

CUSTOMER FIRST



Promising Reliability, For Now and Tomorrow

Unaudited Financial Statements

For the nine months ended March 31, 2022





International Industries Limited

Company Information

Chairman (Non-Executive)

Mr. Mustapha A. Chinoy

Independent Directors

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

Non-Executive Directors

Mr. Azam Faruque
Mr. Kamal A. Chinoy
Mrs. Saadia S. Rashid

Chief Executive Officer

Mr. Sohail R. Bhojani

Chief Financial Officer

Mr. Muhammad Akhtar

Company Secretary & Head of Legal Affairs

Mr. Mohammad Irfan Bhatti

Group Chief Internal Auditor

Ms. Asema Tapal

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

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
Fax: +9221-35680373
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, Fax: +9242-37220384
E-Mail: lahore@iil.com.pk

Islamabad Office

Office no. 303-A, 3rd Floor, Evacuee Trust Complex,
Sir Aga Khan Road, Sector F-5/1, Islamabad, Pakistan
Telephone: +9251-2524650, +9251-4864601-2

Multan Office

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

Faisalabad Office

Office No.1/1, Wahab Centre,
Electrocity Plaza, Susan Road, Faisalabad, Pakistan
Telephone: +9241-8720037

Peshawar Office

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

IIL Australia Pty Limited

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

IIL Americas Inc.

36, Gerigs Street, Scarborough,
Toronto, ON M1L 0B9, Canada
Website: www.iilamericas.com

IIL Construction Solutions (Pvt.) Ltd.

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

Factories

Factory 1

LX 15-16, Landhi Industrial Area,
Karachi – 75120, Pakistan
Telephone: +9221-35080451-55
Fax: +9221-35082403, E-mail: factory@iil.com.pk

Factory 2

Survey # 405 & 406, Rehri Road,
Landhi, Karachi – 75160, Pakistan
Telephone: +9221-35017026-28, 35017030
Fax: +9221-35013108

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 March 31, 2022

The Directors of your Company are pleased to present the financial statements for the nine-months ended 31st March, 2022.

Unconsolidated sales revenue for the period under review stood at Rs. 28.1 Bn, which is 30% higher than the same period last year. Domestic sales revenue increased 15%, driven by high international steel prices. This more than offset a contraction in domestic sales volumes, which were impacted by lower activity in the commercial market as well as the institutional customers against the backdrop of macroeconomic challenges and recent political uncertainty. Export sales remained strong, with revenue up 93% as volumes grew by 10% compared to the same period last year.

Polymer segment sales revenue at Rs 2.1b was 24% lower than the same period last year. This was due to sales volume being 35% lower than the same period last year mainly because the institutional customers froze infrastructure projects in the face of the prevailing economic challenges.

Overall production for the period under review 116,795MT vs 141,809MT same period last year as the Company made efforts to reduce inventory to conserve cash in the face of rising interest rates.

I am happy to report that commissioning of our newly installed infrastructure for uPVC pipes and fittings is almost complete and commercial production is due to commence shortly. This is expected to provide a strong impetus to our Polymer business.

Unconsolidated Profit after Tax (PAT) for the period under review was Rs. 2.39 Bn (EPS Rs. 18.16), compared to Rs. 2.09 Bn (EPS Rs. 15.87) for the same period last year. This includes significant dividend income from our subsidiary and associate companies.

Our subsidiary, International Steels Limited (ISL) reported Sales Revenue of Rs. 70.56 Bn which was up 39% from Rs. 50.9 Bn in the same period last year. Profit after Tax (PAT) of Rs. 5.4 Bn (EPS 12.31) was up 4% from Rs. 5.2 Bn (EPS 11.84) during the same period last year.

The Group (IIL & ISL) earned consolidated PAT of Rs. 5.0 Bn which was down 23% from Rs 6.6 Bn in the same period last year. EPS attributable to shareholders of the holding company was Rs. 20.74, compared to Rs. 32.69 for the same period last year.

Pakistan's economy remains under pressure due to a confluence of foreign as well as domestic factors. Rising energy prices, China's economic slowdown, shipping industry bottlenecks and the war in Ukraine have all contributed to push the steel prices up. Continuously weakening PKR, rising policy rate and a sluggish domestic demand pose significant challenges. At the same time, the rising geopolitical tensions have also opened some opportunities for growth through exports. Your Company recognizes these challenges and opportunities and is striving to navigate through the difficult times.

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

For & on behalf of
International Industries Limited



Mustapha A. Chinoy
Chairman

Karachi.
April 26, 2022

ڈائریکٹرز کی رپورٹ

برائے نو ماہ مختتمہ 31 مارچ 2022

آپ کی کمپنی کے ڈائریکٹرز مالیاتی اسٹیٹمنٹس برائے نو ماہ مختتمہ 31 مارچ 2022 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت میں غیر مجموعی سیلز آمدنی 28.1 بلین روپے حاصل ہوئی جو گزشتہ سال کی اسی مدت کے مقابلے میں 30% زیادہ ہے۔ بین الاقوامی اسٹیل کی قیمتوں میں اضافے کے باعث مقامی سیلز آمدنی میں 15% اضافہ ہوا۔ یہ مقامی سیلز کے حجم میں ہونے والی کمی کی تلافی سے بھی زیادہ ہے جو میکرو اکنامک چیلنجز اور حالیہ سیاسی غیر یقینی کیفیت کے پس منظر میں کمرشل مارکیٹ کے ساتھ ساتھ اداراتی صارفین کی سرگرمیوں میں کمی آنے کے سبب پیدا ہوئی تھی۔ برآمدی سیلز مضبوط رہی جس کی آمدنی میں 93% اضافہ ہوا جو سیلز کے حجم میں گزشتہ سال کی اسی مدت کے مقابلے میں 10% اضافے کی بناء پر حاصل ہوا۔

پولیمیر کے شعبہ کی سیلز کی آمدنی 2.1 بلین روپے رہی جو گزشتہ سال کی اسی مدت سے 24% کم ہے۔ اس کی وجہ سیلز کے حجم میں گزشتہ سال کے اسی عرصے کے مقابلے میں 35% کمی واقع ہونا تھی کیونکہ موجودہ معاشی چیلنجز کے باعث ادارتی صارفین نے انفراسٹرکچر پروجیکٹس پر کام روک دیئے تھے۔

زیر جائزہ مدت میں مجموعی پروڈکشن گزشتہ سال کی اسی مدت کے 141,809MT کے مقابلے میں 116,795MT ہوئی کیونکہ کمپنی نے بڑھتی ہوئی شرح سود کے پیش نظر کیش محفوظ کرنے کیلئے انونٹری کو کم کرنے کی کوششیں کیں۔

مجھے یہ اطلاع دیتے ہوئے خوشی محسوس ہو رہی ہے کہ PVC پائپس اینڈ فٹنگز کیلئے ہمارے نئے نصب شدہ انفراسٹرکچر کی کمشتنگ کی تیاری تقریباً مکمل ہو گئی ہے اور بہت جلد کمرشل پروڈکشن شروع کر دی جائے گی۔ توقع ہے کہ یہ ہمارے پولیمیر بزنس کیلئے ایک مضبوط محرک ثابت ہوگا۔

زیر جائزہ مدت کیلئے غیر مجموعی منافع بعد از ٹیکس (PAT) گزشتہ سال کے 2.09 بلین روپے (فی شیئر آمدنی 15.87 روپے) کے مقابلے میں 2.39 بلین روپے (فی شیئر 18.16 روپے) حاصل ہوا۔ اس میں ہماری ذیلی اور ایسوسی ایٹڈ کمپنیز کے طرف سے حاصل ہونے والی ڈیویڈنڈ کی آمدنی کا بھی نمایاں حصہ ہے۔

ڈائریکٹرز کی رپورٹ

برائے ششماہی ختمہ 31 دسمبر 2021

ہماری ذیلی کمپنی انٹرنیشنل اسٹیلز لمیٹڈ (ISL) نے 70.56 بلین روپے کی فروخت کی ہے جو گزشتہ سال کی اسی مدت کی فروخت 50.9 بلین روپے سے 39% زیادہ ہے۔ بعد از ٹیکس منافع (PAT)، 5.4 بلین روپے (آمدنی فی شیئر 12.31 روپے) حاصل ہوا جو گزشتہ سال کے اسی عرصے کے 5.2 بلین روپے (فی شیئر آمدنی 11.84 روپے) کے مقابلے میں 4% زیادہ ہے۔

گروپ (IIL اور ISL) کا مجموعی طور پر بعد از ٹیکس منافع 5.0 بلین روپے رہا جو گزشتہ سال کی اسی مدت کے 6.6 بلین روپے سے 23% کم ہے۔ ہولڈنگ کمپنی کے شیئر ہولڈرز کو فی شیئر آمدنی 20.74 حاصل ہوئی جبکہ گزشتہ سال کی اسی مدت کیلئے 32.69 روپے حاصل ہوئی تھی۔

پاکستان کی معیشت غیر ملکی اور ملکی مجموعی عوامل کی بناء پر دباؤ کی حالت میں رہی۔ توانائی کی بڑھتی ہوئی قیمتوں، چین کی معیشت کی سست روی، شینگ کی صنعت میں رکاوٹوں اور یوکرین میں جنگ کے باعث اسٹیل کی قیمتوں میں اضافہ ہوا۔ پاکستانی روپے کی قدر میں مسلسل کمی، پالیسی ریٹ میں اضافے اور مقامی طلب میں سست روی کے سبب مختلف نمایاں چیلنجز سامنے آئے۔ اس کے ساتھ بڑھتے ہوئے جیو پالیٹکل تناؤ کے باعث برآمدات کے ذریعہ ترقی کے بعض مواقع بھی پیدا ہوئے۔ آپ کی کمپنی ان چیلنجز اور مواقع کو تسلیم کرتی ہے اور کوشش کر رہی ہے کہ ہم اس مشکل وقت سے نکلنے میں کامیاب ہو جائیں گے۔

ہم اپنے اسٹیک ہولڈرز کے مسلسل تعاون پر شکر گزار ہیں اور مالیاتی سال کیلئے منافع بخش اختتام کی امید رکھتے ہیں۔

برائے اور منجانب

انٹرنیشنل انڈسٹریز لمیٹڈ



مصطفیٰ اے چنائے

چیئر مین

کراچی

مورخہ 26 اپریل 2022

UNCONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,736,507	7,480,309
Intangible assets		2,433	1,608
Investments	6	3,372,515	3,372,515
Long-term deposits		1,653	1,653
Deferred taxation - net		335,892	277,977
		11,449,000	11,134,062
CURRENT ASSETS			
Stores and spares		281,352	221,945
Stock-in-trade	7	10,303,846	11,923,524
Trade debts		10,561,982	5,138,171
Advances, trade deposits and prepayments		94,142	84,477
Other receivables		41,818	26,974
Sales tax receivable		14,712	188,818
Cash and bank balances		99,534	73,489
		21,397,386	17,657,398
TOTAL ASSETS		32,846,386	28,791,460
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		2,700,036	2,700,036
Unappropriated profit		5,729,576	4,419,169
Capital reserve			
Revaluation surplus on property, plant and equipment		3,036,586	3,060,499
TOTAL SHAREHOLDERS' EQUITY		12,785,017	11,498,523
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	8	1,705,947	2,072,610
Deferred income - government grant		52,589	27,185
Gas Infrastructure Development Cess	9	141,643	202,820
Staff retirement benefits		103,312	115,338
		2,003,491	2,417,953
CURRENT LIABILITIES			
Trade and other payables	10	4,182,739	3,097,257
Contract liabilities		514,792	170,745
Short-term borrowings - secured	11	11,391,292	10,181,491
Unclaimed dividend		39,363	35,889
Current portion of long-term financing - secured	8	1,143,838	888,720
Taxation - net		671,662	447,376
Accrued mark-up		114,192	53,506
		18,057,878	14,874,984
TOTAL LIABILITIES		20,061,369	17,292,937
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	12	32,846,386	28,791,460

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



Sohail R. Bhojani
Chief Executive
Officer

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

For the nine months ended March 31, 2022

		Nine months ended		Three months ended	
	Note	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- (Rupees in '000) -----					
Revenue from contracts with customers	13	28,066,159	21,661,433	9,840,916	8,387,053
Cost of sales		(25,064,920)	(18,406,742)	(8,945,180)	(6,932,750)
Gross profit		3,001,239	3,254,691	895,736	1,454,303
Selling and distribution expenses		(1,831,464)	(1,020,168)	(683,368)	(439,856)
Administrative expenses		(218,180)	(289,564)	(68,940)	(163,205)
(Charge) / reversal of loss allowance on trade debts		(13,142)	31,339	(14,104)	-
		(2,062,786)	(1,278,393)	(766,412)	(603,061)
Operating profit		938,453	1,976,298	129,324	851,242
Finance cost		(790,191)	(534,458)	(318,600)	(186,470)
Other operating charges		(73,083)	(167,570)	(21,850)	(68,223)
		(863,274)	(702,028)	(340,450)	(254,693)
Other income	14	2,988,604	923,159	929,713	636,624
Profit before income tax		3,063,783	2,197,429	718,587	1,233,173
Income tax expense	15	(669,023)	(104,343)	(181,237)	(253,249)
Profit after tax for the period		2,394,760	2,093,086	537,350	979,924
Earnings per share					
- basic and diluted (Rupees)		18.16	15.87	4.07	7.43

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



Sohail R. Bhojani
Chief Executive
Officer

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

For the nine months ended March 31, 2022

	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----			
Profit after tax for the period	2,394,760	2,093,086	537,350	979,924
Other comprehensive income / (loss)				
Items that will not be subsequently reclassified to Statement of Profit or Loss				
Remeasurement of staff retirement benefits				
- Adjustment related to opening deferred tax balance	(2,477)	(903)	(140)	(327)
- Related deferred tax charge for the period	-	(11,576)	-	562
	(2,477)	(12,479)	(140)	235
Surplus on revaluation of land and buildings				
- Adjustment related to opening deferred tax balance	15,207	7,973	863	2,892
Other comprehensive income / (loss) for the period - net of tax	12,730	(4,506)	723	3,127
Total comprehensive income for the period	2,407,490	2,088,580	538,073	983,051

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



Sohail R. Bhojani
Chief Executive
Officer

Unconsolidated Condensed Interim Changes in Equity (Un-audited)

For the nine months ended March 31, 2022

	Issued, subscribed and paid-up capital	Revenue Reserves General reserve	Unappropriated profit	Capital Reserve Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)				
Balance as at July 1, 2020	1,318,819	2,700,036	2,554,370	2,372,304	8,945,529
Profit after tax for the period	-	-	2,093,086	-	2,093,086
Other comprehensive (loss) / income for the period	-	-	(12,479)	7,973	(4,506)
Total comprehensive income for the period	-	-	2,080,607	7,973	2,088,580
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	52,499	(52,499)	-
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	-	-	406	(406)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Interim dividend at 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2021	-	-	(461,587)	-	(461,587)
Balance as at March 31, 2021	1,318,819	2,700,036	4,226,295	2,327,372	10,572,522
Balance as at July 1, 2021	1,318,819	2,700,036	4,419,169	3,060,499	11,498,523
Profit after tax for the period	-	-	2,394,760	-	2,394,760
Other comprehensive (loss) / income for the period	-	-	(2,477)	15,207	12,730
Total comprehensive income for the period	-	-	2,392,283	15,207	2,407,490
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	38,282	(38,282)	-
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	-	-	838	(838)	-
Transactions with owners recorded directly in equity - distributions					
Dividend:					
- Final dividend at 65% (i.e. Rs. 6.50 per share) for the year ended June 30, 2021	-	-	(857,232)	-	(857,232)
- Interim dividend at 20% (i.e. Rs. 2.00 per share) for the year ending June 30, 2022	-	-	(263,764)	-	(263,764)
Balance as at March 31, 2022	1,318,819	2,700,036	5,729,576	3,036,586	12,785,017

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



Sohail R. Bhojani
Chief Executive
Officer

Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months ended March 31, 2022

Note	Nine months ended	
	March 31, 2022	March 31, 2021
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	16 (405,632)	(125,590)
Decrease in long-term deposits	-	1,866
Finance cost paid	(691,643)	(457,480)
Income on bank deposits received	1,225	735
Staff retirement benefits paid	(47,897)	(77,800)
Payment on account of compensated absences	(10,687)	-
Income tax paid - net	(489,922)	(213,468)
Net cash used in operating activities	(1,644,556)	(871,737)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	5 (651,008)	(90,916)
Payment for acquisition of intangible assets	(1,457)	-
Proceeds from disposal of property, plant and equipment	56,045	43,926
Dividend received	2,269,471	735,167
Net cash generated from investing activities	1,673,051	688,177
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	345,537	1,352,886
Repayment of long-term financing	(440,266)	(240,453)
Proceeds from / (repayments of) short-term borrowings - net	1,219,850	(635,341)
Dividend paid	(1,117,522)	(465,420)
Net cash generated from financing activities	7,599	11,672
Net increase / (decrease) in cash and cash equivalents	36,094	(171,888)
Cash and cash equivalents at beginning of the period	(8,653,002)	(6,479,988)
Cash and cash equivalents at end of the period	17 (8,616,908)	(6,651,876)

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



Sohail R. Bhojani
Chief Executive
Officer

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

For the nine months ended March 31, 2022

1. STATUS AND NATURE OF BUSINESS

International Industries Limited ("the Company") was incorporated in Pakistan in 1948 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, polymer pipes & fittings. The registered office of the Company is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

The manufacturing facilities of the Company are situated as follows:

- i) LX 15 - 16, Landhi Industrial Area, Karachi;
- ii) Survey no. 402, 405 - 406, Dehshirabi Landhi Town, Karachi; and
- iii) 22 KM, Sheikhpura Road, Lahore.

The sales offices of the Company are situated as follows:

- i) Chinoy House, 6 Bank Square, Lahore;
- ii) Office no. 303-A, 3rd Floor, Evacuee Trust Complex, Sir Agha Khan Road, Sector F-5/1, Islamabad;
- iii) 1592, 2nd Floor, Quaid-e-Azam Shopping Centre no. 1, Multan Cantt;
- iv) Office no. 1/1, Wahab Centre, Electrocitiy Plaza, Susan Road, Faisalabad; and
- v) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar.

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.

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 Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the nine months ended March 31, 2022

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, 2021.

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, 2021, 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 March 31, 2021.

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. SIGNIFICANT ACCOUNTING POLICIES

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, 2021.

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, 2021. However, these do not have any significant impact on the Company's financial reporting.

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, 2022. 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.

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

For the nine months ended March 31, 2022

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, 2021.
- 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, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work-in-progress (including capital stores and spares)	Total
	----- (Rupees in '000) -----		
Cost / revalued amount			
Balance at beginning of the period	11,012,706	41,020	11,053,726
Additions	-	651,008	651,008
Transfers	332,260	(332,260)	-
Disposals	(153,081)	-	(153,081)
	<u>11,191,885</u>	<u>359,768</u>	<u>11,551,653</u>
Accumulated depreciation			
Balance at beginning of the period	(3,573,417)	-	(3,573,417)
Charge for the period	(380,194)	-	(380,194)
Disposals	138,465	-	138,465
	<u>(3,815,146)</u>	<u>-</u>	<u>(3,815,146)</u>
Written down value as at March 31, 2022 (Un-audited)	<u><u>7,376,739</u></u>	<u><u>359,768</u></u>	<u><u>7,736,507</u></u>
Written down value as at June 30, 2021 (Audited)	<u>7,439,289</u>	<u>41,020</u>	<u>7,480,309</u>

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

For the nine months ended March 31, 2022

6. INVESTMENTS

(Un-audited) March 31, 2022 (Number of shares)	(Audited) June 30, 2021		(Un-audited) March 31, 2022 (Rupees in '000)	(Audited) June 30, 2021
Quoted Companies				
245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company, at cost	2,450,555	2,450,555
6,092,470	6,092,470	Pakistan Cables Limited (PCL) - associated company, at cost	817,553	817,553
Un-quoted Companies				
150,000	150,000	IIL Americas Inc. (IIL Americas) - subsidiary company, at cost	17,966	17,966
100,000	100,000	IIL Australia Pty. Limited (IIL Australia) - subsidiary company, at cost	9,168	9,168
7,727,270	7,727,270	IIL Construction Solutions (Private) Limited (IIL CSL) - subsidiary company, at cost	77,273	77,273
			3,372,515	3,372,515
		Note	(Un-audited) March 31, 2022 (Rupees in '000)	(Audited) June 30, 2021

7. STOCK-IN-TRADE

Raw material - in hand	7.1	2,747,167	4,893,900
- in transit		1,915,399	1,622,101
		4,662,566	6,516,001
Work-in-process		1,800,336	1,444,729
Finished goods		3,584,983	3,908,988
By-products		147,165	11,040
Scrap material		108,796	42,766
		10,303,846	11,923,524

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

For the nine months ended March 31, 2022

- 7.1** Raw material amounting to Rs. 8.8 million as at March 31, 2022 (June 30, 2021: Rs. 5.2 million) was held at a vendor's premises for the production of pipe caps.

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
8. LONG-TERM FINANCING - secured			
		(Rupees in '000)	

CONVENTIONAL

Long-Term Finance Facility (LTFF)	8.2	578,847	433,085
Long-term finance		1,509,091	1,581,818
Payroll Refinance Scheme	8.3	259,991	454,985
		<u>2,347,929</u>	<u>2,469,888</u>

ISLAMIC

Diminishing Musharakah		215,909	318,182
Islamic Long-Term Finance Facility (ILTFF)	8.4	114,047	118,866
Islamic Temporary Economic Refinance Facility (ITERF)	8.5	240,281	105,959
		<u>570,237</u>	<u>543,007</u>
		<u>2,918,166</u>	<u>3,012,895</u>

Less: Deferred income - government grant (68,381) (51,565)

Less: Current portion of long-term financing:

CONVENTIONAL

Long-Term Finance Facility (LTFF)	(89,779)	(87,272)
Long-term finance	(645,455)	(395,454)
Payroll Refinance Scheme	(259,991)	(259,991)
	<u>(995,225)</u>	<u>(742,717)</u>

ISLAMIC

Diminishing Musharakah	(136,364)	(136,364)
Islamic Long-Term Finance Facility (ILTFF)	(12,249)	(9,639)
	<u>(148,613)</u>	<u>(146,003)</u>
	<u>(1,143,838)</u>	<u>(888,720)</u>
	<u>1,705,947</u>	<u>2,072,610</u>

- 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 and HX - 7/4, Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, Dehsharabi, Landhi Town, Karachi.

- 8.1.1** In relation to these 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 nine months ended March 31, 2022

- 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 long-term loans obtained by the Company for financing its salaries and wages under SBP's Payroll Refinance Scheme for payment of wages and salaries, earmarked from running finance limit.
- 8.4** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 8.5** This represents long-term loans obtained by the Company under SBP's Islamic Temporary Economic Refinance Facility available from various Islamic banks at below-market interest rates.

9. GAS INFRASTRUCTURE DEVELOPMENT CESS

Supreme Court of Pakistan (SCP) has decided the appeal against consumers upholding the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act) through its judgement dated August 13, 2020. The SCP on November 2, 2020 ordered that its decision of August 13, 2020 has validated the GIDC Act in complete sense and the benefits allowed under Section 8(2) of the GIDC Act to the industrial sector are also available. Further, payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 instalments instead of 24 instalments.

The Company has also filed a civil suit before Sindh High Court (SHC) on the ground that the Company has not passed on the burden of the Cess. A stay order was granted in the aforesaid suit, which is operative till the next date of hearing.

Despite the aforesaid order dated August 13, 2020 by the SCP, the Federal Government did not initiate the gas project within six months. Therefore, during the prior financial year, the Company has filed a petition with the SHC challenging the decision of the SCP.

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
10. TRADE AND OTHER PAYABLES		(Rupees in '000)	
Trade creditors		186,229	196,080
Bills payable		1,582,862	826,378
Accrued expenses	10.1	1,407,926	1,211,273
Provision for Infrastructure Cess	10.2	823,137	663,983
Short-term compensated absences		5,000	6,750
Workers' Profit Participation Fund		43,136	7,065
Workers' Welfare Fund	10.3	111,569	127,956
Current portion of deferred income - government grant		15,792	24,380
Payable to Provident Fund		-	4,898
Others		7,088	28,494
		4,182,739	3,097,257

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

For the nine months ended March 31, 2022

10.1 These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 181.3 million (June 30, 2021: Rs. 115.4 million) and a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 111.8 million (June 30, 2021: Rs. 99.93 million).

10.2 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. 947 million (June 30, 2021: Rs. 780 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 doubled the rate of Sindh infrastructure cess. 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 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 Company was not in agreement with the above orders and filed an appeal with 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 High Court is valid and enforceable. The Court further ordered that imports should be released on submission of fresh bank guarantees equivalent to the duty under the Act.

10.3 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 nine months ended March 31, 2022

	Note	(Un-audited) March 31, 2022 (Rupees in '000)	(Audited) June 30, 2021
11. SHORT-TERM BORROWINGS - secured			
CONVENTIONAL			
Running finance under mark-up arrangement from banks	11.1	330,448	267,156
Short-term borrowing under Money Market Scheme - maturing within three months	11.1	6,880,000	6,469,489
Short-term borrowing under Export Refinance Scheme	11.2	2,674,850	955,000
ISLAMIC			
Short-term borrowing under Money Market Scheme - maturing within three months	11.3	1,000,000	1,422,000
Short-term borrowing under Running Musharakah	11.4	505,994	567,846
Short-term borrowing under Export Refinance Scheme		-	500,000
		11,391,292	10,181,491
11.1	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 10.41% to 11.02% (June 30, 2021: 7.40% to 8.28%) per annum.		
11.2	The Company has obtained short-term running finance facility under Export Refinance Scheme of the SBP from commercial banks. The rate of mark-up on these facilities is 2.50% (June 30, 2021: 3.00%) per annum. These facilities mature within six months and are renewable.		
11.3	This represents short-term finance obtained under Money Market Scheme from Islamic bank. The rate of profit on this finance is 10.51% (June 30, 2021: 7.51% to 7.57%) per annum. This facility matures within three months.		
11.4	The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit range from 10.54% to 10.94% (June 30, 2021: 7.42% to 7.99%) per annum.		
11.5	As at March 31, 2022, the unavailed facilities from the above borrowings amounted to Rs. 6,949 million (June 30, 2021: Rs. 6,028 million).		
11.6	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.		

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

For the nine months ended March 31, 2022

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There have been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended June 30, 2021 except as discussed below.

During the period, the Sindh High Court (SHC) vide its order dated October 12, 2021 has disposed off the case pertaining to sale of zinc wastages with directions to the Appellate Tribunal to decide the pending appeal within sixty days. The SHC further directed that the respondents shall not take any coercive action against the Company in respect of the impugned demand till the conclusion of the appeal. The case is still pending at the Appellate Tribunal despite the order of the SHC.

12.2 Commitments

12.2.1 Capital expenditure commitments outstanding as at March 31, 2022 amounted to Rs. 13.2 million (June 30, 2021: Rs. 177.6 million).

12.2.2 Commitments under letters of credit for raw materials and stores and spares as at March 31, 2022 amounted to Rs. 1,282.1 million (June 30, 2021: Rs. 3,047.5 million).

12.2.3 Commitments under purchase contracts as at March 31, 2022 amounted to Rs. 1,155.9 million (June 30, 2021: Rs. 99.1 million).

12.2.4 The facilities for opening letters of credit and guarantees from banks as at March 31, 2022 amounted to Rs. 11,825.0 million (June 30, 2021: Rs. 11,700.0 million) and Rs. 3,050.0 million (June 30, 2021: Rs. 2,550.0 million) respectively, of which the unutilised balance at period-end amounted to Rs. 10,529.8 million (June 30, 2021: Rs. 8,987.0 million) and Rs. 1,067.1 million (June 30, 2021: Rs. 810 million) respectively.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of goods less returns

	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----			
Local	25,703,895	21,782,842	8,986,318	8,214,899
Sales tax	(3,618,815)	(3,176,314)	(1,253,737)	(1,200,693)
Trade discounts	(1,790,916)	(979,715)	(701,817)	(355,534)
	20,294,164	17,626,813	7,030,764	6,658,672
Export	7,820,626	4,068,839	2,824,342	1,743,663
Export commission & discounts	(48,631)	(34,219)	(14,190)	(15,282)
	7,771,995	4,034,620	2,810,152	1,728,381
	<u>28,066,159</u>	<u>21,661,433</u>	<u>9,840,916</u>	<u>8,387,053</u>

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

For the nine months ended March 31, 2022

14. OTHER INCOME

This includes dividend income from subsidiary and associated companies amounting to Rs. 2,269.5 million (March 31, 2021: Rs. 735.2 million).

	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in '000)			

15. INCOME TAX EXPENSE

Current	725,811	557,538	196,927	276,456
Deferred	(56,788)	(453,195)	(15,690)	(23,207)
	<u>669,023</u>	<u>104,343</u>	<u>181,237</u>	<u>253,249</u>

16. CASH USED IN OPERATIONS

	Note	Nine months ended	
		March 31, 2022	March 31, 2021
		(Rupees in '000)	
Profit before income tax		3,063,783	2,197,429
Add / (less): adjustment for non-cash charges and other items			
Depreciation of property, plant and equipment		380,194	394,971
Amortisation of intangible assets		632	258
Charge / (reversal) of loss allowance on trade debts		13,142	(31,339)
Provision for staff retirement benefits		35,871	28,791
Provision for compensated absences		8,937	4,500
Income on bank deposits		(1,225)	(735)
Gain on disposal of property, plant and equipment		(41,429)	(30,438)
Gain on remeasurement of Gas Infrastructure Development Cess		(10,273)	(52,535)
Unwinding of Gas Infrastructure Development Cess		14,983	-
Dividend income		(2,269,471)	(735,167)
Government grant income		(22,879)	(21,975)
Finance cost		775,208	534,458
		<u>1,947,473</u>	<u>2,288,218</u>
Changes in working capital	16.1	(2,353,105)	(2,413,808)
		<u>(405,632)</u>	<u>(125,590)</u>

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

For the nine months ended March 31, 2022

	Note	Nine months ended	
		March 31, 2022	March 31, 2021
16.1 Working capital changes		(Rupees in '000)	
(Increase) / decrease in current assets:			
Stores and spares		(59,407)	(17,941)
Stock-in-trade		1,619,678	(696,928)
Trade debts		(5,436,953)	(2,206,487)
Advances, trade deposits and prepayments		(9,665)	(49,594)
Other receivables		(14,844)	4,125
Sales tax receivable		174,106	74,880
		(3,727,085)	(2,891,945)
Increase in current liabilities:			
Trade and other payables		1,029,933	475,297
Contract liabilities		344,047	2,840
		1,373,980	478,137
		(2,353,105)	(2,413,808)
17. CASH AND CASH EQUIVALENTS			
Cash and bank balances		99,534	196,556
Running finance under mark-up arrangement from banks	11	(330,448)	(2,520,365)
Short-term borrowing under Money Market Scheme maturing within three months	11	(7,880,000)	(420,000)
Short-term borrowing under Running Musharakah	11	(505,994)	(3,908,067)
		(8,616,908)	(6,651,876)
18. TRANSACTIONS WITH RELATED PARTIES			

The related parties comprise of the subsidiary companies, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to follow a policy whereby 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 nine months ended March 31, 2022

18.1 Transactions with related parties

	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in '000)			
Subsidiary companies				
Sales	6,639,502	2,328,447	2,484,094	1,044,859
Sale of vehicles	3,350	-	-	-
Purchases	6,345,558	1,024	2,687,085	553
Purchase of vehicles	2,350	-	2,350	-
Cost of shared resources	55,281	56,442	14,246	19,833
Reimbursement of expenses	4,703	10,959	1,537	1,349
Rental income	8,841	111,443	2,947	2,741
Dividend received	2,205,500	735,167	490,111	735,167
Associated companies				
Sales	6,320	170,484	1,457	125,533
Purchases	11,782	4,356	6,102	3,978
Purchase of vehicle	-	18,196	-	6,226
Reimbursement of expenses	865	490	536	188
Insurance premium	23,302	30,753	1,388	6,806
Insurance claim	1,158	30,912	51	1,850
Dividend received	63,971	-	15,231	-
Dividend paid	9,234	5,193	1,267	5,193
Donation	-	24,800	-	18,600
Subscription	2,000	2,213	-	50
Registration and training	2,523	21	-	-
Key management personnel				
Remuneration and allowances	309,555	288,897	77,160	155,257
Staff retirement funds				
Contribution paid	113,764	114,036	66,744	19,076
Non-executive directors				
Directors' fee	4,875	4,500	2,250	900
Reimbursement of Chairman's expenses	3,366	607	1,177	607

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

For the nine months ended March 31, 2022

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) -----				
For the nine months ended March 31, 2022				
Revenue from contracts with customers				
Local	18,186,430	2,107,734	-	20,294,164
Exports	7,771,995	-	-	7,771,995
	<u>25,958,425</u>	<u>2,107,734</u>	<u>-</u>	<u>28,066,159</u>
Cost of sales	(23,058,163)	(2,006,757)	-	(25,064,920)
Gross profit	<u>2,900,262</u>	<u>100,977</u>	<u>-</u>	<u>3,001,239</u>
Selling and distribution expenses	(1,763,508)	(67,956)	-	(1,831,464)
Administrative expenses	(207,458)	(10,722)	-	(218,180)
Reversal / (charge) of loss allowance on trade debts	3,781	(16,923)	-	(13,142)
	<u>(1,967,185)</u>	<u>(95,601)</u>	<u>-</u>	<u>(2,062,786)</u>
Finance cost	(731,353)	(58,838)	-	(790,191)
Other operating charges	(73,083)	-	-	(73,083)
	<u>(804,436)</u>	<u>(58,838)</u>	<u>-</u>	<u>(863,274)</u>
Other income	719,133	-	2,269,471	2,988,604
Profit / (loss) before income tax	<u>847,774</u>	<u>(53,462)</u>	<u>2,269,471</u>	<u>3,063,783</u>
Income tax expense				(669,023)
Profit after tax for the period				<u>2,394,760</u>
For the nine months ended March 31, 2021				
Revenue from contracts with customers				
Local	14,843,944	2,782,869	-	17,626,813
Exports	4,030,704	3,916	-	4,034,620
	<u>18,874,648</u>	<u>2,786,785</u>	<u>-</u>	<u>21,661,433</u>
Cost of sales	(16,145,944)	(2,260,798)	-	(18,406,742)
Gross profit	<u>2,728,704</u>	<u>525,987</u>	<u>-</u>	<u>3,254,691</u>
Selling and distribution expenses	(959,159)	(61,009)	-	(1,020,168)
Administrative expenses	(269,956)	(19,608)	-	(289,564)
Reversal / (charge) of loss allowance on trade debts	37,752	(6,413)	-	31,339
	<u>(1,191,363)</u>	<u>(87,030)</u>	<u>-</u>	<u>(1,278,393)</u>
Finance cost	(488,385)	(46,073)	-	(534,458)
Other operating charges	(140,068)	(27,502)	-	(167,570)
	<u>(628,453)</u>	<u>(73,575)</u>	<u>-</u>	<u>(702,028)</u>
Other income	187,992	-	735,167	923,159
Profit before income tax	<u>1,096,880</u>	<u>365,382</u>	<u>735,167</u>	<u>2,197,429</u>
Income tax expense				(104,343)
Profit after tax for the period				<u>2,093,086</u>

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

For the nine months ended March 31, 2022

19.2 Segment assets and liabilities

	Steel segment	Polymer segment	Investments segment	Total
	----- (Rupees in '000) -----			
As at March 31, 2022 - Un-audited				
Segment assets	<u>26,408,841</u>	<u>1,813,871</u>	<u>3,372,515</u>	<u>31,595,227</u>
Segment liabilities	<u>15,965,759</u>	<u>871,878</u>	<u>-</u>	<u>16,837,637</u>
As at June 30, 2021 - Audited				
Segment assets	<u>22,387,009</u>	<u>1,778,101</u>	<u>3,372,515</u>	<u>27,537,625</u>
Segment liabilities	<u>13,621,522</u>	<u>819,573</u>	<u>-</u>	<u>14,441,095</u>

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

	(Un-audited) March 31, 2022 (Rupees in '000)	(Audited) June 30, 2021
Total reportable segments assets	31,595,227	27,537,625
Unallocated assets	1,251,159	1,253,835
Total assets as per Unconsolidated Statement of Financial Position	<u>32,846,386</u>	<u>28,791,460</u>
Total reportable segments liabilities	16,837,637	14,441,095
Unallocated liabilities	3,223,732	2,851,842
Total liabilities as per Unconsolidated Statement of Financial Position	<u>20,061,369</u>	<u>17,292,937</u>

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue on April 26, 2022 by the Board of Directors of the Company.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

CONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	27,161,491	26,706,486
Right-of-use assets		5,066	9,714
Intangible assets		3,084	2,493
Investment in equity accounted investee	6	1,192,041	1,132,235
Long-term deposits		2,357	1,835
		<u>28,364,039</u>	<u>27,852,763</u>
CURRENT ASSETS			
Stores and spares		1,334,181	898,627
Stock-in-trade	7	33,023,035	29,992,300
Trade debts		10,403,330	4,816,190
Advances, trade deposits and prepayments		354,161	2,020,014
Other receivables		68,069	62,376
Sales tax receivable		1,361,027	1,753,757
Cash and bank balances		981,379	635,590
		<u>47,525,182</u>	<u>40,178,854</u>
TOTAL ASSETS		<u>75,889,221</u>	<u>68,031,617</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		2,991,258	2,991,258
Unappropriated profit		13,036,964	11,365,899
Exchange translation reserves		21,367	5,863
Capital reserve			
Revaluation surplus on property, plant and equipment		4,216,932	4,267,987
TOTAL SHAREHOLDERS' EQUITY		<u>21,585,340</u>	<u>19,949,826</u>
Non-controlling interest		8,845,229	8,247,364
		<u>30,430,569</u>	<u>28,197,190</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	8	4,906,058	5,803,471
Deferred income - government grant		200,981	28,203
Gas Infrastructure Development Cess	9	639,637	911,776
Staff retirement benefits		103,312	115,338
Deferred taxation - net		1,290,279	1,753,469
Lease liabilities		-	1,929
		<u>7,140,267</u>	<u>8,614,186</u>
CURRENT LIABILITIES			
Trade and other payables	10	11,601,899	9,658,752
Contract liabilities		3,733,526	1,457,763
Short-term borrowings - secured	11	18,502,651	16,977,836
Unclaimed dividend		39,363	35,889
Unclaimed dividend attributable to non-controlling interest (NCI)		11,405	8,798
Current portion of long-term financing - secured	8	2,606,273	2,351,155
Current portion of lease liabilities		6,173	11,068
Taxation - net		1,517,488	586,746
Accrued mark-up		299,607	132,234
		<u>38,318,385</u>	<u>31,220,241</u>
TOTAL LIABILITIES		<u>45,458,652</u>	<u>39,834,427</u>
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		<u>75,889,221</u>	<u>68,031,617</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



Sohail R. Bhojani
Chief Executive
Officer

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

For the nine months ended March 31, 2022

		Nine months ended		Three months ended	
	Note	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- (Rupees in '000) -----					
Revenue from contracts with customers	13	92,347,225	72,367,129	34,915,831	25,639,489
Cost of sales		(80,238,403)	(59,997,657)	(31,653,819)	(20,101,638)
Gross profit		12,108,822	12,369,472	3,262,012	5,537,851
Selling and distribution expenses		(2,770,112)	(1,579,399)	(1,126,384)	(717,913)
Administrative expenses		(484,551)	(596,025)	(154,415)	(307,284)
(Charge) / reversal of loss allowance on trade debts		(10,538)	27,559	(13,034)	-
		(3,265,201)	(2,147,865)	(1,293,833)	(1,025,197)
Operating profit		8,843,621	10,221,607	1,968,179	4,512,654
Finance cost		(1,695,968)	(1,131,048)	(680,055)	(344,131)
Other operating charges		(828,344)	(776,956)	(191,750)	(321,441)
		(2,524,312)	(1,908,004)	(871,805)	(665,572)
Other income		894,982	425,054	446,675	(54,277)
Share of profit in equity accounted investee		119,071	4,749	45,876	27,983
Profit before income tax		7,333,362	8,743,406	1,588,925	3,820,788
Income tax expense	14	(2,302,427)	(2,182,760)	(479,141)	(1,126,336)
Profit after tax for the period		5,030,935	6,560,646	1,109,784	2,694,452
Profit attributable to:					
- Owners of the Holding Company		2,734,666	4,311,329	552,867	1,656,093
- Non-controlling interest (NCI)		2,296,269	2,249,317	556,917	1,038,359
		5,030,935	6,560,646	1,109,784	2,694,452
----- (Rupees in '000) -----					
Earnings per share - basic and diluted		20.74	32.69	4.19	12.56

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



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Officer

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

For the nine months ended March 31, 2022

	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----			
Profit after tax for the period	5,030,935	6,560,646	1,109,784	2,694,452
Other comprehensive income / (loss)				
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	(2,477)	(903)	(140)	(327)
- Related deferred tax for the period	-	(11,576)	-	562
	(2,477)	(12,479)	(140)	235
Surplus on revaluation of land and buildings				
- Adjustment related to opening deferred tax balance on buildings	15,207	7,973	863	2,892
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss				
Foreign operations - foreign currency translation difference	15,504	(516)	7,010	(2,022)
Proportionate share of other comprehensive income / (loss) of equity accounted investee	4,724	2,923	491	(1,149)
Other comprehensive income / (loss) for the period	32,958	(2,099)	8,224	(44)
Total comprehensive income for the period	<u>5,063,893</u>	<u>6,558,547</u>	<u>1,118,008</u>	<u>2,694,408</u>
Total comprehensive income attributable to:				
- Owners of the Holding Company	2,767,624	4,309,230	561,091	1,656,049
- Non-controlling interest (NCI)	2,296,269	2,249,317	556,917	1,038,359
	<u>5,063,893</u>	<u>6,558,547</u>	<u>1,118,008</u>	<u>2,694,408</u>

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



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

For the nine months ended March 31, 2022

	Attributable to owners of the Holding Company						Non-controlling interest	Total equity	
	Issued, subscribed and paid-up capital	Revenue reserves				Capital reserve			Total
		General reserve	Unappropriated profit	Exchange translation reserves	Total revenue reserves	Revaluation surplus on property, plant and equipment			
(Rupees in '000)									
Balance as at July 1, 2020	1,318,819	2,991,258	6,411,432	4,565	9,407,255	3,616,039	14,342,113	5,466,668	19,808,781
Profit after tax for the period	-	-	4,311,329	-	4,311,329	-	4,311,329	2,249,317	6,560,646
Other comprehensive (loss) / income for the period	-	-	(9,556)	(516)	(10,072)	7,973	(2,099)	-	(2,099)
Total comprehensive income for the period	-	-	4,301,773	(516)	4,301,257	7,973	4,309,230	2,249,317	6,558,547
Loss for the prior period	-	-	(2,668)	-	(2,668)	-	(2,668)	-	(2,668)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	66,831	-	66,831	(77,940)	(11,109)	11,109	-
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	-	-	406	-	406	(406)	-	-	-
Proportionate share of revaluation surplus on property, plant and equipment - PCL	-	-	1,747	-	1,747	(1,747)	-	-	-
Proportionate share / reclassification of surplus on revaluation of property, plant and equipment - NCI	-	-	-	-	-	11,109	11,109	(11,109)	-
Transactions with owners recorded directly in equity									
Distributions to owners of Holding Company									
- Interim dividend at 35% (Rs. 3.50 per share) for the year ending June 30, 2021	-	-	(461,587)	-	(461,587)	-	(461,587)	-	(461,587)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(569,833)	(569,833)
Balance as at March 31, 2021	1,318,819	2,991,258	10,317,934	4,049	13,313,241	3,555,028	18,187,088	7,146,152	25,333,240
Balance as at July 1, 2021	1,318,819	2,991,258	11,365,899	5,863	14,363,020	4,267,987	19,949,826	8,247,364	28,197,190
Profit after tax for the period	-	-	2,734,666	-	2,734,666	-	2,734,666	2,296,269	5,030,935
Other comprehensive income for the period	-	-	2,247	15,504	17,751	15,207	32,958	-	32,958
Total comprehensive income for the period	-	-	2,736,913	15,504	2,752,417	15,207	2,767,624	2,296,269	5,063,893
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	52,627	-	52,627	(63,723)	(11,096)	11,096	-
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	-	-	838	-	838	(838)	-	-	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	1,683	-	1,683	(1,701)	(18)	-	(18)
Transactions with owners recorded directly in equity									
Distributions to owners of Holding Company									
- Final dividend @ 65% (Rs. 6.50 per share) for the year ended June 30, 2021	-	-	(857,232)	-	(857,232)	-	(857,232)	-	(857,232)
- Interim dividend at 20% (i.e. Rs. 2.00 per share) for the year ending June 30, 2022	-	-	(263,764)	-	(263,764)	-	(263,764)	-	(263,764)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(1,709,500)	(1,709,500)
Balance as at March 31, 2022	1,318,819	2,991,258	13,036,964	21,367	16,049,589	4,216,932	21,585,340	8,845,229	30,430,569

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



Sohail R. Bhojani
Chief Executive
Officer

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

For the nine months ended March 31, 2022

		Nine months ended	
		March 31,	March 31,
Note		2022	2021
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	7,199,692	14,137,865
(Increase) / decrease in long-term deposits		(522)	1,867
Translation reserve		15,504	(1,207)
Finance cost paid		(1,414,579)	(1,133,047)
Income on bank deposits received		34,254	2,348
Staff retirement benefits paid		(70,746)	(88,975)
Payment on account of compensated absences		(14,075)	(6,698)
Income tax paid - net		(1,822,145)	(854,180)
Net cash generated from operating activities		3,927,383	12,057,973
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(2,018,531)	(357,841)
Payment for acquisition of intangible assets		(1,457)	-
Proceeds from disposal of property, plant and equipment		150,193	65,270
Dividend received		63,971	-
Net cash used in investing activities		(1,805,824)	(292,571)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		841,689	1,528,439
Repayment of long-term financing		(1,310,571)	(1,159,132)
Proceeds from short-term borrowings - net		3,478,294	739,032
Lease rentals paid		(7,288)	(1,276)
Dividends paid to non-controlling interest		(1,706,893)	(568,759)
Dividends paid to shareholders of the Holding Company		(1,117,522)	(465,420)
Net cash generated from financing activities		177,709	72,884
Net increase in cash and cash equivalents		2,299,268	11,838,286
Cash and cash equivalents at beginning of the period		(10,667,389)	(14,822,845)
Cash and cash equivalents at end of the period	16	(8,368,121)	(2,984,559)

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



Jehangir Shah
Director & Chairman
Board Audit Committee



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Sohail R. Bhojani
Chief Executive
Officer

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

For the nine months ended March 31, 2022

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% interest in an equity accounted investee, Pakistan Cables Limited (PCL).
- 1.2** The Holding Company was incorporated in Pakistan in 1948 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 and polymer pipes and fittings. The registered office of the Holding Company is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

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

- i) LX 15 - 16, Landhi Industrial Area, Karachi;
- ii) Survey no. 402, 405 - 406, Dehshrahi Landhi Town, Karachi; and
- iii) 22 KM, Sheikhpura Road, Lahore.

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

- i) Chinoy House, 6 Bank Square, Lahore;
- ii) Office no. 303-A, 3rd Floor, Evacuee Trust Complex, Sir Agha Khan Road, Sector F-5/1, Islamabad;
- iii) 1592, 2nd Floor, Quaid-e-Azam Shopping Centre no. 1, Multan Cantt;
- iv) Office no. 1/1, Wahab Centre, Electrocitiy Plaza, Susan Road, Faisalabad; and
- v) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar.

- 1.3** International Steels Limited ("the Subsidiary Company") was incorporated on September 3, 2007 as a public unlisted company limited by shares under the repealed Companies Ordinance, 1984 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, the Subsidiary Company was listed on the Pakistan Stock Exchange on June 1, 2011. The primary activities of the Subsidiary Company is the business of manufacturing of cold rolled steel coils and galvanized sheets. The Subsidiary Company commenced commercial operations on January 1, 2011. The registered office of the Subsidiary Company is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530. The Holding Company has 56.33% ownership interest in the Subsidiary Company.

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.

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

For the nine months ended March 31, 2022

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 business solutions. Its registered office is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi 75530.

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 and galvanized 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 36 Gerigs St., Scarborough, Ontario, Canada MIL 0B9.

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.

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, 2021.

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

For the nine months ended March 31, 2022

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, 2021, 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 March 31, 2021.

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 nine months ended March 31, 2022

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. SIGNIFICANT ACCOUNTING POLICIES

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, 2021.

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, 2021. 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 and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2022. However, these will not have any impact on the Group's financial reporting 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.

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

For the nine months ended March 31, 2022

- 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, 2021.
- 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, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work- in-progress (including capital spares)	Total
	----- (Rupees in '000) -----		
Cost / revalued amount			
Balance at beginning of the period	37,543,320	192,013	37,735,333
Additions	188,273	2,119,041	2,307,314
Translation reserve	779	-	779
Adjustments / transfers - net	231,013	(520,576)	(289,563)
Disposals	(234,095)	-	(234,095)
	<u>37,729,290</u>	<u>1,790,478</u>	<u>39,519,768</u>
Accumulated depreciation			
Balance at beginning of the period	(11,028,846)	-	(11,028,846)
Charge for the period	(1,520,188)	-	(1,520,188)
Disposals	190,757	-	190,757
	<u>(12,358,277)</u>	<u>-</u>	<u>(12,358,277)</u>
Written down value as at			
March 31, 2022 (Un-audited)	<u>25,371,013</u>	<u>1,790,478</u>	<u>27,161,491</u>
Written down value as at			
June 30, 2021 (Audited)	<u>26,514,473</u>	<u>192,013</u>	<u>26,706,486</u>
		(Un-audited)	(Audited)
		March 31,	June 30,
		2022	2021
		----- (Rupees in '000) -----	

- 6. INVESTMENT IN EQUITY ACCOUNTED INVESTEE** Note
- Pakistan Cables Limited (PCL)
- associated company 6.1
- 1,192,041 1,132,235

- 6.1** The Holding Company holds a 17.124% (June 30, 2021: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the Chairman of the Board of the Holding Company is also the Chairman of the Board of PCL. The price per share of PCL as at reporting date was Rs. 157.5 (June 30, 2021: Rs. 149.50) resulting in a market value of total investment amounting to Rs. 959.56 million (June 30, 2021: Rs. 910.82 million). The share of profit and other comprehensive income for the period is recognised based on the financial statements of PCL as at December 31, 2021 as the latest financial statements as at March 31, 2022 were presently not available.

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

For the nine months ended March 31, 2022

- 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."

7. STOCK-IN-TRADE		(Un-audited)	(Audited)
		March 31,	June 30,
	Note	2022	2021
		----- (Rupees in '000) -----	
Raw material - in hand	7.1	8,218,101	7,935,726
- in transit		3,800,358	6,909,277
		12,018,459	14,845,003
Work-in-process		5,736,345	3,298,071
Finished goods - in hand		13,261,349	11,395,485
- in transit		1,663,123	313,044
By-products		183,067	28,356
Scrap material		160,692	112,341
		33,023,035	29,992,300

- 7.1** Raw material of the Holding Company amounting to Rs. 8.8 million as at March 31, 2022 (June 30, 2021: Rs. 5.2 million) was held at a vendor's premises for the production of pipe caps.

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

For the nine months ended March 31, 2022

	Note	(Un-audited) March 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2021
8. LONG-TERM FINANCING - secured			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)	8.2	1,394,223	1,389,002
Long-term finance		1,509,091	1,581,818
Payroll Refinance Scheme	8.3	259,991	454,985
Temporary Economic Refinance Facility (TERF)	8.4	442,889	12,189
		3,606,194	3,437,994
ISLAMIC			
Diminishing Musharakah		215,909	318,182
Islamic Long-Term Finance Facility (ILTFF)	8.5	576,613	626,925
Islamic Temporary Economic Refinance Facility (ITERF)	8.6	240,281	105,959
Long-term finance		2,940,000	3,430,000
Payroll Refinance Scheme	8.7	171,760	300,580
		4,144,563	4,781,646
		7,750,757	8,219,640
Less: Deferred income - government grant		(238,426)	(65,014)
Less: Current portion of long-term financing:			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)		(339,799)	(337,292)
Long-term finance		(645,455)	(395,454)
Payroll Refinance Scheme		(259,991)	(259,991)
		(1,245,245)	(992,737)
ISLAMIC			
Diminishing Musharakah		(136,364)	(136,364)
Long-term finance		(980,000)	(980,000)
Islamic Long-Term Finance Facility (ILTFF)		(72,904)	(70,294)
Payroll Refinance Scheme		(171,760)	(171,760)
		(2,606,273)	(2,351,155)
		4,906,058	5,803,471

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 and HX-7/4, Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, Dehshrab, 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 these borrowings, the Holding Company and ISL need to observe certain financial and non-financial covenants as specified in the agreement with various lenders which are complied with as of the reporting date.

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

For the nine months ended March 31, 2022

- 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 long-term loans obtained by the Holding Company for financing its salaries and wages under the SBP's Payroll Refinance Scheme for payment of wages and salaries, earmarked from running finance limit.
- 8.4** This represents finance facility loans obtained from various banks by ISL under the SBP's Temporary Economic Refinance Facility available at below-market interest rates for setting up of new industrial units.
- 8.5** 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.
- 8.6** This represents long-term loans obtained by the Holding Company under SBP's Islamic Temporary Economic Refinance Facility available from various Islamic banks at below-market interest rates.
- 8.7** These represent long-term loans obtained by ISL under the SBP's Payroll Refinance Scheme for payment of wages and salaries, earmarked from running finance limit.

9. GAS INFRASTRUCTURE DEVELOPMENT CESS

Supreme Court of Pakistan (SCP) has decided the appeal against consumers upholding the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act) through its judgement dated August 13, 2020. The SCP on November 2, 2020 ordered that its decision of August 13, 2020 has validated the GIDC Act in complete sense and the benefits allowed under Section 8(2) of the GIDC Act to the industrial sector are also available. Further, payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 instalments instead of 24 instalments.

The Holding Company and ISL have also filed civil suits before the Sindh High Court (SHC) on the ground that the companies have not passed on the burden of the Cess. A stay order was granted in the aforesaid suit, which is operative till the next date of hearing.

Despite the aforesaid order dated August 13, 2020 by the SCP, the Federal Government did not initiate the gas project within six months. Therefore, during the prior financial year, the Holding Company and ISL have filed petitions with the SHC challenging the decision of the SCP.

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

For the nine months ended March 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
10. TRADE AND OTHER PAYABLES			
Trade creditors		2,098,927	2,043,207
Bills payable		1,582,862	826,378
Accrued expenses	10.1	3,837,094	3,291,440
Provision for Infrastructure Cess	10.2	3,125,278	2,289,074
Provision for government levies		1,631	2,531
Short-term compensated absences		19,992	17,642
Workers' Profit Participation Fund		421,949	560,830
Workers' Welfare Fund	10.3	421,182	489,917
Current portion of deferred income - government grant		37,446	36,811
Payable to Provident Fund		-	4,898
Others		55,538	96,024
		11,601,899	9,658,752

10.1 These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 818.5 million (June 30, 2021: Rs. 518.4 million) and also a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 779.28 million (June 30, 2021: Rs. 710.2 million).

10.2 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. 3,269.5 million (June 30, 2021: Rs. 2,448 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 it 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 appeals with the Supreme Court of Pakistan (SCP).

On September 1, 2021, the SCP granted a stay order against the operation of the order of SHC dated June 4, 2021, that the bank guarantees already submitted by the Holding Company and ISL in pursuant to the order of the High Court 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.

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

For the nine months ended March 31, 2022

- 10.3** 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. 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) March 31, 2022	(Audited) June 30, 2021
11. SHORT-TERM BORROWINGS - secured		----- (Rupees in '000) -----	
CONVENTIONAL			
Running finance under mark-up arrangement from banks	11.1	900,032	626,411
Short-term borrowing under Money Market Scheme - maturing within three months	11.1	6,880,000	8,319,489
Short-term borrowing under Export Refinance Scheme	11.2	7,223,151	3,755,000
ISLAMIC			
Short-term borrowing under Money Market Scheme - maturing within three months	11.3	1,000,000	1,422,000
Short-term borrowing under Running Musharakah	11.4	569,468	935,079
Short-term borrowing under Export Refinance Scheme	11.5	1,930,000	1,919,857
		<u>18,502,651</u>	<u>16,977,836</u>

- 11.1** 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 10.41% to 11.02% (June 30, 2021: 7.40% to 8.28%) per annum. The rates of mark-up on these finances obtained by ISL range from 10.48% to 10.89% (June 30, 2021: 7.37% to 8.28%) per annum.
- 11.2** 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 2.50% (June 30, 2021: 3.00%) per annum. The rates of mark-up on these facilities obtained by ISL range from 2.50% to 2.90% (June 30, 2021: 2.75% to 3.00%) per annum. These facilities mature within six months and are renewable.
- 11.3** This represents short-term finance obtained by the Holding Company under Money Market Scheme from Islamic bank. The rate of profit on this finance is 10.51% (June 30, 2021: 7.51% to 7.57%) per annum. This facility matures within three months.
- 11.4** 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 10.54% to 10.94% (June 30, 2021: 7.42% to 7.99%) per annum. The rates of profit on these finances obtained by ISL range from 10.48% to 10.94% (June 30, 2021: 7.39% to 7.68%) per annum.
- 11.5** ISL has availed short-term running finance facilities under the Islamic Export Refinance Scheme of the SBP from commercial banks. The rate of profit on this facility is 3.00% (June 30, 2021: 3.00%) per annum.

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

For the nine months ended March 31, 2022

11.6 As at March 31, 2022, unavailed facilities from above borrowings for the Holding Company amounted to Rs. 6,949 million (June 30, 2021: Rs. 6,028 million) and for ISL amounted to Rs. 17,767 million (June 30, 2021: Rs. 16,714 million).

11.7 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.

12. CONTINGENCIES AND COMMITMENTS

12.1 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, 2021 except as discussed below.

Holding Company

During the period, the Sindh High Court (SHC) vide its order dated October 12, 2021 has disposed off the case pertaining to the sale of zinc wastages by the Holding Company with directions to the Appellate Tribunal to decide the pending appeal within sixty days. The SHC further directed that the respondents shall not take any coercive action against the Holding Company in respect of the impugned demand till the conclusion of the appeal. The case is still pending at the Appellate Tribunal despite the order of the SHC.

12.2 Commitments

Holding Company and ISL

12.2.1 Capital expenditure commitments outstanding as at March 31, 2022 amounted to Rs. 489.0 million (June 30, 2021: Rs. 873.8 million).

12.2.2 Commitments under letters of credit for raw materials and stores and spares as at March 31, 2022 amounted to Rs. 16,356.1 million (June 30, 2021: Rs. 23,203.8 million).

12.2.3 Facilities for opening letters of credit and guarantees from banks as at March 31, 2022 amounted to Rs. 44,897.0 million (June 30, 2021: Rs. 32,552.0 million) and Rs. 9,950.0 million (June 30, 2021: Rs. 6,777.5 million) respectively, of which the unutilised balance at period-end amounted to Rs. 28,051.8 million (June 30, 2021: Rs. 17,418.0 million) and Rs. 1,485.1 million (June 30, 2021: Rs. 1,115.0 million) respectively.

Holding Company

12.2.4 Commitments under purchase contracts as at March 31, 2022 amounted to Rs. 1,155.9 million (June 30, 2021: Rs. 99.1 million).

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

For the nine months ended March 31, 2022

	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----			
13. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of goods less returns				
Local	83,677,163	72,433,719	28,246,894	25,079,843
Sales tax	(12,082,211)	(10,586,295)	(4,055,936)	(3,657,680)
Trade discounts	(2,472,148)	(1,621,525)	(940,344)	(535,761)
	69,122,804	60,225,899	23,250,614	20,886,402
Export	23,273,052	12,175,449	11,679,407	4,768,369
Export commission & discounts	(48,631)	(34,219)	(14,190)	(15,282)
	23,224,421	12,141,230	11,665,217	4,753,087
	92,347,225	72,367,129	34,915,831	25,639,489
14. INCOME TAX EXPENSE				
Current	2,764,490	1,961,517	541,201	1,067,006
Deferred	(462,063)	221,243	(62,060)	59,330
	2,302,427	2,182,760	479,141	1,126,336

	Note	Nine months ended	
		March 31, 2022	March 31, 2021
		----- (Rupees in '000) -----	
15. CASH GENERATED FROM OPERATIONS			
Profit before income tax		7,333,362	8,743,406
Add / (less): adjustments for non-cash charges and other items			
Depreciation of property, plant and equipment		1,520,188	1,571,406
Depreciation of right-of-use assets		4,648	138
Amortisation of intangible assets		866	491
Charge / (reversal) of loss allowance on trade debts		10,538	(27,559)
Provision for obsolescence against stores and spares		57,757	59,500
Provision for staff retirement benefits		58,720	47,204
Provision for compensated absences		16,425	12,456
Income on bank deposits		(34,254)	(2,348)
Gain on disposal of property, plant and equipment		(106,855)	(42,449)
Gain on remeasurement of Gas Infrastructure Development Cess		(44,651)	(52,535)
Share of profit from associated company		(119,071)	(4,748)
Government grant income		(41,220)	(37,369)
Unwinding of Gas Infrastructure Development Cess		72,332	-
Finance cost		1,623,636	1,130,756
		10,352,421	11,398,349
Changes in working capital	15.1	(3,152,729)	2,739,516
		7,199,692	14,137,865

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

For the nine months ended March 31, 2022

		Nine months ended	
		March 31, 2022	March 31, 2021
		----- (Rupees in '000) -----	
15.1	Changes in working capital		
	(Increase) / decrease in current assets:		
	Stores and spares	(493,311)	(341,247)
	Stock-in-trade	(3,030,735)	315,195
	Trade debts	(5,597,678)	(2,827,616)
	Advances, trade deposits and prepayments	1,665,853	(325,301)
	Other receivables	(5,693)	(24,311)
	Sale tax receivable	392,730	2,824,789
		<u>(7,068,834)</u>	<u>(378,491)</u>
	Increase in current liabilities:		
	Trade and other payables	1,640,342	1,345,499
	Contract liabilities	2,275,763	1,772,508
		<u>(3,152,729)</u>	<u>2,739,516</u>
16.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	981,379	4,155,464
	Running finance under mark-up arrangement from banks	(900,032)	(2,739,926)
	Short-term borrowing under Money Market scheme maturing within three months	(7,880,000)	(420,000)
	Short-term borrowing under Running Musharakah maturing within three months	(569,468)	(3,980,097)
		<u>(8,368,121)</u>	<u>(2,984,559)</u>

17. 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.

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

For the nine months ended March 31, 2022

- 17.1** 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:

	Nine months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----			
Associated companies				
Sales	<u>1,783,278</u>	<u>743,363</u>	<u>904,011</u>	<u>510,772</u>
Purchases	<u>41,461,268</u>	<u>18,215,405</u>	<u>9,682,452</u>	<u>7,341,896</u>
Purchase of vehicles	<u>-</u>	<u>18,196</u>	<u>-</u>	<u>6,226</u>
Reimbursement of expenses	<u>1,239</u>	<u>1,660</u>	<u>910</u>	<u>188</u>
Insurance premium	<u>23,302</u>	<u>30,753</u>	<u>1,388</u>	<u>6,806</u>
Insurance claim	<u>1,158</u>	<u>30,912</u>	<u>51</u>	<u>1,850</u>
Rent income	<u>2,055</u>	<u>1,822</u>	<u>668</u>	<u>608</u>
Donations	<u>-</u>	<u>24,800</u>	<u>-</u>	<u>18,600</u>
Dividend received	<u>63,971</u>	<u>-</u>	<u>15,231</u>	<u>-</u>
Dividend paid	<u>364,533</u>	<u>123,626</u>	<u>80,222</u>	<u>123,626</u>
Registration and training	<u>2,523</u>	<u>21</u>	<u>-</u>	<u>-</u>
Subscription	<u>2,000</u>	<u>2,213</u>	<u>-</u>	<u>50</u>
Services	<u>24,107</u>	<u>29,611</u>	<u>12,243</u>	<u>6,372</u>
Key management personnel				
Remuneration and allowances	<u>522,891</u>	<u>459,165</u>	<u>148,272</u>	<u>212,945</u>
Staff retirement funds				
Contribution paid	<u>162,341</u>	<u>147,626</u>	<u>82,931</u>	<u>33,332</u>
Non-executive directors				
Directors' fee	<u>9,575</u>	<u>11,100</u>	<u>4,050</u>	<u>3,900</u>
Reimbursement of Chairman's expenses	<u>3,366</u>	<u>4,212</u>	<u>1,177</u>	<u>1,015</u>

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

For the nine months ended March 31, 2022

18. 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
18.1 Segment revenue and results	(Rupees in '000)				
For the nine months ended March 31, 2022					
Revenue from contracts with customers					
Local	48,926,501	18,088,569	2,107,734	-	69,122,804
Exports	15,523,951	7,700,470	-	-	23,224,421
	64,450,452	25,789,039	2,107,734	-	92,347,225
Cost of sales	(55,072,777)	(23,158,869)	(2,006,757)	-	(80,238,403)
Gross profit	9,377,675	2,630,170	100,977	-	12,108,822
Selling and distribution expenses	(733,761)	(1,968,395)	(67,956)	-	(2,770,112)
Administrative expenses	(239,569)	(234,260)	(10,722)	-	(484,551)
Reversal / (charge) of loss allowance on trade debts	-	6,385	(16,923)	-	(10,538)
	(973,330)	(2,196,270)	(95,601)	-	(3,265,201)
Finance cost	(905,125)	(732,005)	(58,838)	-	(1,695,968)
Other operating charges	(755,231)	(73,113)	-	-	(828,344)
	(1,660,356)	(805,118)	(58,838)	-	(2,524,312)
Other income	174,774	720,208	-	-	894,982
Share of profit in equity accounted investee	-	-	-	119,071	119,071
Profit / (loss) before income tax	6,918,763	348,990	(53,462)	119,071	7,333,362
Income tax expense					(2,302,427)
Profit after tax for the period					5,030,935
For the nine months ended March 31, 2021					
Revenue from contracts with customers					
Local	42,599,086	14,843,944	2,782,869	-	60,225,899
Exports	8,238,933	3,898,381	3,916	-	12,141,230
	50,838,019	18,742,325	2,786,785	-	72,367,129
Cost of sales	(41,799,542)	(15,937,317)	(2,260,798)	-	(59,997,657)
Gross profit	9,038,477	2,805,008	525,987	-	12,369,472
Selling and distribution expenses	(507,075)	(1,011,315)	(61,009)	-	(1,579,399)
Administrative expenses	(273,610)	(302,806)	(19,609)	-	(596,025)
Reversal / (charge) of loss allowance on trade debts	-	33,972	(6,413)	-	27,559
	(780,685)	(1,280,149)	(87,031)	-	(2,147,865)
Finance cost	(596,365)	(488,610)	(46,073)	-	(1,131,048)
Other operating charges	(609,386)	(140,068)	(27,502)	-	(776,956)
	(1,205,751)	(628,678)	(73,575)	-	(1,908,004)
Other income	364,336	60,718	-	-	425,054
Share of profit in equity accounted investee	-	-	-	4,749	4,749
Profit before income tax	7,416,377	956,899	365,381	4,749	8,743,406
Income tax expense					(2,182,760)
Profit after tax for the period					6,560,646

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

For the nine months ended March 31, 2022

	Steel coils & sheets	Steel pipes	Polymer pipes	Investments	Total
	(Rupees in '000)				
18.2 Segment assets and liabilities					
As at March 31, 2022 - Un-audited					
Segment assets	<u>45,245,215</u>	<u>26,722,827</u>	<u>1,813,871</u>	<u>1,192,041</u>	<u>74,973,954</u>
Segment liabilities	<u>25,013,731</u>	<u>16,629,032</u>	<u>871,878</u>	<u>-</u>	<u>42,514,641</u>
As at June 30, 2021 - Audited					
Segment assets	<u>36,972,972</u>	<u>22,387,009</u>	<u>1,778,101</u>	<u>1,132,235</u>	<u>62,270,317</u>
Segment liabilities	<u>22,427,299</u>	<u>13,621,522</u>	<u>819,573</u>	<u>-</u>	<u>36,868,394</u>

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

	March 31, 2022	June 30, 2021
	(Rupees in '000)	
Total reportable segments assets	74,973,954	62,270,317
Unallocated assets	915,267	5,761,300
Total assets as per Consolidated Statement of Financial Position	<u>75,889,221</u>	<u>68,031,617</u>
Total reportable segments liabilities	42,514,641	36,868,394
Unallocated liabilities	2,944,011	2,966,033
Total liabilities as per Consolidated Statement of Financial Position	<u>45,458,652</u>	<u>39,834,427</u>

19. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 26, 2022 by the Board of Directors of the Holding Company.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer



Promising Reliability, For Now and Tomorrow

<div>ISLAMABAD OFFICE</div> <div>Office No. 303-A, 3rd Floor, Evacuee Trust Complex, Sir Agha Khan Road, Sector F-5/1, Islamabad Pakistan</div> <div>Tel: (92 51) 282 3041-2</div>			<div>HEAD OFFICE</div> <div>101 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530, Pakistan</div> <div>UAN: (92 21) 111 019 019</div>	<div>LAHORE OFFICE</div> <div>Chinoy House, 6-Bank Square, Lahore - 54000, Pakistan</div> <div>UAN: (92 42) 111 019 019</div>			
<div>FAISALABAD OFFICE</div> <div>Office No. 1/1 Wahab Centre, Electrocitiy Plaza, Susan Road, Faisalabad Pakistan</div> <div>Tel: (92 41) 872 0037</div>	<div>MULTAN OFFICE</div> <div>1592, 2nd Floor Quaid-e-Azam Shopping Centre No. 1 Multan Cantt. Multan Pakistan</div> <div>Tel: (92 61) 458 3332</div>	<div>PESHAWAR OFFICE</div> <div>Office No. 1 & 2, First Floor, Hurmaz Plaza Opp. Airport Runway Main University Road, Peshawar Pakistan</div> <div>Tel: (92 91) 584 5068</div>	<div>IIL AUSTRALIA PTY LIMITED</div> <div>103, Abbot Road, Hallam, Victoria 3803, Australia</div> <div>Tel: +61 (03) 9796 5617</div>	<div>IIL AMERICAS INC.</div> <div>36, Gerigs Street, Scarborough, Toronto, ON M1L 0B9, Canada</div> <div>Tel: +1 289 201 9341</div>			
<div>FACTORY 1</div> <div>LX 15-16, Landhi Industrial Area, Karachi - 75120 Pakistan</div> <div>Tel: (92 21) 3508 0451-55</div>			<div>FACTORY 2</div> <div>Survey # 405-406, Rehri Road, Landhi, Karachi - 75160 Pakistan</div> <div>Tel: (92 21) 3501 7027-28</div>	<div>FACTORY 3</div> <div>22 KM, Sheikhupura Road, Lahore, Pakistan</div> <div>Tel: (92 21) 3501 7027-28</div>			