326,500
Current portion of deferred income - government grant	<b>36,694</b>	37,405
Others	<b>363,088</b>	68,744
	<b>11,748,494</b>	15,514,957

**9.1** These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 1,606.8 million (June 30, 2024: Rs. 1,605.34 million) .

This also includes a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 804.47 million (June 30, 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.

**9.2** This represents a provision 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. 5,650 million (June 30, 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 doubled the rate of Sindh Infrastructure Cess. The Holding Company and ISL had obtained a stay against this and the ultimate dispute has 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).



## Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

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 are 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.

- 9.3** 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.

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>10. SHORT-TERM BORROWINGS - secured</b>			
<b>CONVENTIONAL</b>			
Running finance under mark-up arrangement from banks	10.1	<b>3,887,766</b>	489,808
Short-term borrowing under Money Market Scheme maturing within three months	10.1	-	300,000
Short-term borrowing under Export Refinance Scheme	10.2	<b>4,650,000</b>	4,650,000
Short-term borrowing under Export Finance Scheme	10.3	<b>572,207</b>	662,889
Short-term borrowing under FE-25 import	10.4	<b>920,621</b>	1,223,955
<b>ISLAMIC</b>			
Short-term borrowing under Money Market Scheme maturing within three months		-	1,000,000
Short-term borrowing under Running Musharakah maturing within three months	10.5	<b>794,419</b>	219,684
Short-term borrowing under Export Refinance Scheme		<b>300,000</b>	100,000
		<b><u>11,125,013</u></b>	<b><u>8,646,336</u></b>

- 10.1** 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 finances obtained by the Holding Company range from 19.70% to 20.72% (June 30, 2024: 20.24% to 22.52%) per annum. The rates of mark-up on these finances obtained by ISL range from 19.70% to 20.59% (June 30, 2024: 22.09% to 22.52%) per annum.

- 10.2** The Holding Company and ISL have obtained short-term running finance facilities under the Export Refinance Scheme of the SBP from commercial banks. The rate of mark-up on these facilities obtained by Holding Company is 14.50% (June 30, 2024: 17.50%) per annum. The rates of mark-up on these facilities obtained by ISL range from 14.50% to 16.50% (June 30, 2024: 17.25% to 17.50%) per annum. These facilities mature within six months and are renewable.

## Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

- 10.3** The Holding 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 is 2.00% to 2.50% (June 30, 2024: 2.00% to 2.50%) per annum. These facilities mature within six months.
- 10.4** The Holding Company has obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities range from 8.50% to 9.00% (June 30, 2024: 7.50% to 10.25%) per annum.
- 10.5** 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 19.60% to 20.52% (June 30, 2024: 20.30% to 22.29%) per annum. The rates of profit on these finances obtained by ISL range from 17.96% to 20.74% (June 30, 2024: 21.99% to 22.43%) per annum.
- 10.6** As at September 30, 2024, the unavailed facilities from above borrowings for the Holding Company amounted to Rs. 15,562 million (June 30, 2024: Rs. 12,938 million) and for ISL amounted to Rs. 18,288 million (June 30, 2024: Rs. 23,289 million).
- 10.7** 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.

### 11. CONTINGENCIES AND COMMITMENTS

#### 11.1 Contingencies

There have been no significant changes during the period in the contingencies reported in the audited annual consolidated financial statements for the year ended June 30, 2024 except as discussed below.

#### Holding Company

- 11.1.1** In relation to the case of the sale of zinc wastages generated from imports under manufacturing bond, the Appellate Tribunal heard the case and the Customs department submitted its response during the hearing. The Appellate Tribunal, thereafter, reserved its order and, subsequently, announced its decision upholding the order of the Collector of Customs (Adjudication - II). Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the Sindh High Court (SHC). The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.
- 11.1.2** In connection to the application challenging the chargeability of tax on inter corporate dividends from the Company's subsidiary, International Steels Limited (ISL), the Company has filed various constitutional petitions before the SHC covering past dividends issued by ISL. Stay orders were granted in each respective case against submission of bank guarantees amounting Rs. 664.7 million (June 30, 2024: Rs. 664.7 million). The SHC has dismissed our petitions. The Company preferred appeals before the Supreme Court against all such dismissal orders by the SHC.

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

## 11.2 Commitments

### Holding Company and ISL

**11.2.1** Capital expenditure commitments outstanding as at September 30, 2024 amounted to Rs. 39.8 million (June 30, 2024: Rs. 6.86 million).

**11.2.2** Commitments under letters of credit for raw materials and stores and spares as at September 30, 2024 amounted to Rs. 6,533.1 million (June 30, 2024: Rs. 12,991.20 million).

**11.2.3** Facilities for opening letters of credit and guarantees from banks as at September 30, 2024 amounted to Rs. 55,200 million (June 30, 2024: Rs. 55,700 million) and Rs. 13,984 million (June 30, 2024: Rs. 13,984 million) respectively, of which the unutilised balance at period-end amounted to Rs. 48,627 million (June 30, 2024: Rs. 42,702 million) and Rs. 1,634 million (June 30, 2024: Rs. 1,903 million) respectively.

### Holding Company

**11.2.4** Commitments under purchase contracts as at September 30, 2024 amounted to Rs. 670.6 million (June 30, 2024: Rs. 17.53 million).

----- (Un-audited) -----  
**Three months ended**  
**September 30, September 30,**  
**2024 2023**  
 ----- (Rupees in '000) -----

## 12. REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of goods less returns

Local	<b>19,612,527</b>	27,657,420
Sales tax	<b>(2,869,320)</b>	(4,139,246)
Trade discounts	<b>(808,619)</b>	(1,180,357)
	<b>15,934,588</b>	22,337,817

Export	<b>2,944,189</b>	4,818,971
Export commission & discounts	<b>-</b>	(3,650)
	<b>2,944,189</b>	4,815,321

	<b>18,878,777</b>	<b>27,153,138</b>
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## 13. INCOME TAX EXPENSE

Current	<b>309,029</b>	883,679
Prior	<b>5,126</b>	11,861
Deferred	<b>(40,766)</b>	97,674
	<b>273,389</b>	993,214

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

		----- (Un-audited) -----	
		Three months ended	
Note		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
<b>14.</b>	<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
	Profit before income tax	223,447	1,894,536
	Add / (less): adjustments for non-cash charges and other items		
	Depreciation of property, plant and equipment	619,227	622,561
	Depreciation of right-of-use assets	2,699	2,699
	Amortisation of intangible assets	333	383
	(Reversal) / charge of loss allowance on trade debts	(591)	34,234
	Provision for obsolescence against stores and spares	(562)	13,316
	Provision for staff retirement benefits	22,582	27,614
	Provision for compensated absences	4,757	9,465
	Income on bank deposits	(40,908)	(138,628)
	Gain on disposal of property, plant and equipment	(27,197)	(15,238)
	Loss on remeasurement of Gas Infrastructure Development Cess	134	194
	Share of loss / (profit) from associated company	7,849	(34,737)
	Government grant income	(9,641)	(9,796)
	Unwinding of Gas Infrastructure Development Cess	6,217	22,467
	Finance cost	528,290	657,271
		<b>1,336,636</b>	<b>3,086,341</b>
	Changes in working capital	14.1 (3,087,010)	8,552,624
		<b>(1,750,374)</b>	<b>11,638,965</b>
<b>14.1</b>	<b>Changes in working capital</b>		
	(Increase) / decrease in current assets:		
	Stores and spares	(89,685)	(43,829)
	Stock-in-trade	161,152	5,025,182
	Trade debts	1,283,490	113,762
	Advances, trade deposits and prepayments	2,723	(82,439)
	Other receivables	(96,860)	(73,114)
	Sale tax receivable	(262,596)	795,389
		<b>998,224</b>	<b>5,734,951</b>
	(Decrease) / increase in current liabilities:		
	Trade and other payables	(3,758,276)	2,334,869
	Contract liabilities	(326,958)	482,804
		<b>(3,087,010)</b>	<b>8,552,624</b>
<b>15.</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and bank balances	2,225,630	5,019,298
	Running finance under mark-up arrangement from banks	(3,887,766)	(366,638)
	Short-term borrowing under Money Market scheme maturing within three months	-	(960,000)
	Short-term borrowing under Running Musharakah maturing within three months	(794,419)	(233,597)
	Term Musharakah maturing within three months	-	(126,551)
		<b>(2,456,555)</b>	<b>3,332,512</b>

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

## 16. 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 and conditions. The contributions to the defined contribution plan (Provident Fund) of the group entities, wherever applicable, are made as per the terms of employment and contributions to the group entities defined benefit plan (Gratuity Fund), wherever applicable, are in accordance with the latest actuarial advice. Remuneration to 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 group entities. 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 transaction with key management personnel other than their terms of employment / entitlement.

- 16.1** Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

	----- (Un-audited)-----	
	<b>Three months ended</b>	
	<b>September 30, 2024</b>	<b>September 30, 2023</b>
	----- (Rupees in '000) -----	
<b>Associated companies</b>		
Sales	<b>190,520</b>	687,826
Purchases	<b>13,880,030</b>	8,736,277
Reimbursement of expenses	-	9,000
Rent income	<b>795</b>	729
Dividend income	-	1,267
Dividend distribution	<b>118,433</b>	98,694
Registration and training	-	930
Subscription	-	2,500
Services	<b>5,327</b>	686
<b>Key management personnel</b>		
Remuneration and allowances	<b>265,314</b>	235,354
<b>Staff retirement funds</b>		
Contribution paid	<b>49,601</b>	41,694
<b>Non-executive directors</b>		
Directors' fee	-	4,500

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

## 17. SEGMENT REPORTING

Performance is measured based on respective segment's results. Information regarding the reportable segments is presented below:

	Steel coils & sheets	Steel pipes	Polymer pipes	Investment	Total
----- (Rupees in '000) -----					
<b>17.1 Segment revenue and results</b>					
<b>For the three months ended September 30, 2024</b>					
Revenue from contracts with customers					
Local	11,317,996	3,658,966	957,626	-	15,934,588
Exports	1,947,735	996,454	-	-	2,944,189
	<u>13,265,731</u>	<u>4,655,420</u>	<u>957,626</u>	-	<u>18,878,777</u>
Cost of sales	<u>(12,360,758)</u>	<u>(4,197,363)</u>	<u>(730,854)</u>	-	<u>(17,288,975)</u>
Gross profit	904,973	458,057	226,772	-	1,589,802
Selling and distribution expenses	(382,050)	(377,767)	(38,505)	-	(798,322)
Administrative expenses	(113,744)	(91,297)	(19,324)	-	(224,365)
Reversal / (Charge) of loss allowance on trade debts	-	(4,089)	4,680	-	591
	<u>(495,794)</u>	<u>(473,153)</u>	<u>(53,149)</u>	-	<u>(1,022,096)</u>
Finance cost	(303,531)	(189,250)	(41,727)	-	(534,508)
Other operating charges	(42,328)	(7,433)	(11,868)	-	(61,629)
	<u>(345,859)</u>	<u>(196,683)</u>	<u>(53,595)</u>	-	<u>(596,137)</u>
Other income	150,661	109,066	-	-	259,727
Share of (loss) in equity accounted investee		-	-	(7,849)	(7,849)
Profit / (loss) before income tax	<u>213,981</u>	<u>(102,713)</u>	<u>120,028</u>	<u>(7,849)</u>	<u>223,447</u>
Income tax expense					(273,389)
Loss after tax for the period					<u>(49,942)</u>
<b>For the three months ended September 30, 2023</b>					
Revenue from contracts with customers					
Local	15,302,788	5,717,468	1,317,561	-	22,337,817
Exports	3,625,492	1,189,829	-	-	4,815,321
	<u>18,928,280</u>	<u>6,907,297</u>	<u>1,317,561</u>	-	<u>27,153,138</u>
Cost of sales	<u>(16,228,538)</u>	<u>(6,332,185)</u>	<u>(1,009,057)</u>	-	<u>(23,569,780)</u>
Gross profit	2,699,742	575,112	308,504	-	3,583,358
Selling and distribution expenses	(365,668)	(324,937)	(27,517)	-	(718,122)
Administrative expenses	(107,386)	(110,177)	(7,481)	-	(225,044)
Charge of loss allowance on trade debts	-	(1,928)	(32,306)	-	(34,234)
	<u>(473,054)</u>	<u>(437,042)</u>	<u>(67,304)</u>	-	<u>(977,400)</u>
Finance cost	(194,854)	(406,806)	(78,079)	-	(679,739)
Other operating charges	(145,141)	(2,626)	(12,278)	-	(160,045)
	<u>(339,995)</u>	<u>(409,432)</u>	<u>(90,357)</u>	-	<u>(839,784)</u>
Other income	124,885	(31,260)	-	-	93,625
Share of profit in equity accounted investee	-	-	-	34,737	34,737
Profit / (loss) before income tax	<u>2,011,578</u>	<u>(302,622)</u>	<u>150,843</u>	<u>34,737</u>	<u>1,894,536</u>
Income tax expense					(993,214)
Profit after tax for the period					<u>901,322</u>

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended September 30, 2024

	Steel coils & sheets	Steel pipes	Polymer pipes	Investments	Total
	(Rupees in '000)				
<b>17.2 Segment assets and liabilities</b>					
<b>As at September 30, 2024 - Un-audited</b>					
Segment assets	<u>43,697,386</u>	<u>21,779,316</u>	<u>3,903,840</u>	<u>2,016,624</u>	<u>71,397,166</u>
Segment liabilities	<u>20,888,099</u>	<u>7,941,344</u>	<u>955,342</u>	<u>-</u>	<u>29,784,785</u>
<b>As at June 30, 2024 - Audited</b>					
Segment assets	<u>44,092,433</u>	<u>24,152,231</u>	<u>3,270,430</u>	<u>1,909,524</u>	<u>73,424,617</u>
Segment liabilities	<u>20,892,214</u>	<u>10,239,207</u>	<u>317,109</u>	<u>-</u>	<u>31,448,530</u>

Reconciliation of segment assets and liabilities with total assets and liabilities in the Consolidated Condensed Interim Statement of Financial Position is as follows :

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	(Rupees in '000)	
Total for reportable segments assets	71,397,166	73,424,617
Unallocated assets	870,002	1,242,414
<b>Total assets as per Consolidated Condensed Interim Statement of Financial Position</b>	<u>72,267,168</u>	<u>74,667,031</u>
Total for reportable segments liabilities	29,784,785	31,448,530
Unallocated liabilities	3,678,904	3,355,987
<b>Total liabilities as per Consolidated Condensed Interim Statement of Financial Position</b>	<u>33,463,689</u>	<u>34,804,518</u>

## 18. CORRESPONDING FIGURES

The comparative information has been reclassified or re-arranged in these consolidated condensed interim financial statements, wherever necessary, to facilitate comparison and to confirm with presentation in the current period, having insignificant impact.

## 19. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorised for issue on October 28, 2024 by the Board of Directors of the Holding Company.



**Jehangir Shah**  
Director & Chairman  
Board Audit Committee



**Muhammad Akhtar**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer





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