INTERNATIONAL INDUSTRIES LTD.

Promising Reliability, For Now and Tomorrow

THANK YOU

DOCTORS AND NURSES

We dedicate cover page of this quarterly report to doctors, nurses, and other medical personnel who are on the front lines of this pandemic. You are true heroes and deserve appreciation as we battle this new enemy.

Unaudited Financial Statements

for the nine months ended 31st March 2020

MADE IN PAKISTAN

REDEFINING CONSTRUCTION IN PAKISTAN

Unaudited Financial Statements

for the nine months ended 31st March 2020

INTERNATIONAL INDUSTRIES LTD.

Promising Reliability, For Now and Tomorrow

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

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Coronavirus
COVID-19

The global pandemic caused by the COVID 19 coronavirus is a highly contagious and virulent infection. It has engulfed Pakistan too. IIL values the health and well being of all its stakeholders and hopes that all families and communities remain safe and healthy. In this vein, we have closed business at all our locations, national and international, in the hope that we neither cause transmission of the disease nor expose our stakeholders to it.

The infection generally affects the respiratory system and amongst its symptoms, the common ones are cough, fever, bodyache, tiredness, and difficulty in breathing.

The disease has no cure as yet, and the best course of action is prevention. Hence

- Stringently practice social distancing.
- Remain home and do not socialize.
- Maintain strict personal hygiene including washing hands well and often, cover your mouth and nose with a tissue or sleeve when coughing or sneezing and discard used tissue
- Avoid touching eyes, nose, or mouth with unwashed hands
- Clean and disinfect frequently touched objects and surfaces

PREVENTION

Wash
your hands well and often to avoid contamination

Cover
your mouth and nose with a tissue or sleeve when coughing or sneezing and discard used tissue

Avoid
touching eyes, nose, or mouth with unwashed hands

Clean
and disinfect frequently touched objects and surfaces

SYMPTOMS

Cough | Fever | Tiredness | Difficulty Breathing (severe cases)


DISINFECTION
TUNNELS
PREVENT COVID-19
ENTERING YOUR PREMISES.
click here
to view the video
CALL US NOW

COMPANY INFORMATION

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

Independent Director
Mr. Adnan Afridi
Mr. Mansur Khan
Mr. Ehsan A. Malik
Mr. Jehangir Shah

Non-Executive Director
Mr. Kamal A. Chinoy
Mr. Azam Faruque
Mrs. Saadia S. Rashid

Chief Executive Officer
Mr. Riyaz T. Chinoy

Advisor
Mr. Towfiq H. Chinoy

Chief Financial Officer
Mr. Muhammad Akhtar

Company Secretary
Mr. Sunaib Barkat

Group Chief Internal Auditor
Ms. Asema Tapal

Internal Auditors
M/s EY Ford Rhodes

External Auditors
M/s KPMG Taseer Hadi & Co.

Bankers
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib 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(s)
Ms. Sana Shaikh Fikree
Mr. Ameen Bandukda

Registered Office
101, Beaumont Plaza, 10, Beaumont Road,
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Telephone Nos: +9221-35680045-54,
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Telephone : +9261-4583332

Faisalabad Office
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Susan Road, Faisalabad.
Telephone : +9241-8720037

Peshawar Office
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Main University Road, Peshawar.
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E-mail: factory@iil.com.pk

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Fax: +9221-35013108

Factory 3
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Telephone Nos: +9242-37190491-3

Website
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Shares Registrar
CDC Share Registrar Services Limited
CDC House, 99-B, Block "B", S.M.C.H.S,
Shahrah-e-Faisal, Karachi.
Telephone Nos: +92-0800-23275
FAX: +9221-34326053
E-mail : info@cdcsrsl.com
Website: www.cdcsrsl.com

Directors' Report

For the period ended 31st March, 2020

The directors of your Company are pleased to present the financial statements for the nine-month period ended March 31, 2020.

Following the outbreak of COVID-19 in mainland China in December 2019, the virus continues to spread at an alarming rate across the globe and has bought almost all economic and social activity to a virtual standstill. Pakistan having recently come out of a balance of payments crisis, now faces yet another crisis with the potential to erase the incremental gains that have been made over the last year. The rupee having lost 8% in a short span of less than 2 weeks will further erode domestic purchasing power.

The Company reported a net turnover of Rs. 14.9 billion in 9 months, which was 23% lower than the corresponding period last year. Although domestic demand for steel tubes and pipes from construction, automotive, gas transmission and other key downstream industries showed signs of bottoming out during the quarter, post-COVID-19 lockdown, our outlook will depend upon the Government's policy response to the ongoing crisis and the time required for the development and distribution of a vaccine. Sales for the third quarter were 12% lower than the previous quarter, which reflects the short-term impact of the COVID-19 pandemic on our topline. Deteriorating export sales volumes, which ended 45% lower than the corresponding period last year continue to impact our business, and deteriorating international steel prices are expected to keep buyers away for the immediate future. Our polymer and stainless-steel segments continue to perform well.

The Company reported Loss After Tax (LAT) of Rs. 461 million (EPS -3.49).

Our subsidiary, International Steel Limited (ISL) reported Net Sales of Rs. 38.5 billion which were down 9% over the corresponding period last year. Profit after Tax (PAT) of Rs. 656 million (EPS 1.51) was down 72% compared to the same period last year.

The Group Profit for the period ended with a PAT of Rs. 71.6 million compared to PAT of Rs. 2,775.7 million over the corresponding period last year.

Pakistan economy was going through tough times even before the advent of COVID-19. Going forward, the circumstances will be challenging. There are predictions that the economy will shrink this year. Back-to-back cuts in the policy rate and deferment in repayment of principal amounts by international lending institutions will provide much needed relief to the Exchequer. But real economic impetus will depend largely on Government's decision to utilize these cash flow advantages judiciously and to take positive steps viz a viz boosting of investor confidence and economic growth. The immediate steps that can help our Company include relaxation of axle load regime, abolishment/reduction of minimum turnover tax, amendment of anti-industry laws such as SRO 641, etc. The Management will continue to make efforts to convince the Government to take the right steps.

We extend our gratitude to all our stakeholders for their continued support and pray to the Almighty for strength and guidance during these testing times.

For & on behalf of
International Industries Limited

Mustapha A. Chinoy
Chairman

Riyaz T. Chinoy
Chief Executive Officer

Karachi.
April 16, 2020

ڈائریکٹرز کی رپورٹ

برائے 31 مارچ 2020

آپ کی کمپنی کے ڈائریکٹرز بمسرت نوماہ کی مدت مختتمہ 31 مارچ 2020 کے مالیاتی اسٹیٹمنٹس پیش کرتے ہیں۔

دسمبر 2019 میں چین کے مرکزی حصے میں COVID-19 کی وبا پھوٹ پڑنے کے بعد دنیا بھر میں اس کا وائرس خطرناک حد تک تیزی سے پھیلنا شروع ہوگیا جس سے تقریباً تمام معاشی اور سماجی سرگرمیاں حقیقی طور پر بند ہوگئیں۔ پاکستان حال ہی میں توازنِ ادائیگی کے بحران سے نکلا تھا کہ ایک اور بحران کا سامنا کرنا پڑا جس کی وجہ سے گزشتہ سال حاصل کیے گئے اضافی فوائد بھی ختم ہونے لگے۔ صرف دو ہفتے سے بھی کم کی مدت میں روپے کی قدر میں 8% تک کمی ہوگئی جس سے ملک میں قوت خرید بھی کم ہوجائے گی۔

کمپنی کی 9 ماہ کے عرصے میں 14.9 بلین روپے کی فروخت ہوئی جو گزشتہ سال کی اسی مدت سے 23% کم ہے۔ اگرچہ پہلی سہ ماہی میں ہی ملک میں تعمیرات، آٹو موٹیو، گیس ٹرانسمیشن اور دیگر متعلقہ بنیادی صنعتوں کی جانب سے اسٹیل ٹیوبز اور پائپس کی طلب میں کمی کے آثار پیدا ہوگئے تھے اور COVID-19 کے بعد لاک ڈاؤن کی صورتحال میں ہمارا اگلا لائحہ عمل جاری بحران پر قابو کیلئے حکومتی پالیسی اور ویکسین کی تیاری اور تقسیم کیلئے درکار مدت پر منحصر ہوگا۔ تیسری سہ ماہی میں فروخت میں گزشتہ سال کے مقابلے میں 12% کمی ہوئی جس سے ہمارے مجموعی منافع پر COVID-19 کی عالمی وبا کے قلیل المدت اثرات کا اندازہ ہوتا ہے۔ برآمدات کی مقدار بھی گھٹ کر گزشتہ سال سے 45% کم کی سطح تک پہنچ گئی اور ہمارے کاروبار پر اثرات کا سلسلہ جاری رہا اور بین الاقوامی سطح پر اسٹیل کی قیمتوں میں زبردست کمی کے سبب مستقبل قریب میں خریداروں کے کم ہونے کی توقع ہے۔ تاہم ہمارے پولیمر اور اسٹین لیس اسٹیل کے شعبہ جات کی اچھی کارکردگی جاری ہے۔

کمپنی کا بعد از ٹیکس نقصان (LAT)، 461 ملین روپے (فی شیئر نقصان 3.49-) رہا۔

ہماری ذیلی کمپنی انٹرنیشنل اسٹیل لمیٹڈ (ISL) کی فروخت 38.5 ملین روپے ہوئی جو گزشتہ سال کی اسی مدت کے مقابلے میں 9% کم ہے۔ بعد از ٹیکس منافع (PAT)، 656 ملین روپے (فی شیئر آمدنی 1.51) رہا جو گزشتہ سال کے اسی عرصے کے مقابلے میں 72% کم ہے۔

موجودہ اختتامی مدت میں گروپ منافع کی مد میں بعد از ٹیکس منافع 71.6 ملین روپے حاصل ہوا جبکہ گزشتہ سال اسی عرصہ میں بعد از ٹیکس منافع 2,775.7 ملین روپے تھا COVID-19 سے پہلے بھی پاکستان کی معیشت نہایت مشکلات کا شکار تھی۔ آگے چل کر حالات میں مزید چیلنجز سامنے آئیں گے۔ پیش گوئی کی جارہی ہے کہ اس سال میں معیشت مزید سکڑ جائے گی۔ شرح سود میں یکے بعد دیگرے کمی اور بین الاقوامی قرض فراہم کرنے والے اداروں کی جانب سے اصل رقم کی واپسی کی مدت کے التواء سے خزانہ کو کافی ریلیف فراہم ہوگی۔ لیکن اصل معاشی سرگرمیوں کے آغاز کا بڑا انحصار حکومت کے ان نقد بہاؤ کے فائدے کو منصفانہ طور پر استعمال کے فیصلے اور اس کے ساتھ سرمایہ کاروں کے اعتماد میں اضافے اور معاشی نمو کیلئے مثبت اقدامات اٹھانے پر مبنی ہے۔

چند فوری اقدامات جیسے ایکسل لوڈ رجیم میں رعایت، کم سے کم ٹرن اوور ٹیکس کا خاتمہ / کمی، اینٹی انڈسٹری قوانین جیسے SRO 641 میں ترمیم وغیرہ، آپ کی کمپنی کیلئے فائدہ مند ثابت ہوسکتے ہیں۔ انتظامیہ حکومت کو درست اقدامات اٹھانے پر رضامند کرنے کیلئے اپنی کوششیں جاری رکھے گی۔

ہم اپنے اسٹیک ہولڈرز کے مستقل تعاون پر ان کے شکر گزار ہیں اور اللہ سے دعا کرتے ہیں کہ امتحان کی اس گھڑی میں ہمیں قوت اور رہنمائی عطا فرمائے۔

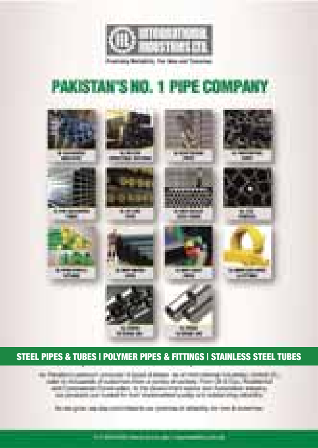
برائے اور منجانب

انٹرنیشنل انڈسٹریز لمیٹڈ

مصطفیٰ اے چنائے
چیئرمین

ریاض ٹی چنائے
چیف ایگزیکیٹو آفیسر

کراچی
16 اپریل 2020


PAKISTAN'S NO. 1 PIPE COMPANY
STEEL PIPES & TUBES | POLYMER PIPES & FITTINGS | STAINLESS STEEL TUBES

FINANCIAL **STATEMENTS**

Condensed Unconsolidated Statement of Financial Position

As at 31st March 2020

	Note	31 March 2020 (Un-audited)	30 June 2019 (Audited)
ASSETS		(Rupees in '000)	
Non-current assets			
Property, plant and equipment	5	**7,130,944**	7,360,485
Intangible assets		**1,318**	3,351
Investments	6	**3,277,276**	3,277,276
Long term deposits		**3,519**	3,519
		10,413,057	10,644,631
Current assets			
Stores and spares		**223,844**	215,528
Stock-in-trade	7	**9,562,972**	10,857,730
Trade debts - considered good	8	**3,200,012**	2,988,083
Advances, trade deposits and short-term prepayments	9	**47,689**	51,384
Receivable from K-Electric Limited (KE) - unsecured, considered good		**22,403**	30,124
Other receivables		**17,209**	9,523
Sales tax receivable		**333,782**	279,468
Cash and bank balances		**275,290**	250,700
		13,683,201	14,682,540
Total assets		**24,096,258**	25,327,171
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
200,000,000 (2019: 200,000,000) ordinary shares of Rs. 10 each		**2,000,000**	2,000,000
Share capital			
Issued, subscribed and paid-up capital		**1,318,819**	1,198,926
Revenue reserves			
General reserves		**2,700,036**	2,700,036
Un-appropriated profit		**2,736,747**	3,599,089
Capital reserve			
Revaluation surplus on property, plant and equipment		**2,372,807**	2,450,893
Total Shareholders' equity		**9,128,409**	9,948,944
LIABILITIES			
Non-current liabilities			
Long-term finance - secured	11	**1,572,927**	1,702,174
Staff retirement benefits		**138,715**	118,409
Deferred taxation - net		**309,526**	335,547
		2,021,168	2,156,130
Current liabilities			
Trade and other payables	12	**3,835,634**	2,764,019
Contract Liabilities		**165,546**	235,171
Short term borrowings - secured	13	**8,123,518**	9,425,130
Unpaid dividend		**21,154**	4,257
Unclaimed dividend		**20,994**	36,596
Current portion of long-term finance - secured		**369,089**	290,913
Taxation - net		**285,496**	322,545
Accrued mark-up		**125,250**	143,466
		12,946,681	13,222,097
Total liabilities		**14,967,849**	15,378,227
Contingencies and commitments	14		
Total equity and liabilities		**24,096,258**	25,327,171

The annexed notes 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.

Ehsan A. Malik	Muhammad Akhtar	Riyaz T. Chinoy
Director & Chairman Board Audit Committee	Chief Financial Officer	Chief Executive Officer

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

For the nine months ended 31st March 2020

	Note	Nine months ended 31 March 2020	Nine months ended 31 March 2019	Three months ended 31 March 2020	Three months ended 31 March 2019
		(Rupees in '000)			
Net sales	15	**14,893,970**	19,260,940	**4,450,151**	7,684,720
Cost of sales	16	**(13,802,337)**	(17,350,551)	**(4,098,987)**	(6,836,244)
Gross profit		**1,091,633**	1,910,389	**351,164**	848,476
Selling and distribution expenses	17	**(545,946)**	(697,155)	**(168,313)**	(265,740)
Administrative expenses	18	**(222,722)**	(235,865)	**(70,979)**	(81,775)
Impairment reversal on trade debts		**14,072**	10,571	**-**	(331)
		(754,596)	(922,449)	**(239,292)**	(347,846)
Finance cost	19	**(1,001,892)**	(682,838)	**(416,361)**	(283,461)
Other operating expenses	20	**(24,362)**	(67,887)	**(9,250)**	(24,763)
		(1,026,254)	(750,725)	**(425,611)**	(308,224)
Other income	21	**435,001**	1,518,433	**41,483**	421,133
(Loss) / Profit before taxation		**(254,216)**	1,755,648	**(272,256)**	613,539
Taxation	22	**(206,641)**	(397,993)	**(66,346)**	(176,796)
(Loss) / Profit after taxation		**(460,857)**	1,357,655	**(338,602)**	436,743
		(Rupees)			
			Restated		**Restated**
(Loss) / Earnings per share - basic and diluted		**(3.49)**	10.29	**(2.57)**	3.31

The annexed notes 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.

Ehsan A. Malik Director & Chairman Board Audit Committee	**Muhammad Akhtar** Chief Financial Officer	**Riyaz T. Chinoy** Chief Executive Officer

Condensed Unconsolidated Statement of Comprehensive Income (Un-audited)

For the nine months ended 31st March 2020

	Nine months ended		Three months ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	(Rupees in '000)			
(Loss) / Profit for the period	**(460,857)**	1,357,655	**(338,602)**	436,743
Other comprehensive income				
Items that are or may be reclassified to statement of profit or loss				
Effective portion of changes in fair value of cash flow hedges	**-**	-	**-**	-
Related deferred tax charge	**-**	-	**-**	-
Total comprehensive income - net of tax	**-**	-	**-**	-
Total comprehensive income	**(460,857)**	1,357,655	**(338,602)**	436,743

The annexed notes 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.

Ehsan A. Malik
Director & Chairman
Board Audit Committee

Muhammad Akhtar
Chief Financial Officer

Riyaz T. Chinoy
Chief Executive Officer

Condensed Unconsolidated Statement of Cash Flows (Un-audited)

For the nine months ended 31st March 2020

	Note	Nine months ended 31 March 2020	Nine months ended 31 March 2019
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		**(254,216)**	1,755,648
Adjustments for :			
Depreciation on property, plant and equipment		**397,216**	330,724
Amortization on intangible assets		**1,677**	3,963
Impairment reversal on trade debts		**(14,072)**	(11,071)
Income on bank deposits	21	**(907)**	(1,408)
Gain on disposal of property, plant and equipment	21	**(57,072)**	(94,026)
Dividend income	21	**(376,351)**	(1,133,212)
Provision for staff gratuity		**37,206**	35,649
Provision for compensated absences		**-**	4,950
Finance cost	19	**1,001,892**	682,838
		989,589	(181,593)
Changes in Working capital	23	**2,044,792**	(2,147,124)
Net cash generated from / (used in) operations		**2,780,165**	(573,069)
Finance cost paid		**(1,020,108)**	(579,844)
Staff gratuity paid		**(16,900)**	(35,649)
Compensated absences paid		**(4,801)**	(4,585)
Income tax paid		**(269,711)**	(304,511)
Net cash generated from / (used in) operating activities		**1,468,645**	(1,497,658)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(207,391)**	(1,115,232)
Proceeds from disposal of property, plant and equipment		**97,144**	117,099
Dividend income received		**376,351**	765,629
Income on bank deposits received		**907**	1,408
Net cash generated from / (used in) investing activities		**267,011**	(231,096)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term finance		**77,115**	24,554
Repayment of long term finance		**(128,186)**	(93,644)
Repayments of / (proceeds from) short term borrowing - net		**(2,077,408)**	231,500
Dividend paid		**(358,383)**	(772,441)
Net cash used in financing activities		**(2,486,862)**	(610,031)
Net increase / (decrease) in cash and cash equivalents		**(751,206)**	(2,338,785)
Cash and cash equivalents at beginning of the period		**(5,190,430)**	(6,103,192)
Cash and cash equivalents at end of the period		**(5,941,636)**	(8,441,977)
CASH AND CASH EQUIVALENTS COMPRISE OF :			
Cash and bank balances		**275,290**	161,759
Short term borrowings - secured		**(6,216,926)**	(8,603,736)
	23.1	**(5,941,636)**	(8,441,977)

The annexed notes 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.

Ehsan A. Malik Director & Chairman Board Audit Committee	**Muhammad Akhtar** Chief Financial Officer	**Riyaz T. Chinoy** Chief Executive Officer

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

For the nine months ended 31st March 2020

	Issued, subscribed and paid-up capital	Revenue Reserves: General reserves	Revenue Reserves: Un-appropriate profit / (loss)	Capital Reserve: Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)				
Balance as at 1 July 2018	1,198,926	2,700,036	3,037,210	1,958,211	8,894,383
Total comprehensive income for the period					
Profit for the period	-	-	1,357,655	-	1,357,655
Effect of change in tax rate on revaluation surplus on of property, plant & equip.				18,700	18,700
Other Comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	1,357,655	18,700	1,376,355
Transactions with owners of the Company - distributions:					
- Final dividend @ 65% (Rs. 6.50 per share) for the year ended 30 June 2018	-	-	(779,302)	-	(779,302)
-Interim dividend @ 25 % (Rs. 2.50 per share) for the year ended 30 June 2019	-	-	(299,732)	-	(299,732)
Total transactions with owners of the Company - distribution	-	-	(1,079,034)	-	(1,079,034)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	39,732	(39,732)	-
Transfer from surplus on revaluation on disposal of fixed assets - net of tax	-	-	7,975	(7,975)	-
Balance as at 31 March 2019	1,198,926	2,700,036	3,363,538	1,929,204	9,191,704
Balance as at 1 July 2019	1,198,926	2,700,036	3,599,089	2,450,893	9,948,944
Total comprehensive income for the period	-	-	(460,857)	-	(460,857)
Transactions with owners of the Company - distributions:					
- Final dividend @ 30% (Rs. 3.00 per share) for the year ended 30 June 2019	-	-	(359,678)	-	(359,678)
-Bonus shares @ 10% for the year ended 30 June 2019	119,893	-	(119,893)	-	-
Total transactions with owners of the Company - distribution	119,893	-	(479,571)	-	(359,678)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	66,448	(66,448)	-
Transfer from surplus on revaluation on disposal of fixed assets - net of tax	-	-	11,638	(11,638)	-
Balance as at 31 March 2020	**1,318,819**	**2,700,036**	**2,736,747**	**2,372,807**	**9,128,409**

The annexed notes 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.

Ehsan A. Malik
Director & Chairman
Board Audit Committee

Muhammad Akhtar
Chief Financial Officer

Riyaz T. Chinoy
Chief Executive Officer

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31st March 2020

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:

a) LX 15-16, Landhi Industrial Area, Karachi
b) Survey # 402,405-406, Dehshrabi Landhi Town, Karachi
c) 22 KM, Sheikhupura Road, Lahore

Sales offices are located at Lahore, Islamabad, Faisalabad, Peshawar and Multan.

Details of the Company's investment in subsidiaries and associated company are stated in note 6 to these financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim unconsolidated 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

- 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.

2.1.2 These condensed interim unconsolidated financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2019.

2.1.3 The comparative condensed unconsolidated statement of financial position presented in these condensed interim unconsolidated financial statements have been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2019, whereas the comparative condensed unconsolidated statement of profit or loss, condensed unconsolidated statement of comprehensive income, condensed unconsolidated statement of cash flows and condensed unconsolidated statement of changes in equity are extracted from the unaudited condensed unconsolidated financial statements for the period ended 31 March 2019.

2.1.4 These condensed interim unconsolidated financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for the Company's liability defined benefit plan (gratuity) which is determined on the present value of defined benefit obligations less fair value of plan assets determined by an independent actuary, land & buildings at revalued amounts assessed by an independent valuer and derivative financial instruments which are stated at fair value.

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. The accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated 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 30 June 2019.

Certain amendment and interpretation to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on the accounting policies of the company.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2020:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future.. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on Company's financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of condensed interim unconsolidated 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 the judgments 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 financial statement as at and for the year ended 30 June 2019.

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 30 June 2019.

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work-in-progress (incl.,capital spares)	Total
	(Rupees in '000)		
Cost / revalued amount			
Opening balance	10,012,468	50,702	10,063,170
Additions	-	210,746	210,746
Transfers	179,057	(179,057)	-
Disposal	(138,852)	-	(138,852)
	10,052,673	82,391	10,135,064
Accumulated depreciation			
Opening balance	(2,702,685)	-	(2,702,685)
Charge for the period	(400,215)	-	(400,215)
Disposal	98,780	-	98,780
	(3,004,120)	-	(3,004,120)
Written down value as at 31 March 2020 (Un-audited)	7,048,553	82,391	7,130,944
Written down value as at 30 June 2019 (Audited)	7,309,783	50,702	7,360,485

6. INVESTMENTS

31 March 2020 (Un-audited)	30 June 2019 (Audited)		Note	31 March 2020 (Un-audited)	30 June 2019 (Audited)
(Number of shares)				(Rupees in '000)	
Quoted companies					
245,055,543	245,055,543	International Steels Limited (ISL) - subsidiary company at cost	6.1	2,450,555	2,450,555
6,092,470	6,092,470	Pakistan Cables Limited (PCL) - associate company at cost	6.2	817,553	817,553
Un-quoted company					
100,000	100,000	IIL Australia Pty Limited (IIL Australia) - subsidiary company at cost	6.3	9,168	9,168
				3,277,276	3,277,276

6.1 The Company holds 56.33% ownership interest in ISL. The Chief Executive of ISL is Mr. Yousuf H. Mirza.

6.1.1 The Company has pledged 500,000 shares of International Steels Limited in the Sindh High Court as explained in note 15.1.8.

6.2 The Company holds 17.124% ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K.Chinoy.

6.3 The Company holds 100% ownership interest in IIL Australia. The Chief Executive Officer of IIL Australia is Mr. Sohail Raza Bhojani. The Company is incorporated in Victoria, Australia.

6.4 Market value of the aforementioned quoted investments is as follows:

	31 March 2020 (Un-audited)	30 June 2019 (Audited)
Quoted	(Rupees in '000)	
International Steels Limited at Rs.36.19 (2019: Rs. 39.71) per share	8,868,560	9,731,156
Pakistan Cables Limited at Rs.89.06 (2019: Rs. 140.52) per share	542,595	856,114

6.4.1 Market values of the investments disclosed above is categorised as Level 1 fair value measurement. No impairment loss has been recognized because the recoverable amount of the investment in associated company exceeds its carrying amount.

6.5 The book value of IIL Australia based on un-audited financial statements as at 31 March 2020 is AUD 46,786 (Rs. 4.826 million). [2019: AUD 177,569 (Rs. 20.42 million)].

7. STOCK-IN-TRADE

	31 March 2020 (Un-audited)	30 June 2019 (Audited)
	(Rupees in '000)	
Raw materials- in hand	4,175,440	5,186,733
- in transit	1,651,221	1,721,549
	5,826,661	6,908,282
Work-in-process	1,539,607	1,516,682
Finished goods	2,196,704	2,432,766
	9,562,972	10,857,730

7.1 Raw materials amounting to Rs. 1.7 million as at 31 March 2020 (30 June 2019: Rs. 4.9 million) was held at vendor premises for the production of pipe caps.

8. TRADE DEBTS

Considered good - secured	228,383	86,154
- unsecured	2,971,629	2,901,929
Considered doubtful	131,695	145,767
	3,331,707	3,133,850
Provision for impairment on trade debts	(131,695)	(145,767)
	3,200,012	2,988,083

8.1 Related parties from whom debts are due are as under:

IIL Australia Pty Limited	608,373	581,091
Pakistan Cables Limited	419	9,695
	608,792	590,786

9. ADVANCES, TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Considered good - unsecured		
- Suppliers	25,966	40,927
- Employees for business related expenses	3,529	440
Trade deposits	6,775	4,352
Short term prepayments	11,419	5,665
	47,689	51,384

10. OTHER RECEIVABLES

Considered good - unsecured		
- Insurance claim	15,884	9,341
- Others	1,325	182
	17,209	9,523
Considered doubtful		
- Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier periods	25,940	25,940
	43,149	35,463
- Provision for receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in prior periods	(25,940)	(25,940)
	17,209	9,523

11. LONG-TERM FINANCE - secured	Note	**31 March 2020 (Un-audited)**	30 June 2019 (Audited)
		(Rupees in '000)	
Conventional			
Long Term Finance Facility (LTFF)	11.1	**1,342,173**	1,402,179
Islamic			
Diminishing Musharakah	11.2	**599,843**	590,908
		1,942,016	1,993,087
Current portion of long term finances shown under current liabilities			
Conventional			
Long Term Finance Facility (LTFF)		**(232,725)**	(154,549)
Islamic			
Diminishing Musharakah		**(136,364)**	(136,364)
		(369,089)	(290,913)
		1,572,927	1,702,174

11.1 Conventional

The Company has approved financing facilities of amounts aggregating to Rs.1,550 million. As at 31 March 2020 the Company has withdrawn Rs. 1,342.2 million (2019: Rs. 1,402.1 million) against these facilities. These facilities are secured by way of charge on all present and future land and buildings, plant and machinery located at plot number LX-15 & 16 and HX-7/4, Landhi Industrial Estate Karachi and Survey No.402, 405-406, Dehsharabi Landhi

11.2 Islamic

The Company has approved financing facilities under Diminishing Musharakah of amounts aggregating to Rs.599.8 million (30 June 2019: Rs.590.9 million) which are fully utilised. These facilities are secured by way of a mortgage on all present and future land and buildings, plant and machinery located at plot number LX-15 & 16 and HX-7/4, Landhi Industrial Estate Karachi and Survey No.402,405-406, Dehsharabi, Landhi Town, Karachi.

12. TRADE AND OTHER PAYABLES	Note	**31 March 2020 (Un-audited)**	30 June 2019 (Audited)
		(Rupees in '000)	
Trade creditors		**1,294,147**	125,238
Bills payable		**1,084,051**	1,003,235
Accrued expenses		**753,558**	999,177
Provision for Infrastructure Cess	12.1	**528,835**	477,586
Short-term compensated absences		**1,799**	6,600
Workers' Profit Participation Fund		**2263**	5,171
Workers' Welfare Fund		**122,184**	121,155
Others		**48,797**	25,857
		3,835,634	2,764,019

12.1 Provision for Infrastructure Cess

Opening balance	**477,586**	401,376
Provided during the year	**51,249**	76,210
Closing balance	**528,835**	477,586

13. SHORT TERM BORROWINGS - secured	Note	31 December 2019 (Un-audited)	30 June 2019 (Audited)
		(Rupees in '000)	
Conventional			
Running finance under mark-up arrangement from banks	13.1	**1,447,194**	868,485
Short-term borrowing under Money Market scheme			
Maturing after three months		**-**	500,000
Maturing within three months		**3,970,700**	4,216,850
	13.2	**3,970,700**	4,716,850
Short-term borrowing under Export Refinance scheme	13.3	**250,000**	2,176,000
Running finance under FE-25 Export and Import Scheme	13.4	**1,656,592**	-
Islamic			
Short term borrowing under running Musharakah	13.5	**799,032**	355,795
Short term borrowing under term Murabaha	13.6	**-**	1,308,000
		8,123,518	9,425,130

13.1 The facilities for running finance available from various commercial banks amounted to Rs. 3,288 million (2019: Rs.3,342.5 million). The rates of mark-up on these finances range from 11.45% to 14.39% per annum (2019: 11.44% to 13.04% per annum). Unavailed facility as at the period end amounted to Rs. 1,841 million (2019: Rs. 2 474 million)

13.2 The facilities for short term borrowing under Money Market Scheme available from various commercial banks under mark-up arrangement amounted to Rs. 7,525 million (2019: Rs. 5,270 million).Unavailed facility as at the period end amounted to Rs. 3,554 million (2019: Rs. 553.1 million). The rates of mark-up on these finances range from 11.56% to 13.82% (2019: 11.04% to 13.06%) per annum.

13.3 The Company has borrowed short term finance under the Export Refinance Scheme of the State Bank of Pakistan. The facility availed is for an amount of Rs. 250 million (2019: Rs. 2,176 million). The rate of mark-up on this facility is 3.00% per annum (2019: 2.50% to 3.00% per annum).

13.4 The Company has borrowed short term finance under Foreign Exchange Circular No. 25 dated 20 June 1998 of the SBP for the purpose of meeting import requirements. The facilities availed is for an amounts aggregating of USD 9.97 million equivalent to Rs.1,657 million (30 June 2019: Nil). The rate of mark-up on these finance is 2.93% per annum (30 June 2019: per annum).

13.5 The facilities for running Musharakah available from various banks amounted to Rs. 2,000 million (2019: Rs. 1,500 million). The rates of mark-up on these finance is 14.62% per annum (2019: 13.10% per annum). Unavailed facility as at the period end amounted to Rs. 1,201 million (2019: Rs. 1,144 million).

13.6 The Company obtained loan from Standard Chartered Bank, UK - Dubai International Finance Centre Branch through Standard Chartered Bank (Pakistan) Limited amounting to USD 8 million equivalent to fixed amount of Rs.1,308 million for meeting working capital requirement. The tenor of the loan was six months i.e. from 26 June 2019 to 26 December 2019. The price of loan was six months KIBOR minus 0.28%. As per the term of agreement, Standard Chartered Bank (Pakistan) obtained forward cover on behalf of the Company to hedge foreign currency

13.7 All running finance and short term borrowing facilities are secured by way of hypothecation of all present and future current and moveable assets.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

	Description of the factual basis of the proceeding and relief sought	Name of the court / institution	Principal parties	Date Instituted
14.1.1	Customs duties amounting to Rs. 1.4 million as at 31 March 2020 (2019: Rs. 40.5 million) on import of raw material shall be payable by the Company in case of non-fulfilment of certain conditions imposed by the customs authorities under SRO 565(1) / 2006. The Company has provided post-dated cheques in favor of the Collector of Customs which are, in the normal course of business, to be returned to the Company after fulfilment of stipulated conditions. The Company has fulfilled the conditions for the aforementioned amounts and is making efforts to retrieve the associated post-dated cheques from the customs authorities.	Customs	Collector of Customs / Federation of Pakistan	2005
14.1.2	An amount of Rs. 375 million was claimed by the customs authorities as duty rate differential on imports made during 2005-10 due to an anomaly in SRO 565(1) / 2006 Serial 88. Since then, the anomaly has been rectified. The Company filed a petition with the Honorable Sindh High Court in 2010 for an injunction and is awaiting the final judgement. The management is confident that the decision will be given in favor of the Company.	Sindh High Court	Collector of Customs / Federation of Pakistan	15-01-2010
14.1.3	The customs authorities have charged a redemption fine of Rs. 83 million on clearance of imported raw material consignments in 2006. The Company has filed an appeal before the Honorable Sindh High Court, which has set aside the examination reports including subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities had filed an application for leave to appeal against the order of the Honorable High Court. The management anticipates that the chances of admission of such appeal are remote.	Sindh High Court	Collector of Customs / Federation of Pakistan	30-08-2007
14.1.4	The Company filed a Suit before Honorable Sindh High Court (SHC) for declaration and permanent injunction in 2002 against Infrastructure Fee (levy) levied through Sindh Finance Act 1994. Single bench of SHC vide its order (order) declared the levy constitutional, which was challenged by the Company through filing an appeal against the said order in 2004. In the appeal proceedings, larger bench of SHC granted a relief in 2006, by allowing the clearance of imported goods subject to submission of security / bank guarantees. Company submitted guarantees amounting to Rs.115 million for release of goods attracting levy of Rs.107 million. The SHC decided the matter on 17 September 2008 declaring the levy before 28 December 2006 as void and invalid. Excise and Taxation Department filed an appeal before the Honorable Supreme Court of Pakistan (SCP) against the order dated 17 September 2008 hence the guarantees were not released as the matter was sub-judice. Subsequently, in May 2011, the SCP disposed-off the appeal by referring the matter back to the SHC. On 31 May 2011, the SHC ordered returning the bank guarantees in respect of the consignments released up to 27 December 2006. In respect of consignments to be released subsequent to 27 December 2006 SHC ordered to pay 50% of the amount and submit bank guarantees for the balance amount. Bank guarantees amounting to Rs. 653 million (2019: Rs. 595 million) which includes afore-mentioned bank guarantees of Rs. 115 million are outstanding as at 31 March, 2020. As a matter of prudence, company is making provision for the balance amount, which as at 31 March, 2020 amounts to Rs. 528.5 million (2019: Rs.477.6 million) as disclosed in note 12.1. Subsequently, in 2017 the Department vide Sindh Finance Act 2015 & 2016 enhanced the levy by 100%. On 24 October 2017 the Company has obtained stay from the SHC against the enhancement. The SHC has clubbed all the cases pertaining to the levy for final disposal.	Sindh High Court	Secretary Excise and Taxation / Federation of Pakistan	28-10-2002
14.1.5	The Gas Infrastructure Development Cess (GIDC) Act, 2011 was passed by the National Assembly on 25th November, 2011 as a Money Bill pursuant to Article 73 of the constitution of Pakistan 1973 for raising funds for development of infrastructure related to transnational gas pipelines and Liquefied Natural Gas (LNG) projects, which was challenged before the courts. The Act of 2011 was declared as ultra vires to the Constitution of Pakistan, 1973. The Federal Government filed an appeal in the Supreme Court of Pakistan which in its judgment dated 22.08.2014, held that since GIDC is a fee and not a 'Tax' and alternatively GIDC is also not covered by any entry relating to imposition or levy of tax under Part-I of the Federal Legislative list and on either counts it could not have been introduced through a money bill and the same was therefore not validly levied in accordance with the Constitution of Pakistan, 1973.			

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31st March 2020

	Description of the factual basis of the proceeding and relief sought	Name of the court / institution	Principal parties	Date Instituted
	On September 24, 2014, the government promulgated the GIDC Ordinance, 2014. However, this was also challenged in various courts of law. The government, with the approval of Parliament, in May, 2015 promulgated GIDC Act, 2015 after addressing the lacuna pointed out by the Supreme Court of Pakistan with specific reference to the laying of a bill under Article 70 of the Constitution of Pakistan 1973. Section 8 of the GIDC Act, 2015 provides validation of Cess levied, charged, collected or realized under the GIDC, Act, 2011 and GIDC Ordinance, 2014. By virtue of GIDC Act, 2015, all prior enactments have been declared infructuous and the said Act levies GIDC at Rs. 100 per MMBTU on industrial consumption and Rs. 200 per MMBTU on captive power consumption, effective 01 July 2011. Based on the recommendations of a special committee constituted by the senate , the GIDC Amendment Act, 2018 was approved by the Parliament in May, 2018. However the amendment was also challenged in various courts of Law by a specified sector. The Company has obtained a stay order on the retrospective imposition of the levy vide GIDC Act, 2015 from the Sindh High Court. The Company is confident of favorable outcome and therefore has not recorded, to the extent of self consumption, a provision of Rs. 95.1 million (from 01 July 2011 till 22 May 2015) in these financial information. However, the Company made a provision of GIDC to the extent of its self consumption from May 2015 onwards. On 26 October 2016, the High Court of Sindh held that enactment of GIDC Act, 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of Sindh High Court. This appeal filed before the Divisional Bench of High Court of Sindh was dismissed on the ground that Learned Single Judge while passing the impugned judgement has considered all the material facts and also the relevant provisions of Oil and Gas Regulatory Authority (OGRA) and has correctly applied the factual position. Such decision has been challenged in appeal before Supreme Court of Pakistan, wherein the Company is not the party and decision is pending. On 31 May 2017, separate petition filed by another company in the Peshawar High Court challenging the vires of the GIDC Act 2015 was dismissed for the reason that the Act has been passed by the Parliament strictly in accordance with the legislative procedure contained in the Constitution of Pakistan and therefore no procedural defect in the Act which could be made as a ground for its annulment. In light of the aforementioned developments, the Company on the prudent basis continue to recognise provision after the passage of the Act. Further the Company has not recognized GIDC amounting to Rs. 104.4 million (2019: Rs. 89.65 million) pertaining to period from 01 July 2011 to 31 March 2020 with respect to its captive power plant from which power generation is supplied to K-Electric Limited. Management considers that, in the event such levy is imposed, it shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).	Sindh High Court	OGRA / SSGC / Federation of Pakistan	08-01-2012
14.1.6	Sindh Revenue Board (SRB) issued a notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014. The Company filed a constitutional petition in the Sindh High Court, challenging the said unlawful demand on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan. The Sindh High Court granted stay order in favor of the Company declaring exemption on the basis that the Company being a trans-provincial establishment is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971. In a separate case, the Sindh High Court has dealt on the subject of trans-provincial establishment in its judgement with a conflicting view.	Sindh High Court	SRB / Government of Sindh	06-09-2017
14.1.7	Oil and Gas Regulatory Authority (OGRA) revised the gas tariff to Rs.600/- MMBTU by increasing the gas tariff by Rs.112/- per MMBTU vide its notification dated 30 December 2016 disregarding the protocol laid down in OGRA Ordinance, 2002. The Company filed a suit before the Sindh High Court (the Court) challenging the increase in gas tariff. The Court granted a stay order subject to submission of security for the differential amount with the Nazir of the Court. The Company has issued cheques amounting to Rs 99.5 million (2019: Rs.99.5 million) in favor of Nazir of the court up to December OGRA has further revised the gas tariff to Rs.780/- per MMBTU by increasing the gas tariff by Rs.180/- vide its notification dated 4 October, 2018. The Company has filed a petition before the Court challenging such further revision and the matter is partially heard. Pending the decision on the matter Company is settling the bills at the revised rate.	Sindh High Court	OGRA / SSGC / Federation of Pakistan	19-01-2017

	Description of the factual basis of the proceeding and relief sought	Name of the court / institution	Principal parties	Date Instituted
14.1.8	The Company filed the suit before the Sindh High Court (Court) challenging the chargeability of tax on inter corporate dividend in respect of dividend declared by its subsidiary, International Steels Limited. On 21 October 2016 Court granted stay against which 500,000 shares of subsidiary company were pledged as a security with Nazir of the Court. In one of the litigation to which Company is not a party, Supreme Court of Pakistan issued an order on 21 February 2018 whereby continuity of suits was made subject to depositing minimum 50% of the tax calculated by the tax authorities. A review petition has been filed against such order of the Supreme Court in which Company is not a party and the decision is awaited. In view of such developments the suit has been withdrawn and a petition has been filed before the Court, which is pending hearing. Application for release of pledged shares is in process. On a separate application challenging the chargeability of tax on inter corporate dividend, stay is granted by the Court in respect of dividends declared by the subsidiary company on 02 June 2017, 26 September 2017 and 23 January 2018 against bank guarantees amounting to Rs.76.6 million, Rs.36.8 million and Rs.55.1 million respectively submitted to the Nazir of the Court. Furthermore, in separate petitions filed by the company on the same subject matter, stay is granted by the Court in respect of dividends declared by the subsidiary company on 25 September 2018, 25 January 2019 and 25 September 2019.	Sindh High Court	FBR / Commissioner Inland Revenue / Federation of Pakistan	11-01-2016
14.1.9	International Industries Limited has filed Constitutional Petition No D-8449 of 2019 to challenge the impugned implementation of the excessive and retrospective amendment brought about in Section 65B of the Income Tax Ordinance 2001 via the Finance Act, 2019. The petition was heard and an interim stay was granted, wherein the Company is allowed to to submit its returns manually or by making adjustment In e- portal / computer system as provisional interim arrangement as per un-amended provisions of 65B of the Income Tax Ordinance 2001 (prior to amendment through Finance Act 2019). Whereas the concerned authorities are instructed not to take any no coercive with regards to 65B.	Sindh High Court	Federation of Pakistan / Federal Board of Revenue / Commissioner Inland Revenue	26-12-2019

14.1.10 Guarantees issued in favor of Sui Northern Gas Pipe Lines Limited by banks on behalf of the Company amounted to Rs. 271.1 million (2019: Rs. 299.42 million) as performance security for goods to be supplied by the Company.

14.1.11 Guarantees issued in favor of Sui Southern Gas Company Limited by banks on behalf of the Company to Rs. 52.5 million (2019: Rs. 97.36 Million) as performance security for goods to be supplied by the Company.

14.1.12 Guarantee issued in favor of Sui Southern Gas Company Limited by bank on behalf of the Company amounted to Rs. 107.2 million (2019: Rs.94.94 million) as a security for supply of gas.

14.1.13 Standby letter of credit issued in favor of Sui Northern Gas Pipe Lines Limited by bank on behalf of the Company amounted to Rs. 59.57 million (2019: Rs.59.57 million) as a security for supply of Regasified Liquefied Natural Gas (RLNG).

14.1.14 Guarantee issued in favor of Lahore Electric Supply Company by bank on behalf of the Company amounted to Rs. 5.83 million (2019: Rs. 5.83 million) as a security for supply of electricity.

14.1.15 Guarantee issued in favor of Pakistan State Oil Company Limited by bank on behalf of the Company amounted to Rs. 59.00 million (2019: Rs. 59.00 million) for supply of fuel and lubricants.

14.1.16 Guarantee issued in favor of K-Electric by bank on behalf of the Company amounted to Rs. 0.83 million (2019: Rs.0.83 million) as performance security for goods to be supplied by the Company.

14.1.17 Guarantee issued in favor of Aga Khan Planning & Building Service Pakistan by bank on behalf of the Company amounted to Rs. Nil (2019:Rs.2.00 million) as performance security for goods to be supplied by the Company.

14.1.18 Guarantees issued in favor of Sui Northern Gas Pipe Lines Limited by the bank on behalf of the Company amounted to Rs. 26.8 million (2019: Rs.22.00 million) as security for holding the bids (bid bond) submitted in tenders.

14.1.19 Guarantees issued in favor of Sui Southern Gas Company Limited by the bank on behalf of the Company amounted to Rs. 4.1 million (2019: 0.81million) as security for holding the bids (bid bond) submitted in tenders

14.1.20 Guarantees issued in favor of Small Industrial Development Board Peshawar by the bank on behalf of the Company amounted to Rs. 5.0 million (2019: nil) as performance security for goods to be supplied by the Company.

	Description of the factual basis of the proceeding and relief sought	Name of the court / institution	Principal parties	Date Instituted

14.2 Commitments

14.2.1 Capital expenditure commitments outstanding as at 31 March 2020 amounted to Rs. 53.1 million (2019: Rs. 23.6 million).

14.2.2 Commitments under letters of credit for raw materials and stores and spares as at 31 March 2020 amounted to Rs.1,083.7 million (2019:Rs. 875.7 million).

14.2.3 Commitments under purchase contracts as at 31 March 2020 amounted to Rs. 3.6 million (2019: Rs. 243.5 million).

14.2.4 Unavailed facilities for opening letters of credit and guarantees from banks as at 31 March 2020 amounted to Rs. 7,570 million (2019: Rs. 8,311 million) and Rs. 837 million (2019: Rs. 620 million) respectively.

14.2.5 Postdated cheques issued in favor of Collector of Customs for imported items cleared under manufacturing bond amounted to Rs. 2,548.8 million (2019: 3,107.93 million).

14.2.6 Post dated cheques issued in favor of Collector of Customs for differential of sales tax on imports of machinery amounted to Rs. 0.2 million (2019: Rs.14.3 million).

14.2.7 Post dated cheques issued in favor of Collector of Customs for various disputed claims amounted to Rs.166.83 million(2019:Rs.166.83 million).

15. NET SALES

	Nine months ended		Three months ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	(Un-audited)			
	(Rupees in '000)			
Local	**16,305,710**	19,459,875	**4,793,318**	8,349,061
Export	**1,856,664**	3,254,665	**611,988**	723,752
	18,162,374	22,714,540	**5,405,306**	9,072,813
Sales Tax	**(2,394,758)**	(2,739,439)	**(697,224)**	(1,159,285)
Domestic trade discounts	**(848,968)**	(694,385)	**(245,804)**	(223,331)
Export commission and discounts	**(24,678)**	(19,776)	**(12,127)**	(5,477)
	(3,268,404)	(3,453,600)	**(955,155)**	(1,388,093)
	14,893,970	19,260,940	**4,450,151**	7,684,720

15.1. DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

Primary geographical markets:				
Local	**13,061,984**	16,026,051	**3,850,290**	6,966,445
Asia	**858,704**	1,057,230	**316,754**	311,051
Europe	**285,361**	678,076	**140,525**	240,240
Australia	**646,715**	876,207	**119,001**	130,928
Americas	**41,206**	623,376	**23,581**	36,056
	14,893,970	19,260,940	**4,450,151**	7,684,720
Major Product Lines:				
Steel segment	**13,240,848**	17,904,932	**3,737,427**	6,868,120
Polymer segment	**1,653,122**	1,356,008	**712,724**	816,600
	14,893,970	19,260,940	**4,450,151**	7,684,720

16. COST OF SALES

Raw material consumed				
Opening stock of raw material	**5,186,733**	4,384,947	**4,192,288**	5,009,838
Purchases	**11,035,771**	17,565,203	**3,582,892**	6,736,199
	16,222,504	21,950,150	**7,775,180**	11,746,037
Closing stock of raw material	**(4,175,440)**	(5,541,821)	**(4,175,440)**	(5,541,821)
Manufacturing overheads	**12,047,064**	16,408,329	**3,599,740**	6,204,216
Salaries, wages and benefits	**629,363**	758,843	**199,917**	256,772
Rent, rates and taxes	**310**	1,963	**100**	1,571
Electricity, gas and water	**308,908**	281,611	**95,987**	106,947
Insurance	**7,017**	6,815	**2,363**	2,468
Security and janitorial	**25,074**	25,376	**8,176**	8,294
Depreciation and amortisation	**369,766**	305,527	**122,730**	109,105
Operational supplies & consumables	**60,375**	78,263	**17,203**	28,704
Repairs and maintenance	**82,742**	105,758	**20,896**	40,414
Postage, telephone and stationery	**7,417**	9,694	**1,954**	3,597
Vehicle, travel and conveyance	**14,910**	16,237	**4,479**	6,039
Internal material handling	**26,713**	29,639	**7,384**	9,794
Environment controlling expenses	**276**	290	**78**	152
Sundries	**3,792**	4,149	**661**	1,052
Toll manufacturing expenses	**5,473**	-	**299**	-
	1,542,136	1,624,165	**482,227**	574,909
	13,589,200	18,032,494	**4,081,967**	6,779,125

		Nine months ended		Three months ended	
		31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
		(Un-audited)			
		(Rupees in '000)			
	Work-in-process				
	Opening stock	**1,516,682**	1,409,862	**1,425,924**	1,485,606
	Closing stock	**(1,539,607)**	(1,334,681)	**(1,539,607)**	(1,334,681)
		(22,925)	75,181	**(113,683)**	150,925
	Cost of goods manufactured	**13,566,275**	18,107,675	**3,968,284**	6,930,050
	Finished goods, by-products and scrap:				
	- Opening stock	**2,432,766**	2,369,419	**2,327,407**	3,032,737
	- Closing stock	**(2,196,704)**	(3,126,543)	**(2,196,704)**	(3,126,543)
		236,062	(757,124)	**130,703**	(93,806)
		13,802,337	17,350,551	**4,098,987**	6,836,244
17.	**SELLING AND DISTRIBUTION EXPENSES**				
	Freight and forwarding	**330,164**	448,941	**96,362**	183,721
	Salaries, wages and benefits	**128,821**	133,012	**44,623**	44,808
	Rent, rates and taxes	**1,441**	1,243	**606**	363
	Electricity, gas and water	**6,290**	5,126	**1,555**	1,875
	Insurance	**712**	3,339	**193**	279
	Depreciation and amortisation	**10,983**	11,259	**3,597**	3,783
	Repairs and maintenance	**458**	801	**112**	164
	Advertising and sales promotion	**31,144**	57,570	**11,820**	16,513
	Postage, telephone and stationery	**4,571**	5,622	**1,163**	2,411
	Office supplies	**28**	128	**17**	7
	Vehicle, travel and conveyance	**18,532**	18,368	**5,655**	5,795
	Certification and registration charges	**2,217**	3,619	**1,170**	2,418
	Others	**10,585**	8,127	**1,440**	3,603
		545,946	697,155	**168,313**	265,740
18.	**ADMINISTRATIVE EXPENSES**				
	Salaries, wages and benefits	**144,888**	163,790	**48,635**	56,622
	Rent, rates and taxes	**116**	123	**-**	-
	Electricity, gas and water	**1,909**	1,993	**446**	419
	Insurance	**1,172**	1,213	**268**	353
	Depreciation and amortisation	**12,343**	11,912	**3,680**	4,024
	Repairs and maintenance	**1,736**	1,167	**811**	439
	Postage, telephone and stationery	**7,983**	8,531	**2,594**	3,003
	Office supplies	**497**	493	**237**	200
	Vehicle, travel and conveyance	**9,381**	9,880	**2,459**	2,492
	Legal and professional charges	**10,769**	13,400	**2,158**	7,883
	Certification and registration charges	**10,623**	4,633	**2,621**	1,777
	Directors' fees	**4,800**	4,500	**1,125**	1,275
	Others	**16,505**	14,230	**5,945**	3,288
		222,722	235,865	**70,979**	81,775
19.	**FINANCE COST**				
	Conventional				
	- Mark-up on long term finances	**99,623**	70,038	**33,171**	27,377
	- Mark-up on short term borrowings	**548,496**	486,654	**161,044**	195,295
		648,119	556,692	**194,215**	222,672
	Islamic				
	- Profit on diminishing Musharakah	**55,190**	43,146	**17,698**	17,698
	- Profit on running Murabaha	**89,638**	67,917	**772**	35,647
		144,828	111,063	**18,470**	53,345
	Exchange loss and others	**197,611**	-	**200,019**	-
	Interest on Workers' Profit Participation Fund	**600**	-	**-**	-
	Bank charges	**10,734**	15,083	**3,657**	7,444
		1,001,892	682,838	**416,361**	283,461

			Nine months ended		Three months ended	
		Note	31 March 2020	31 March 2019	31 March 2020	31 March 2019
			(Un-audited)			
			(Rupees in '000)			
20.	**OTHER OPERATING EXPENSES**					
	Auditors' remuneration		**2,699**	2,511	**647**	748
	Donations		**2,350**	11,645	**-**	2,025
	Workers' Profit Participation Fund		**2,574**	31,890	**2,574**	12,609
	Workers' Welfare Fund		**1,029**	14,856	**1,029**	5,091
	Business development expense		**15,710**	6,985	**5,000**	4,290
			24,362	67,887	**9,250**	24,763
21.	**OTHER INCOME**					
	Income from financial assets					
	Income on bank deposits - conventional		**907**	1,408	**312**	518
	Exchange (loss) / gain		**(30,992)**	272,225	**3,650**	11,130
					-	-
	Income from non-financial assets				**-**	-
	Income from power generation	21.1	**(3,033)**	(30)	**(3,529)**	(958)
	Gain on disposal of property, plant and equipment		**57,072**	94,026	**18,393**	23,153
	Rental income from subsidiary company		**34,635**	18,036	**22,710**	10,195
	Dividend income from associated company		**6,092**	21,324	**-**	-
	Dividend income from subsidiary company		**370,259**	1,111,888	**-**	376,722
	Others		**61**	(444)	**(53)**	373
			435,001	1,518,433	**41,483**	421,133
21.1.	**Income from power generation**					
	Net sales		**98,179**	77,746	**30,362**	18,421
	Cost of electricity produced		**(101,212)**	(77,776)	**(33,891)**	(19,379)
			(3,033)	(30)	**(3,529)**	(958)
22	**TAXATION**					
	Current					
	- for the year		**248,662**	441,726	**84,421**	166,796
	- for prior years		**(16,000)**	-	**-**	-
			232,662	441,726	**84,421**	166,796
	Deferred		**(26,021)**	(43,733)	**(18,075)**	10,000
			206,641	397,993	**66,346**	176,796
23.	**CHANGES IN WORKING CAPITAL**					
	(Increase) / decrease in current assets:					
	Store and spares		**(8,316)**	(106,427)		
	Stock-in-trade		**1,294,758**	(1,805,610)		
	Trade debts		**(197,857)**	(1,403,789)		
	Advances, trade deposits and short term-prepayments		**3,695**	1,013,256		
	Receivable from K-Electric Limited (KE)		**7,721**	7,472		
	Other receivables		**(62,000)**	69,593		
			1,038,001	(2,225,505)		
	Increase / (decrease) in current liabilities:					
	Trade and other payables		**1,076,416**	155,863		
	Contract liabilities		**(69,625)**	(77,482)		
			2,044,792	(2,147,124)		
23.1	**CASH AND CASH EQUIVALENTS**	Note				
	Cash and bank balances		**275,290**	161,759		
	Running finance under mark-up arrangement from banks	13	**(1,447,194)**	(3,041,392)		
	Short-term borrowing under Money Market scheme maturing within three months	13	**(3,970,700)**	(4,205,000)		
	Short term borrowing under running Musharakah	13	**(799,032)**	(1,357,344)		
			(5,941,636)	(8,441,977)		

24. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the subsidiary companies, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. The contributions to 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 their terms of employment / entitlement.

24.1. Transactions with related parties

	Nine months ended		Three months ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(Rupees in '000)			
	Un-audited			
Subsidiaries				
Sales	**770,525**	911,436	113,234	134,843
Purchases	**1,572,505**	6,495,527	-	2,533,510
Cost of shared resources	**47,118**	57,622	16,848	16,663
Partial manufacturing - purchases (inclusive of sales tax)	**6,431**	54	378	-
Reimbursement of expenses incurred on behalf of the Company	**18,897**	6,160	5,845	2,703
Rental income	**34,635**	18,036	22,710	10,196
Dividend received	**370,259**	1,102,750	-	367,583
Associated companies				
Sales	**85,182**	-	77,701	-
Purchases	**9,349**	11,779	-	5,144
Reimbursement of expenses	**539**	1,795	334	350
Insurance premium	**1,935**	2,620	-	868
Insurance claim	**606**	5,719	-	1,775
Dividend received	**6,092**	30,463	-	9,139
Dividend paid	**1,728**	5,184	-	1,440
Bonus shares issued 57,600 shares	**576**	-	-	-
Subscription	**2,177**	-	-	-
Registration and training	**273**	1,290	-	800
Key management personnel				
Remuneration	**206,667**	215,867	69,963	70,157
Staff retirement funds				
Contribution paid	**50,017**	71,652	16,666	18,201
Non-executive directors				
Directors' fee	**4,800**	4,500	1,125	1,275
Reimbursement of Chairman's expenses	**7,402**	6,038	2,767	2,052

25. SEGMENT REPORTING

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

25.1 Segment Revenue and Results

	Steel segment	Polymer segment	Investments segment	Total
	(Rupees in '000)			
For the nine months ended 31 March 2020				
Sales	**13,240,848**	**1,653,122**	**-**	**14,893,970**
Cost of sales	**(12,347,249)**	**(1,455,088)**	**-**	**(13,802,337)**
Gross Profit	**893,599**	**198,034**	**-**	**1,091,633**
Selling and distribution expenses	**(489,615)**	**(56,331)**	**-**	**(545,946)**
Administrative expenses	**(210,006)**	**(12,716)**	**-**	**(222,722)**
Reversal of impairment on trade debts	**3,360**	**10,712**		**14,072**
	(696,261)	**(58,335)**	**-**	**(754,596)**
Finance cost	**(913,849)**	**(88,043)**	**-**	**(1,001,892)**
Other operating charges	**(20,577)**	**(3,785)**	**-**	**(24,362)**
	(934,426)	**(91,828)**	**-**	**(1,026,254)**
Other income	**58,650**	**-**	**376,351**	**435,001**
(Loss) / profit before taxation	**(678,438)**	**47,871**	**376,351**	**(254,216)**
Taxation				**(206,641)**
Loss after taxation				**(460,857)**
For the nine months ended 31 March 2019				
Sales	17,904,932	1,356,008	-	19,260,940
Cost of sales	(16,114,820)	(1,235,731)	-	(17,350,551)
Gross Profit	1,790,112	120,277	-	1,910,389
Selling and distribution expenses	(645,671)	(51,484)	-	(697,155)
Administrative expenses	(219,377)	(16,488)	-	(235,865)
Impairment (reversal) on trade debts	10,571	-	-	10,571
	(854,477)	(67,972)	-	(922,449)
Finance cost	(632,740)	(50,098)	-	(682,838)
Other operating charges	(67,546)	(341)	-	(67,887)
	(700,286)	(50,439)	-	(750,725)
Other income	385,221	-	1,133,212	1,518,433
Profit before taxation	620,570	1,866	1,133,212	1,755,648
Taxation				(397,993)
Profit after taxation				1,357,655

25.2 SEGMENT ASSETS & LIABILITIES

	Steel segment	Polymer segment	Investments segment	Total
	(Rupees in '000)			
As at 31 March 2020 - Un-audited				
Segment assets	**17,343,114**	**2,165,123**	**3,277,276**	**22,785,513**
Segment liabilities	**11,423,340**	**1,311,188**	**-**	**12,734,528**
As at 30 June 2019 - Audited				
Segment assets	18,725,225	2,139,907	3,277,276	24,142,408
Segment liabilities	11,108,390	1,226,029	-	12,334,419

Reconciliation of segment assets and liabilities with total assets and liabilities in the Statement of financial position is as follows :

	31 March 2020 (Un-audited)	30 June 2019 (Audited)
	(Rupees in '000)	
Total reportable segments assets	**22,785,513**	24,142,408
Unallocated assets	**1,310,745**	1,184,763
Total assets as per Statement of financial position	**24,096,258**	25,327,171
Total reportable segments liabilities	**12,734,528**	12,334,419
Unallocated liabilities	**2,233,321**	3,043,808
Total liabilities as per Statement of financial position	**14,967,849**	15,378,227

25.3 The Company does not consider sale of electricity to KE as separate reportable segment as the power plant of the Company is installed primarily to supply power to its own manufacturing facilities and any excess electricity is sold to KE.

26. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. Land and Building) and obtains rate from financial institution to value derivative financial instruments. Involvement of external valuers is decided by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

	31 March 2020 (Un-audited)					
	Carrying amount			Fair value		
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)					
Financial assets not measured at fair value						
Long term deposits	3,519	-	3,519			
Trade debts - net of provision	3,200,012	-	3,200,012			
Trade deposits	6,775	-	6,775			
Receivable from K-Electric Limited	22,403	-	22,403			
Other receivables	17,209	-	17,209			
Cash and bank balances	275,290	-	275,290			
	3,525,208	-	3,525,208			
Financial liabilities not measured at fair value						
Long term financing	-	1,342,173	1,342,173			
Trade and other payables	-	3,133,555	3,133,555			
Accrued mark-up	-	125,250	125,250			
Short term borrowings	-	8,123,518	8,123,518			
Contract liabilities	-	165,546	165,546			
Unpaid dividend	-	21,154	21,154			
Unclaimed dividend	-	20,994	20,994			
	-	12,932,190	12,932,190			

	30 June 2019 (Audited)					
	Carrying amount			Fair value		
	Amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	---------- (Rupees in '000) ----------					
Financial assets not measured at fair value						
Long term deposits	3,519	-	3,519			
Trade debts - net of provision	2,988,083	-	2,988,083			
Trade deposits	4,352	-	4,352			
Receivable from K-Electric Limited	30,124	-	30,124			
Other receivables	9,523	-	9,523			
Cash and bank balances	250,700	-	250,700			
	3,286,301	-	3,286,301			
Financial liabilities not measured at fair value						
Long term financing	-	1,402,179	1,402,179			
Trade and other payables	-	2,134,250	2,134,250			
Accrued mark-up		143,466	143,466			
Short term borrowings	-	9,425,130	9,425,130			
Contract liabilities	-	235,171	235,171			
Unpaid dividend	-	4,257	4,257			
Unclaimed dividend	-	36,596	36,596			
	-	13,381,049	13,381,049			

The fair value of land and building on freehold land are determined by an independent valuer based on price per square meter and current replacement cost method adjusted for depreciation factor for existing assets in use. The resulting fair value is a level 3 fair value measurement.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities measured at fair value:

Assets measured at fair value:	**Date of valuation**	**Valuation approach and inputs used**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Revalued property, plant and equipment			
- Land and Building	30 June 2019	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

Management assessed that the fair values of cash & cash equivalents, other receivable, receivables from K-Electric, trade deposits, trade receivables, short term borrowings, trade and other payables, accrued mark-up, contract liabilities and unpaid / unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments. For long term deposit and long term financing, management consider that their carrying values approximates fair value owing to credit standing of counter parties and interest payable on borrowings are market rates. Fair values of investment in quoted subsidiary and associate are disclosed in note 6.4 to these financial statements.

27. GENERAL

Date of authorization for issue

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors on 16 April 2020.

Ehsan A. Malik **Director & Chairman** **Board Audit Committee**	**Muhammad Akhtar** **Chief Financial Officer**	**Riyaz T. Chinoy** **Chief Executive Officer**


HOLDS UP
TO HIGHEST
EXPECTATIONS

CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Statement of Financial Position

As at 31st March 2020

	Note	31 March 2020 (Un-audited)	30 June 2019 (Audited)
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	**27,549,839**	27,223,797
Intangible assets		**2,817**	6,087
Long-term deposits		**3,619**	3,619
Investment in equity accounted investee	7	**1,111,556**	1,014,685
		28,667,831	28,248,188
Current assets			
Stores and spares		**932,493**	826,502
Stock-in-trade	8	**26,435,003**	25,585,569
Trade debts	9	**6,235,460**	3,521,626
Advances, trade deposits and short-term prepayments	10	**151,155**	168,153
Receivable from K-Electric Limited (KE) - unsecured, considered good		**153,033**	69,121
Sales tax receivable		**3,077,497**	2,596,098
Other receivables	11	**27,222**	17,771
Taxation - net		**1,181,385**	895,642
Cash and bank balances		**487,539**	759,543
		38,680,787	34,440,025
Total assets		**67,348,618**	62,688,213
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 200,000,000 (2019: 200,000,000) ordinary shares of Rs. 10 each		**2,000,000**	2,000,000
Share capital Issued, subscribed and paid-up capital		**1,318,819**	1,198,926
Revenue reserves			
General reserves		**2,991,258**	2,991,258
Unappropriated profit		**6,639,259**	7,343,772
Exchange translation reserve		**2,915**	4,658
Capital reserve Revaluation surplus on property, plant and equipment		**3,619,629**	3,624,344
Total equity		**14,571,880**	15,162,958
Non-controlling interest		**5,571,628**	5,462,651
		20,143,508	20,625,609
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	12	**7,044,746**	8,069,315
Staff retirement benefits		**138,715**	118,409
Deferred taxation - net		**2,289,795**	2,591,517
		9,473,256	10,779,241
Current liabilities			
Trade and other payables	13	**16,080,996**	8,473,948
Contract liabilities	14	**1,143,319**	1,494,346
Short-term borrowings - secured	15	**18,266,239**	19,616,349
Unpaid dividend		**21,962**	6,642
Unclaimed dividend		**20,994**	36,596
Unclaimed dividend attributable to non-controlling interest		**7,624**	6,453
Current portion of long term finances - secured	12	**1,883,683**	1,200,856
Accrued markup		**307,036**	448,173
		37,731,853	31,283,363
Total liabilities		**47,205,109**	42,062,604
Total equity and liabilities		**67,348,618**	62,688,213
Contingencies and commitments	16	**-**	-

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.

Ehsan A. Malik Director & Chairman Board Audit Committee	**Muhammad Akhtar** Chief Financial Officer	**Riyaz T. Chinoy** Chief Executive Officer

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

For the nine months ended 31st March 2020

	Note	Nine months ended 31 March 2020	Nine months ended 31 March 2019	Three months ended 31 March 2020	Three months ended 31 March 2019
		(Rupees in '000)			
Net sales	17	**51,745,693**	56,455,569	**17,460,334**	22,241,422
Cost of sales	18	**(47,393,334)**	(49,885,433)	**(16,081,330)**	(19,867,607)
Gross profit		**4,352,359**	6,570,136	**1,379,004**	2,373,815
Selling and distribution expenses	19	**(854,656)**	(1,180,140)	**(240,494)**	(492,791)
Administrative expenses	20	**(440,818)**	(446,085)	**(141,024)**	(149,748)
Impairment reversal on trade debts		**21,649**	10,717	**-**	(328)
		(1,273,825)	(1,615,507)	**(381,518)**	(642,866)
Finance cost	21	**(2,742,271)**	(1,692,685)	**(820,238)**	(701,440)
Other operating expenses	22	**(51,146)**	(316,121)	**(37,219)**	(108,564)
		(2,793,417)	(2,008,806)	**(857,457)**	(810,004)
Other income	23	**(7,799)**	496,529	**(108,343)**	76,982
Share of Profit in equity-accounted investee		**10,364**	33,541	**13,849**	14,753
Profit before taxation		**287,683**	3,475,893	**45,536**	1,012,680
Taxation	24	**(216,045)**	(700,202)	**(144,182)**	(312,902)
Profit / (Loss) after taxation		**71,638**	2,775,691	**(98,646)**	699,778
Profit / (Loss) after taxation attributable to:					
Owners of Holding Company		**(322,256)**	1,749,270	**(199,600)**	448,829
Non-controlling interest		**393,894**	1,026,421	**100,954**	250,949
		71,638	2,775,691	**(98,646)**	**699,778**
			(Rupees) Restated		
(Loss) / Earnings per share - basic and diluted		**(2.44)**	13.26	**(1.51)**	3.40

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.

Ehsan A. Malik Director & Chairman Board Audit Committee	Muhammad Akhtar Chief Financial Officer	Riyaz T. Chinoy Chief Executive Officer

Condensed Consolidated
Statement of Comprehensive Income (Un-audited)

For the nine months ended 31st March 2020

	Nine months ended		Three months ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	---------------- (Rupees in '000) ----------------			
Profit / (Loss) for the period	**71,638**	2,775,691	**(98,646)**	699,778
Other comprehensive income				
Items not to be reclassified to profit and loss account in subsequent periods				
Foreign operation - foreign currency translation difference	**(1,743)**	1,892	(491)	220
Proportionate share of other comprehensive income of equity accounted investee	**2,618**	(3,932)	566	454
Item to be reclassified to profit and loss account in subsequent periods				
Effective portion of changes in fair value of cash flow hedge	**-**	-	-	-
Tax thereon	**-**	-	-	-
Other comprehensive income	**875**	(2,040)	**75**	674
Total comprehensive income	**72,513**	2,773,651	**(98,570)**	700,451
Total comprehensive income attributable to:				
Owners of the Holding Company	**(321,380)**	1,747,230	**(199,524)**	449,503
Non-controlling interest	**393,894**	1,026,421	**100,954**	250,949
Total comprehensive income	**72,513**	2,773,651	**(98,570)**	700,451

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.

Ehsan A. Malik	**Muhammad Akhtar**	**Riyaz T. Chinoy**
Director & Chairman Board Audit Committee	Chief Financial Officer	Chief Executive Officer

Condensed Consolidated Statement of Cash Flows (Un-audited)

For the nine months ended 31st March 2020

	Note	31 March 2020	31 March 2019
		(Un-audited)	
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**287,683**	3,475,893
Adjustments for:			
Depreciation and amortization		**1,440,264**	1,109,414
Impairment reversal on trade debts		**(21,649)**	(11,071)
Income on bank deposits		**(3,894)**	(7,255)
Gain on disposal of property, plant and equipment	23	**(58,091)**	(96,379)
Provision for obsolescence against spares		**26,256**	11,811
Provision for staff gratuity		**54,920**	49,986
Provision for compensated absences		**5,534**	10,315
Share of loss / (profit) from associated company		**(10,364)**	(33,541)
Finance cost	21	**2,742,271**	1,692,685
		4,175,247	2,725,965
Changes in working capital		**3,032,190**	(486,150)
Net cash generated from operations		**7,495,120**	5,715,708
Translation reserve		**(2,037)**	(932)
Finance cost paid		**(2,883,408)**	(1,536,323)
Staff gratuity paid		**(34,614)**	(49,986)
Compensated absences paid		**(13,337)**	(11,141)
Income tax paid		**(802,867)**	(676,162)
Net cash generated from operating activities		**3,758,857**	3,441,164
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(1,884,700)**	(2,624,819)
Dividend income received		**6,091**	765,629
Proceeds from disposal of property, plant and equipment		**121,065**	125,780
Income on bank deposits received		**3,894**	7,255
Net cash used in investing activities		**(1,753,650)**	(1,726,155)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		**578,741**	524,554
Repayment of long-term financing		**(920,483)**	(1,027,448)
Proceed from / (repayments of) short term borrowing - net		**(1,439,364)**	317,083
Lease liabilities		**58,346**	-
Dividends paid to non controlling interest		**(285,322)**	(1,308,223)
Dividends paid to shareholders of the Holding Company		**(358,383)**	(772,441)
Net cash used in financing activities		**(2,366,465)**	(2,266,475)
Net decrease in cash and cash equivalents		**(361,258)**	(551,466)
Cash and cash equivalents at beginning of the period		**(11,316,541)**	(7,350,014)
Cash and cash equivalents at end of the period		**(11,677,799)**	(7,901,480)
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash and bank balances		**487,539**	1,211,905
Short-term borrowings - secured		**(12,165,338)**	(9,113,385)
Cash and cash equivalents	25	**(11,677,799)**	(7,901,480)

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.

Ehsan A. Malik	**Muhammad Akhtar**	**Riyaz T. Chinoy**
Director & Chairman Board Audit Committee	Chief Financial Officer	Chief Executive Officer

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

For the nine months ended 31st March 2020

	Attributable to owners of the Holding Company								
	Issued, subscribed and paid-up capital	Revenue Reserves			Capital Reserve		Total	Non-controlling interest	Total
		General reserves	Un-appropriated profit / (loss)	Exchange translation reserve	Total reserves	Revaluation surplus on property, plant & machinery			
	(Rupees in '000)								
Balance as at 1 July 2018	1,198,926	2,991,258	6,170,136	305	9,161,699	3,348,391	13,709,016	4,655,410	18,364,426
Total comprehensive income for the nine months ended 31 March 2019									
Profit for the period	-	-	1,749,269	-	1,749,269	-	1,749,269	1,026,421	2,775,690
Effect of change in tax rate on balance of revaluation of property, plant and equipments			-	-	-	18,700	18,700	-	18,700
Other comprehensive income	-	-	(3,932)	1,892	(2,040)	-	(2,040)	-	(2,040)
	-	-	1,745,337	1,892	1,747,229	18,700	1,765,929	1,026,421	2,792,350
Transactions with owners recorded directly in equity									
Distribution to owners of the Holding Company:									
-Final dividend @ 65% (Rs. 6.50 per share) for the year ended 30 June 2018	-	-	(779,302)	-	(779,302)	-	(779,302)	-	(779,302)
-Interim dividend @ 25% (Rs. 2.50 per share) for the year ending 30 June 2019	-	-	(299,732)	-	(299,732)	-	(299,732)	-	(299,732)
Total transactions with owners of the Holding Company	-	-	(1,079,034)	-	(1,079,034)	-	(1,079,034)	-	(1,079,034)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(854,750)	(854,750)
Transfer from surplus on revaluation on disposal of fixed assets - net of tax	-	-	7,975	-	7,975	(7,975)	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	50,591	-	50,591	(55,051)	(4,460)	4,460	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	-	-	-	389	389	-	389
Proportionate share / reclassification of surplus on revaluation of property, plant and equipment - NCI	-	-	-	-	-	(404,772)	(404,772)	404,772	-
Balance as at 31 March 2019	1,198,926	2,991,258	6,895,005	2,197	9,888,460	2,899,682	13,987,068	5,236,313	19,223,381
Balance as at 1 July 2019	1,198,926	2,991,258	7,343,772	4,658	10,339,688	3,624,344	15,162,958	5,462,651	20,625,609
Total comprehensive income for the nine months ended 31 March 2020									
Profit for the period	-	-	(322,256)	-	(322,256)	-	(322,256)	393,894	71,638
Other comprehensive income	-	-	2,618	(1,743)	875	-	875	-	875
	-	-	(319,638)	(1,743)	(321,380)	-	(321,380)	393,894	72,514
Transactions with owners recorded directly in equity									
-Final dividend @ 30% (Rs. 3.00 per share) for the year ended 30 June 2019	-	-	(359,678)	-	(359,678)	-	(359,678)	-	(359,678)
-Bonus share @ 10% for the year ended 30 June 2019	119,893	-	(119,893)	-	(119,893)	-	-	-	-
Total transactions with owners of the Holding Company	119,893	-	(479,571)	-	(479,571)	-	(359,678)	-	(359,678)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(284,917)	(284,917)
Transfer from surplus on revaluation on disposal of fixed assets - net of tax	-	-	11,638	-	11,638	(11,638)	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	83,058	-	83,058	(95,933)	(12,875)	12,875	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	-	-	-	89,981	89,981	-	89,981
Proportionate share / reclassification of surplus on revaluation of property, plant and equipment - NCI	-	-	-	-	-	12,875	12,875	(12,875)	-
Balance as at 31 March 2020	**1,318,819**	**2,991,258**	**6,639,259**	**2,915**	**9,633,432**	**3,619,629**	**14,571,880**	**5,571,628**	**20,143,508**

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.

Ehsan A. Malik
Director & Chairman
Board Audit Committee

Muhammad Akhtar
Chief Financial Officer

Riyaz T. Chinoy
Chief Executive Officer

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of International Industries Limited, (the Holding Company) and its 56.33% owned subsidiary International Steels Limited and its wholly owned foreign subsidiary IIL Australia PTY Limited [together referred to as "the Group" and individually as "Group entities"] and the Holding Company's 17.124% interest in equity accounted investee namely Pakistan Cables Limited (PCL).

1.2 International Industries Limited ("the Holding Company") was incorporated in Pakistan in 1948 and is quoted on the Pakistan Stock Exchange. The Holding Company is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, 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:

a) - LX 15-16, Landhi Industrial Area, Karachi
b) - Survey # 402,405-406, Dehshrabi Landhi Town, Karachi
c) - 22 KM, Sheikhupura Road, Lahore

Sales office are located at Lahore, Islamabad, Faisalabad, Peshawar and Multan.

1.3 International Steels Limited ("the Subsidiary Company") was incorporated on 03 September 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 Initial Public Offer, the Subsidiary Company was listed on the Pakistan Stock Exchange on 1 June 2011. The primary activities of the Subsidiary Company are business of manufacturing of cold rolled steel coils and galvanized sheets. The Subsidiary Company commenced commercial operations on 1 January 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 in International Steels Limited.

The manufacturing facilities of the Subsidiary Company is situated at 399-405, Rehri Road, Landhi Industrial Area, Karachi and having sales offices located at Lahore, Islamabad and Multan.

1.4 IIL Australia PTY Limited ("the foreign Subsidiary") was incorporated in Australia on 02 May 2014. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes. The registered office and sales office of the foreign Subsidiary Company is situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia. IIL Australia PTY Limited is a wholly owned foreign subsidiary of the Holding Company.

1.5 Details of the equity accounted investee is given in note 7 to these condensed interim consolidated financial

2. BASIS OF PREPARATION

2.1 These condensed interim consolidated financial statements have been prepared from the information available in the condensed un-audited separate financial statements of the Holding Company, the Subsidiary Company and foreign Subsidiary Company for the nine months ended 31 March 2020.

Detail of equity accounted investee is given in note 7 to these interim consolidated financial statements.

2.2 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) 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 IFRS, the provisions of and directives issued under the Companies Act 2017 have been followed.

2.2.2 These condensed interim consolidated financial statement does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements as at and for the year ended 30 June 2019.

2.2.3 The comparative Balance Sheet presented in this condensed interim consolidated financial statements have been extracted from the audited annual consolidated financial statements for the year ended 30 June 2019, whereas the comparative condensed interim Profit and Loss Account, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim consolidated financial information for the period ended 31 March 2019.

2.2.4 These condensed interim consolidated financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of the Pakistan Stock Exchange and Section 237 of the Companies Act 2017.

2.3 Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for the liabilities under defined benefit plan (gratuity) that is determined based on the present value of defined benefit obligations less fair value of plan assets, land & buildings thereon that are stated at fair value determined by an independent valuer and derivative financial instruments which are stated at fair value.

2.4 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of audited annual financial statements as at and for the year ended 30 June 2019.

Certain amendment and interpretation to approved accounting standards became affective during the period were not relevant to the Group's operation and do not have any impact on the accounting policies of the Group.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2020:

Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future.. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Group.

IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on Group's financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of condensed interim consolidated 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statement as at and for the year ended 30 June 2019.

4.3. The Group'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 30 June 2019.

5 Basis of consolidation

5.1 Investment in subsidiaries

Subsidiaries are entities controlled by the Group. Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than fifty percent of the voting rights. The financial statements of subsidiaries are included in the consolidated financial information from the date that control commences until the date that controls ceases.

The financial information of subsidiaries is prepared for the same reporting period as the Holding Company, using consistent accounting policies and changes are made where necessary to align them with the policies adopted by the Holding Company.

The assets and liabilities of subsidiaries are consolidated on a line by line basis. The carrying value of the investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements. All material intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Holding Company. Non-controlling interests are presented as a separate item in the condensed interim consolidated financial information.

5.2 Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Investments in associates are accounted for by using the equity method (equity-accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs. The consolidated financial information include the Group's share of an associate's post- acquisition profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Where there has been a change recognized directly in the equity of an associate, the Group recognizes its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity.

The financial statements of associates used for equity-accounting are prepared with a difference of three months

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2019.

6. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work-in-progress (Incl., capital spares)	Total
		(Rupees in '000)	
Cost / revalued amount			
Opening balance	**34,074,026**	**713,731**	**34,787,757**
Additions	**231,855**	**1,875,055**	**2,106,910**
Translate reserve	**(345)**	**-**	**(345)**
Transfers	**194,476**	**(481,196)**	**(286,720)**
Disposal	**(202,428)**	**-**	**(202,428)**
	34,297,584	**2,107,590**	**36,405,174**
Accumulated depreciation			
Opening balance	**(7,563,960)**	**-**	**(7,563,960)**
Charge for the period	**(1,430,829)**	**-**	**(1,430,829)**
Disposal	**139,454**	**-**	**139,454**
	(8,855,335)	**-**	**(8,855,335)**
Written down value as at 31 March 2020 (Un-audited)	**25,442,249**	**2,107,590**	**27,549,839**
Written down value as at 30 June 2019 (Audited)	26,510,066	713,731	27,223,797

7. INVESTMENT IN EQUITY - ACCOUNTED INVESTEE

		31 March 2020 (Un-audited)	30 June 2019 (Audited)
		(Rupees in '000)	
Pakistan Cables Limited - associate company	*7.1*	**1,111,556**	1,014,685

7.1 This represents investment in PCL, an Associated Company, on account of cross directorship. The Holding Company holds 17.124% of effective share of interest in PCL due to crossholding.

The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The market value as at 31 March 2020 was Rs. 542.595 million (30 June 2019: Rs. 856.114 million) and is categorized as level 1 under the fair value hierarchy. The share of profit after acquisition is recognized based on unaudited financial statements as at 31 December 2019 as the latest financial statements as at 31 March 2020 are not presently available.

8. STOCK-IN-TRADE

	31 March 2020 (Un-audited)	30 June 2019 (Audited)
	(Rupees in '000)	
Raw material - in hand	**6,945,482**	6,948,424
- in transit	**10,964,348**	6,532,832
	17,909,830	13,481,256
Work-in-process	**3,072,582**	3,458,783
Finished goods	**5,452,591**	8,645,530
	26,435,003	25,585,569

8.1 Raw material of amounting to Rs.1.7 million as at 31 March 2020 (2019: Rs.4.9 million) was held at vendor's premises for the production of pipe caps.

		31 March 2020 (Un-audited)	30 June 2019 (Audited)
		---------- (Rupees in '000)--------	
9. TRADE DEBTS			
Considered good - secured		**1,008,562**	238,086
- unsecured		**5,226,898**	3,283,540
		6,235,460	3,521,626
Considered doubtful		**138,921**	158,267
		6,374,381	3,679,893
Impairment of doubtful debts		**(138,921)**	(158,267)
		6,235,460	3,521,626
10. ADVANCES, TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Considered good			
- Suppliers		**62,789**	105,521
- Employees for business related expenses		**3,529**	440
- Trade deposits		**18,043**	18,969
- Margin against shipping guarantees		**5,976**	16,255
- Short term prepayments		**60,818**	26,968
		151,155	168,153
11. OTHER RECEIVABLES			
Considered good			
Insurance claim		**15,884**	9,341
Others		**11,338**	8,430
		27,222	17,771
Considered doubtful			
Receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in earlier period		**25,940**	25,940
		53,162	43,711
Provision for receivable from Workers' Welfare Fund on account of excess allocation of Workers' Profit Participation Fund in prior period		**(25,940)**	(25,940)
		27,222	17,771
12. LONG-TERM FINANCING - secured			
Conventional			
Long Term Finance Facility (LTFF)	12.1	**2,592,393**	3,129,263
Islamic			
Diminishing Musharakah / Long term finance	12.2	**6,336,036**	6,140,908
		8,928,429	9,270,171
Current portion of long term finances shown under current liabilities			
Conventional			
Long Term Finance Facility (LTFF)		**(482,752)**	(614,492)
Islamic			
Diminishing Musharakah / Long term finance		**(1,400,931)**	(586,364)
		(1,883,683)	(1,200,856)
		7,044,746	8,069,315

Conventional

12.1 Approved financing facilities amounted in aggregate to Rs. 3,014.3 million. As at 31 March 2020 amounts withdrawn against approved financing facilities amounted to Rs.2,592.3 million (2019 Rs. 3,129.2 million). These facilities are secured by way of a mortgage on all present and future land and buildings of Holding Company located at plot number LX-15 &16 and HX-7/4, Landhi Industrial Estate, Karachi and Survey No.402, 405-406, Dehsharabi, Landhi Town, Karachi and pari passu charge over fixed assets of the Subsidiary Company.

Islamic

12.2 Approved financing facilities amounted to Rs.6,336.0 million (2019: Rs. 6,140.9 million which are fully utilized. These facilities are secured by way of mortgage on all present and future land and buildings of Holding Company located at plot no. LX-15&16 and H/X-7/4, Landhi Industrial Estate, Karachi and Survey no.402, 405-406, Dehsharabi, Landhi Town, Karachi and pari passu charge over fixed assets of the Subsidiary Company.

		Note	31 March 2020 (Un-audited)	30 June 2019 (Audited)
13.	**TRADE AND OTHER PAYABLES**		---------- (Rupees in '000)--------	
	Trade creditors	13.1	**10,194,356**	3,737,973
	Bills payable		**1,084,051**	-
	Provision for Government Levies		**328**	329
	Accrued expenses		**2,628,057**	2,752,115
	Provision for Infrastructure Cess	13.2	**1,759,521**	1,535,752
	Short-term compensated absences		**11,034**	18,837
	Workers' Profit Participation Fund		**36,262**	22,195
	Workers' Welfare Fund		**276,246**	340,421
	Others		**91,142**	66,326
			16,080,996	8,473,948

13.1 This includes an amount of Rs. 11.9 million (2019: Rs. Nil) payable to associated companies by Subsidiary Company (ISL).

		Note	31 March 2020 (Un-audited)	30 June 2019 (Audited)
13.2	Provision for Infrastructure Cess			
	Opening balance		**1,535,752**	1,176,189
	Charge for the period		**223,769**	359,563
	Closing balance		**1,759,521**	1,535,752
14	**CONTRACT LIABILITIES**			
	Sales commission payable		**4,379**	50,183
	Advance from customers		**1,138,940**	1,444,163
			1,143,319	1,494,346
15.	**SHORT-TERM BORROWINGS - secured**			
	CONVENTIONAL			
	Running finance under mark-up arrangement from banks	*15.1*	**1,656,784**	7,249,569
	Short-term borrowing under Money Market Scheme	*15.2*		
	- maturing after 3 months		**4,000,000**	500,000
	- maturing within 3 months		**4,920,700**	4,216,850
			8,920,700	4,716,850
	Short-term borrowing under Export Refinance Scheme	*15.3*	**1,555,020**	4,160,265
	Running finance under FE-25 Export and Import Scheme	*15.4*	**3,626,025**	-
	ISLAMIC			
	Short term borrowing under running Musharakah	*15.5*	**1,587,854**	609,665
	Short-term borrowing under Export Refinance Scheme	*15.6*	**919,856**	
	Short term finance under term Murabaha	*15.7*	**-**	2,880,000
			18,266,239	19,616,349

15.1 The facilities for running finance available from various commercial banks amounted to Rs. 9,349 million (2019: Rs.16,507 million). The rates of mark-up on these finances range from 11.45% to 14.85% per annum (2019: 7.12% to 13.90% per annum). Unavailed facilities as at 31 March 2020 amounted to Rs.7,692 million (2019: Rs.9,257.4 million).

15.2 Facilities for short-term borrowing under Money Market Scheme financing from various commercial banks under mark-up arrangements amounted to Rs. 12,525 million (2019: Rs. 5,140 million). Unavailed facilities as at 31 March 2020 amounted to Rs.3,604 million (2019: 423.1 million). The rate of markup on these finance ranges from 11.53% to 14.72% per annum (2019: 11.04% - 13.06%) per annum.

15.3 Facilities under the Export Refinance Scheme of the State Bank of Pakistan (SBP) available from various commercial banks amounted to Rs. 2,212.02 million (2019: Rs.4,160.2 million). The rates of mark-up on these facilities range is 3.00 % per annum (2019: 2.50% to 3.0% per annum).

15.4 Facilities for short-term running finance under Foreign Exchange Circular No.25 dated 20 June 1998 of the SBP for the purpose of meeting import requirements. The facilities availed are for an amount aggregating to USD 21.8 million equivalent to Rs.3,626 million (2019: nil). The rate of markup on these finance is 3.00 % to 4.00% per annum.

15.5 Facilities under Running Musharakah arrangement amounted to Rs 3,944 million (2019: 6,728 million). The rate of profit on these finances range from 13.74% to 14.62% per annum (2019: 7.12 to 13.10%) per annum. Unavailed facilities as at 31 March 2020 amounted to Rs.2,356.1 million (2019: Rs.6,118 million)

15.6 Facilities under Islamic Export Refinance Scheme of the State Bank of Pakistan (SBP) available from various commercial banks amounted to Rs. 919.86 million. (2019: nil). The rate of mark-up on these facilities is 3% per annum.

15.7 Loans amounting to USD 18 million equivalent to fixed amount of Rs.2,880 million was obtained from Standard Chartered Bank, UK - Dubai International Finance Centre Branch through Standard Chartered Bank (Pakistan) Limited for meeting working capital requirements. The tenor of the loans was six months i.e. from 26 June 2019 to 26 December 2019 and from 20 June 2019 to 19 December 2019. The price of loans was six months KIBOR minus 0.28% and six month KIBOR minus 0.08%. As per the terms of agreement, Standard Chartered Bank (Pakistan) obtained forward cover on behalf of the borrowers to hedge foreign currency risk.

15.8 All running finances and short-term borrowing facilities are secured by way of hypothecation of all present and future current and moveable assets.

16. CONTINGENCIES AND COMMITMENTS

16.1	**Contingencies** **Description of factual basis and relief sought**	**Name of the court / institution**	**Principal parties**	**Date instituted**
	Holding Company and the Subsidiary Company (collectively referred as "Companies").			
16.1.1	The Gas Infrastructure Development Cess (GIDC) Act, 2011 was passed by the National Assembly on 25th November, 2011 as a Money Bill pursuant to Article 73 of the constitution of Pakistan 1973 for raising funds for development of infrastructure related to transnational gas pipelines and Liquefied Natural Gas (LNG) projects, which was challenged before the courts. The Act of 2011 was declared as ultra vires to the Constitution of Pakistan, 1973. The Federal Government filed an appeal in the Supreme Court of Pakistan which in its judgment dated 22.08.2014, held that since GIDC is a fee and not a 'Tax' and alternatively GIDC is also not covered by any entry relating to imposition or levy of tax under Part-I of the Federal Legislative list and on either counts it could not have been introduced through a money bill and the same was therefore not validly levied in accordance with the Constitution of Pakistan, 1973.	Sindh High Court	OGRA / SSGC / Federation of Pakistan	01-08-2012

On September 24, 2014, the government promulgated the GIDC Ordinance, 2014, however, this was also challenged in various courts of law. The government, with the approval of Parliament, in May, 2015 promulgated GIDC Act, 2015 after addressing the lacuna pointed out by the Honorable Supreme Court of Pakistan ('SCP') with specific reference to the laying of a bill under Article 70 of the Constitution of Pakistan 1973. Section 8 of the GIDC Act, 2015 provides validation of Cess levied, charged, collected or realized under the GIDC, Act, 2011 and GIDC Ordinance, 2014. By virtue of GIDC Act, 2015, all prior enactments have been declared infructuous and the said Act levies GIDC at Rs. 100 per MMBTU on industrial consumption and Rs. 200 per MMBTU on captive power consumption, effective 01 July 2011. Based on the recommendations of a special committee constituted by the senate , the GIDC Amendment Act, 2018 was approved by the Parliament in May, 2018. However the amendment was also challenged in various courts of Law by a specified sector.

The Companies have obtained a stay order on the retrospective application of the Act from the Honorable High Court of Sindh. The Companies are confident of favourable outcome and therefore have not recorded, to the extent of self consumption, a provision of Rs. 475.9 million (from 01 July 2011 till 22 May 2015) in these consolidated financial statements. However, the Companies have made a provision of GIDC to the extent of their self consumption from May 2015 onwards. On 26 October 2016, the High Court of Sindh held that enactment of GIDC Act 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of High Court of Sindh and is pending for adjudication. On 31 May 2017, separate petition filed by another company in the Peshawar High Court challenging the vires of the GIDC Act 2015 was dismissed for the reason that the Act has been passed by the Parliament strictly in accordance with the legislative procedures contained in the Constitution of Pakistan and therefore no procedural defect in the Act which could be made as a ground for its annulment. In view of aforementioned developments, the Companies on prudent basis, continue to recognize provision after the passage of the Act.

Further, the Companies have not recognized GIDC amounting to Rs. 1,118.35 million (2019: Rs.1,024.65 million) pertaining to period from 01 July 2011 to 31 March 2020 with respect to their captive power plants from which excess power generation is supplied to K-Electric Limited. The Companies consider that, in the event such levy is imposed, they shall recover GIDC from K-Electric Limited through fuel adjustments after getting requisite approval from National Electric Power Regulatory Authority (NEPRA).

16.1.2	The Holding Company filed a Suit before Honorable Sindh High Court ('SHC') for declaration and permanent injunction in 2002 against Infrastructure Fee (levy) levied through Sindh Finance Act 1994. Single bench of SHC vide its order (order) declared the levy constitutional, which was challenged by the Holding Company through filing an appeal against the said order in 2004. In the appeal proceedings, larger bench of SHC granted a relief in 2006, by allowing the clearance of imported goods subject to submission of security / bank guarantees. Holding Company submitted guarantees amounting to Rs.115 million for release of goods attracting levy of Rs.107 million. The Court decided the matter on 17 September 2008 declaring the levy before 28 December 2006 as void and invalid. Excise and Taxation Department (Department) filed an appeal before the Honorable Supreme Court of Pakistan against the order dated 17 September 2008 hence the guarantees were not released as the matter was sub-judice.	Sindh High Court	Secretary Excise & Taxation / Federation of Pakistan	28-10-2002

Subsequently, in May 2011, the SCP disposed-off the appeal by referring the matter back to the SHC. On 31 May 2011, the SHC ordered returning the bank guarantees in respect of the consignments released up to 27 December 2006. In respect of consignments to be released subsequent to 27 December 2006 SHC ordered to pay 50% of the amount and submit bank guarantees for the balance amount.

Subsidiary Company, also joined the proceedings subsequent to its incorporation. Bank guarantees amounting to Rs. 1,914 million (2019: Rs. 1,707 million) issued on behalf of the Companies which includes afore-mentioned bank guarantees of Rs. 115 million issued by the Holding Company are outstanding as at 31 March 2020. As a matter of prudence, the Companies are making provisions for the balance amount, which as at 31 March 2020 amounts to Rs. 1,759.2 million (2019: 1,535.8million) as disclosed in note 13.2.

Subsequently, in 2017 the Department vide Sindh Finance Act 2015 & 2016 enhanced the levy by 100%. . On 24 October 2017 the Companies have obtained stay from the SHC against the enhancement. The SHC has clubbed all the cases pertaining to the levy for final disposal.

16.1.3	Oil and Gas Regulatory Authority (OGRA) revised the gas tariff to Rs.600/- per MMBTU by increasing the gas tariff by Rs.112/- per MMBTU vide its notification dated 30 December 2016 disregarding the protocol laid down in OGRA Ordinance, 2002. The Companies have filed a suit in the Sindh High Court (The Court) challenging the gas tariff increase. The Court granted a stay order subject to submission of security for the differential amount with the Nazir of the Court. The Companies have issued cheques amounting to Rs.524.3 million (2019: Rs. 524.3 million) in favour of Nazir of the court upto 30 September 2018. The Companies, on a prudent basis, have also accrued this amount in these consolidated financial statements. OGRA has further revised the gas tariff to Rs.780/- per MMBTU by increasing the gas tariff by Rs.180/- vide its notification dated 4 October, 2018. The Companies have filed a petition before the Court challenging such further revision and the matter is partially heard. Pending the decision on the matter Companies are settling the bills at the revised rate.	Sindh High Court	OGRA / SSGC / Federation of Pakistan	19-01-2017
16.1.4	Sindh Revenue Board (SRB) issued notices to the Companies for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014. The Companies filed a constitutional petition in the Sindh High Court, challenging the said unlawful demand on the ground that the Companies are trans-provincial establishment operating industrial and commercial activities across Pakistan. The Sindh High Court granted stay order in favor of the Companies by declaring exemption on the basis that the Companies being a trans-provincial establishment are paying Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971. In a separate case, the Sindh High Court has dealt on the subject of trans-provisional establishment in its judgement with a conflicting view.	Sindh High Court	SRB / Government of Sindh	09-06-2017

16.1.5 Guarantees issued in favour of Sui Southern Gas Company Limited by the bank on behalf of the Companies amounted to Rs. 511.9 million (2019: Rs.499.6 million) as a security for supply of gas.

16.1.6 Guarantee issued in favour of Pakistan State Oil Company Limited by banks on behalf of the Companies amounted to Rs. 113 million (2019: Rs.112 million) for supply of fuel and lubricants.

16.1.7	**Holding Company** Customs duties amounting to Rs. 1.4 million as at 31 March 2020 (2019: Rs. 40.5 million) on import of raw material shall be payable by the Company in case of non-fulfilment of certain conditions imposed by the customs authorities under SRO 565(1) / 2006. The Company has provided post-dated cheques in favour of the Collector of Customs which are, in the normal course of business, to be returned to the Company after fulfilment of stipulated conditions. The Company has fulfilled the conditions for the aforementioned amounts and is making efforts to retrieve the associated post-dated cheques from the customs authorities.	Customs	Collector of Customs/ Federation of Pakistan	2005
16.1.8	An amount of Rs. 375 million was claimed by the customs authorities as duty rate differential on imports made during 2005-10 due to an anomaly in SRO 565(1) / 2006 Serial 88. Since then, the anomaly has been rectified. The Company filed a petition with the Honourable Sindh High Court in 2010 for an injunction and is awaiting the final judgement. The management is confident that the decision will be given in favour of the Company	Sindh High Court	Collector of Customs / Federation of Pakistan	15-01-2010
16.1.9	The customs authorities have charged a redemption fine of Rs. 83 million on clearance of imported raw material consignments in 2006. The Company has filed an appeal before the Honourable Sindh High Court, which has set aside the examination reports including subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities had filed an application for leave to appeal against the order of the Honourable High Court. The management anticipates that the chances of admission of such appeal are remote.	Sindh High Court	Collector of Customs / Federation of Pakistan	30-08-2007
16.1.10	The Company filed the suit before the Sindh High Court (Court) challenging the chargeability of tax on inter corporate dividend in respect of dividend declared by its subsidiary, International Steels Limited. On 21 October 2016 Court granted stay order against which 500,000 shares of subsidiary company were pledged as a security with Nazir of the Court. In one of the litigation to which the Holding Company is not a party, SCP issued an order on 21 February 2018 whereby continuity of suits was made subject to depositing minimum 50% of the tax calculated by the tax authorities. A review petition has been filed against such order of the SCP in which Company is not a party and the decision is awaited. In view of such developments the suit has been withdrawn and a petition has been filed before the Court, which is pending hearing Application for release of pledged shares is in process. On a separate application challenging the chargeability of tax on inter corporate dividend, stay order is granted by the Court in respect of dividends declared by the subsidiary company on 02 June 2017, 26 September 2017 and 23 January 2018 against bank guarantees amounting to Rs.76.6 million, Rs.36.8 million and Rs.55.1 million respectively submitted to the Nazir of the Court. Furthermore, in separate petitions filed by the company on the same subject matter, stay is granted by the Court in respect of dividends declared by the subsidiary company on 25 September 2018, 25 January 2019 and 25 September 2019.	Sindh High Court	FBR / Commissioner Inland Revenue / Federation of Pakistan	01-11-2016

16.1.11	International Industries Limited has filed Constitutional Petition No D-8449 of 2019 to challenge the impugned implementation of the excessive and retrospective amendment brought about in Section 65B of the Income Tax Ordinance 2001 via the Finance Act, 2019. The petition was heard and an interim stay was granted, wherein the Company is allowed to to submit its returns manually or by making adjustment In e- portal / computer system as provisional interim arrangement as per un-amended provisions of 65B of the Income Tax Ordinance 2001 (prior to amendment through Finance Act 2019). Whereas the concerned authorities are instructed not to take any no coercive with regards to 65B.	Sindh High Court	Federation of Pakistan / Federal Board of Revenue / Commissioner Inland Revenue	26-12-2019

16.1.12 The Company's share of contingent liabilities of its associated company is Rs. 104.5 million (2019: Rs. 66.9 million).

16.1.13 Guarantees issued in favour of Sui Northern Gas Pipe Lines Limited by banks on behalf of the Company amounted to Rs. 271.1 million (2019: Rs. 299.42 million) as performance security for goods to be supplied by the Company.

16.1.14 Guarantees issued in favour of Sui Southern Gas Company Limited by banks on behalf of the Company to Rs. 52.5 million (2019: Rs. 97.36 Million) as performance security for goods to be supplied by the Company.

16.1.15 Standby letter of credit issued in favour of Sui Northern Gas Pipe Lines Limited by bank on behalf of the Company amounted to Rs. 59.57 million (2019: Rs.59.57 million) as a security for supply of Regasified Liquefied Natural Gas (RLNG).

16.1.16 Guarantees issued in favour of Lahore Electric Supply Company by bank on behalf of the Company amounted to Rs. 5.83 million (2019: Rs. 5.83 million) as a security for supply of electricity.

16.1.17 Guarantee issued in favour of Aga Khan Planning & Building Service Pakistan by bank on behalf of the Company amounted to Rs. Nil (2019: Rs.2.00 million) as performance security for goods to be supplied by the Company.

16.1.18 Guarantees issued in favour of Sui Northern Gas Pipe Lines limited by bank on behalf of the Company amounted to Rs. 26.8 million (2019: 22 million) as security for holding the bids (bid bond) submitted in tenders.

16.1.19 Guarantees issued in favour of Sui Southern Gas Company Limited by bank on behalf of the Company amounted to Rs. 4.1 million (2019: 0.81 million) as security for holding the bids (bid bond) submitted in tenders.

16.1.20 Guarantee issued in favour of K-Electric by bank on behalf of the Company amounted to Rs. 0.83 million (2019:Rs.0.83 million) as performance security for goods to be supplied by the Company.

16.1.21 Guarantee issued in favour of Small Industrial Development Board Peshawar by the bank on behalf of the Company amounted to Rs. 5.0 million (2019: nil) as performance security for goods to be supplied by the Company.

Subsidiary Company

16.1.22 Guarantees issued in favour of Wah Industries by bank on behalf of the Subsidiary Company amounted to Rs. 19.966 million (2019: Rs. 59.11 million)

16.1.23 Guarantees issued in favour of Collector of Custom by bank on behalf of the Subsidiary Company amounted to Rs. 3,394.407 million (2019: Rs. 4.39 million)

16.1.24 Guarantees issued in favour of K-Electric by bank on behalf of the Subsidiary Company amounted to Rs. 8.67 million (2019:Rs.8.67 million)

16.2 Commitments

Holding Company and the Subsidiary Company

16.2.1 Capital expenditure commitments outstanding as at 31 March 2020 amounted to Rs. 107 million (2019: Rs. 470 million).

16.2.2 Commitments under letters of credit for raw materials and stores and spares as at 31 March 2020 amounted to Rs. 13,484 million (2019: Rs. 12,719 million).

16.2.3 Unavailed facilities for opening letters of credit and guarantees from banks as at 31 March 2020 amounted to Rs. 21.065 million (2019: Rs. 19,258 million) and Rs. 1,083 million (2019: Rs. 1,846 million) respectively.

Holding Company

16.2.4 Commitments under purchase contracts as at 31 March 2020 amounted to Rs. 3.6 million (2019: Rs.243.5 million).

16.2.5 Postdated cheques issued in favour of Collector of Customs for imported items cleared under manufacturing bond amounted to Rs. 2,548.8 million (2019:Rs. 3,107.93 million)

16.2.6 Postdated cheques issued in favour of Collector of Customs for differential of sales tax on imports of machinery amounted to Rs. 0.2 million (2019:Rs. 14.3 million)

16.2.7 Postdated cheques issued in favour of Collector of Customs for various disputed claims amounted to Rs. 166.83 million (2019: Rs. 166.83 million)

17. NET SALES

	Nine months ended		Three months ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	(Rupees in '000)			
Local	**52,332,221**	60,066,031	**17,387,804**	23,939,283
Export	**8,509,107**	6,236,803	**3,019,634**	2,121,794
	60,841,328	66,302,834	**20,407,438**	26,061,077
Sales Tax	**(7,496,471)**	(8,596,154)	**(2,547,802)**	(3,386,219)
Trade discounts & commission	**(1,574,486)**	(1,231,335)	**(387,175)**	(427,959)
Export commission and discounts	**(24,678)**	(19,776)	**(12,127)**	(5,477)
	(9,095,635)	(9,847,265)	**(2,947,104)**	(3,819,655)
	51,745,693	56,455,569	**17,460,334**	22,241,422

17.1 DISAGGREGATION OF REVENUE

As required for the condensed interim financial statements, the Company disaggregation revenue recognized from contracts with customers into categories that depict how the nature,amount,timing and uncertainty of revenue and cash flows are affected by economic factors.

In the following table revenue is disaggregated by primary geographical markets and major product lines:

	Nine months ended		Three months ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Primary geographical markets:	(Rupees in '000)			
Local	**43,261,264**	50,238,542	**14,452,827**	20,125,105
Asia	**3,787,577**	2,035,292	**1,306,093**	872,034
Europe	**301,029**	678,076	**156,193**	240,240
Australia	**980,988**	880,850	**227,728**	130,928
Africa	**984,364**	224,583	**247,832**	106,029
Americas	**2,430,471**	2,398,226	**1,069,661**	767,086
	51,745,693	56,455,569	**17,460,334**	**22,241,422**
Major product lines:				
Steel segment	**50,092,571**	55,099,561	**16,747,610**	21,424,822
Polymer segment	**1,653,122**	1,356,008	**712,724**	816,600
	51,745,693	56,455,569	**17,460,334**	22,241,422

18. COST OF SALES

Raw material consumed				
Opening stock of raw material	**6,948,424**	10,219,889	**9,256,890**	8,465,926
Purchases	**39,505,001**	49,089,626	**9,858,145**	18,251,867
	46,453,425	59,309,515	**19,115,035**	26,717,793
Closing stock of raw material	**(6,945,482)**	(8,601,534)	**(6,945,482)**	(8,601,534)
	39,507,943	50,707,981	**12,169,553**	18,116,259
Manufacturing overheads				
Salaries, wages and benefits	**1,060,219**	1,173,345	**344,889**	395,943
Rent, rates and taxes	**310**	1,963	**100**	1,571
Electricity, gas and water	**1,400,320**	1,279,377	**436,088**	461,178
Insurance	**27,244**	27,061	**10,622**	5,969
Security and janitorial	**49,035**	47,085	**16,077**	16,027
Depreciation and amortization	**1,304,149**	998,226	**438,785**	355,826
Operational supplies and consumables	**156,585**	167,884	**51,276**	59,544
Stores and spares scrapped	**26,256**	11,811	**10,837**	2,933
Repairs and maintenance	**153,618**	184,374	**47,964**	71,006
Postage, telephone and stationery	**20,234**	20,126	**7,729**	6,774
Vehicle, travel and conveyance	**40,301**	41,830	**10,145**	12,580
Internal material handling	**36,870**	66,721	**10,473**	23,986
Environment controlling expense	**2,252**	2,054	**595**	613
Sundries	**22,572**	18,071	**12,449**	2,028
Toll manufacturing expenses	**6,286**		**2,743**	-
	4,306,251	4,039,928	**1,400,772**	1,415,978
	43,814,194	54,747,909	**13,570,325**	19,532,237

	Nine months ended		Three months ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	---------- (Rupees in '000) ----------			
Work-in-process				
Opening stock	**3,458,783**	2,597,105	**3,988,754**	4,423,273
Closing stock	**(3,072,582)**	(3,777,304)	**(3,072,582)**	(3,777,304)
	386,201	(1,180,199)	**916,172**	645,969
Cost of goods manufactured	**44,200,395**	53,567,710	**14,486,497**	20,178,206
Finished goods, by-products and scrap:				
Opening stock	**8,645,530**	5,052,820	**7,047,424**	8,424,498
Closing stock	**(5,452,591)**	(8,735,097)	**(5,452,591)**	(8,735,097)
	3,192,939	(3,682,277)	**1,594,833**	(310,599)
	47,393,334	49,885,433	**16,081,330**	19,867,607

19 SELLING & DISTRIBUTION EXPENSES

Freight and forwarding expenses	**424,520**	705,412	**98,105**	328,925
Salaries, wages and benefits	**214,179**	211,492	**81,943**	74,327
Rent, rates and taxes	**10,357**	6,013	**(13,825)**	1,870
Electricity, gas and water	**8,485**	7,131	**2,115**	2,371
Insurance	**5,735**	8,723	**1,632**	1,982
Depreciation and amortization	**18,468**	17,238	**6,081**	5,848
Repair and maintenance	**458**	801	**112**	164
Advertising and sales promotion	**100,062**	155,165	**46,273**	51,701
Postage, telephone and stationery	**8,727**	8,996	**2,674**	4,176
Office supplies	**28**	128	**17**	7
Vehicle, travel and conveyance	**37,270**	40,167	**10,760**	11,121
Certification and registration charges	**2,217**	3,619	**1,170**	2,418
Others	**24,150**	15,254	**3,436**	7,881
	854,656	1,180,140	**240,494**	492,791

20 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	**272,048**	287,885	**90,085**	97,460
Rent, rates and taxes	**1,225**	4,391	**267**	1,365
Electricity, gas and water	**3,859**	3,686	**947**	835
Insurance	**2,836**	3,194	**1,030**	1,149
Depreciation and amortization	**19,843**	16,602	**6,226**	5,674
Repair and maintenance	**2,333**	1,167	**1,408**	439
Postage, telephone and stationery	**12,114**	14,531	**3,114**	3,795
Office supplies	**497**	493	**237**	200
Vehicle, travel and conveyance	**18,034**	17,170	**5,823**	4,996
Legal and professional charges	**53,555**	59,038	**17,098**	23,012
Certifications and registration charges	**15,768**	7,733	**2,638**	2,349
Directors' fees	**10,125**	8,025	**3,225**	2,625
Others	**28,581**	22,169	**8,925**	5,849
	440,818	446,085	**141,024**	149,748

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31st March 2020

		Nine months ended		Three months ended	
		31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
		---------------------------- (Rupees in '000) ----------------------------			
21. FINANCE COST					
Conventional					
- Mark-up on long-term borrowings		**173,490**	154,885	**52,579**	57,507
- Mark-up on short-term borrowings		**1,332,206**	986,526	**280,830**	379,870
Islamic		**1,505,696**	1,141,411	**333,409**	437,377
- Profit on diminishing musharakah		**614,109**	327,463	**208,236**	154,059
- Profit on running musharakah		**396,827**	199,806	**68,589**	101,509
Exchange loss and others		**197,611**		**200,019**	-
Interest on Workers' Profit Participation Fund		**1,071**	1,053	**471**	-
Bank charges		**26,957**	22,952	**9,514**	8,495
		2,742,271	1,692,685	**820,238**	701,440
22. OTHER OPERATING EXPENSES					
Auditors' remuneration		**5,422**	4,770	**1,293**	1,110
Donations		**10,550**	45,422	**7,200**	25,078
Workers' Profit Participation Fund		**36,598**	183,460	**16,947**	55,742
Workers' Welfare Fund		**(17,134)**	75,484	**6,779**	22,344
Business development expenses		**15,710**	6,985	**5,000**	4,290
		51,146	316,121	**37,219**	108,564
23. OTHER INCOME					
Income from non-financial assets					
Income from power generation	23.1	**21,005**	18,197	**3,776**	7,248
Gain on disposal of property, plant and equipment		**58,091**	96,379	**17,773**	23,923
Rental income		**1,919**	1,461	**302**	487
Exchange gain / (loss) - net		**(106,908)**	338,136	**(133,474)**	21,154
Others		**14,200**	35,005	**2,094**	20,961
Income on financial assets					
Income on bank deposits		**3,894**	7,351	**1,186**	3,209
		(7,799)	496,529	**(108,343)**	76,982
23.1 Income from power generation					
Net sales		**592,693**	369,223	**193,690**	106,285
Cost of electricity produced		**(571,688)**	(351,026)	**(189,914)**	(99,037)
		21,005	18,197	**3,776**	7,248
24. TAXATION					
Current					
- for the year		**533,765**	896,436	**184,691**	352,693
- for prior years		**(16,000)**	-	**-**	-
Deferred		**(301,720)**	(196,234)	**(40,509)**	(39,791)
		216,045	700,202	**144,182**	312,902
25. CASH AND CASH EQUIVALENTS					
Cash and bank balances		**487,539**	1,211,905		
Running finance under mark-up arrangement from banks	15	**(1,656,784)**	(6,977,041)		
Short-term borrowing under Money Market scheme maturing within three months	15	**(8,920,700)**	-		
Short-term borrowing under Running Musharakah	15	**(1,587,854)**	(2,136,344)		
		(11,677,799)	(7,901,480)		

26. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the group entities, key management employees and staff retirement funds. The group entities continue to have a policy whereby all transactions with related parties are entered into at commerical terms and conditions. Contributions to Provident Fund of the group entities, wherever applicable, are made as per the terms of employment and contribution to the group entities defined benefit plan (Gratuity Fund), wherever applicable are in accordance with acturial advice. Remuneration to key management personnel are in accordance with their terms of employment and policy 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 Director and departmental heads to be their key management personnel. There are no transaction with key management personnel other than their terms of employment / entitlement.

Details of transaction with related parties, other than those which have been specifically disclosed elsewhere in these interim consolidated financial statements, are as follows:

	Nine months ended		Three months ended	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	(Rupees in '000)			
Associated companies				
Sales	**892,186**	431,947	**442,213**	45,677
Purchases	**19,881,005**	32,077,198	**10,120,454**	9,476,317
Reimbursement of expenses	**2,301**	2,889	**919**	1,009
Insurance premium	**3,870**	57,564	**1,935**	7,723
Insurance claim	**1,212**	5,719	**606**	1,775
Rental income	**2,796**	1,461	**601**	487
Dividend paid	**60,944**	123,617	**-**	1,440
Bonus shares issued	**576**	-	**-**	
Dividend received	**6,092**	30,463	**-**	9,139
Registration and training	**273**	1,290		800
Subscription	**2,177**	-	**-**	-
Services	**56,144**	-	**2,219**	-
Key management personnel				
Remuneration	**380,422**	407,928	**125,985**	129,185
Staff retirement funds				
Contribution paid	**89,349**	107,815	**29,350**	32,388
Non-executive directors				
Directors' fees	**10,125**	8,025	**3,225**	2,625
Reimbursement of Chairman's expenses	**7,809**	6,038	**1,574**	2,052

27 SEGMENT REPORTING

The Group has identified steel coils & sheets, steel pipes, polymer and investments as reportable segments.

27.1 SEGMENT REVENUE AND RESULTS

SEGMENTS	Steel Coils & Sheets	Steel Pipes	Polymer	Investment	Total
	(Rupees in '000)				
For the nine months ended 31 March 2020					
Sales	37,143,322	12,949,249	1,653,122	-	51,745,693
Cost of sales	(33,862,703)	(12,075,543)	(1,455,088)		(47,393,334)
Gross Profit	3,280,619	873,706	198,034	-	4,352,359
Selling and distribution expenses	(278,155)	(520,170)	(56,331)		(854,656)
Administrative expenses	(202,047)	(226,055)	(12,716)		(440,818)
Reversal of impairment on trade debts		10,937	10,712		21,649
	(480,202)	(735,288)	(58,335)	-	(1,273,825)
Financial charges	(1,740,280)	(913,948)	(88,043)		(2,742,271)
Other operating charges	(26,158)	(24,806)	(3,785)	-	(51,146)
	(1,766,438)	(938,754)	(91,828)	-	(2,793,417)
Other income	(32,479)	24,680	-	-	(7,799)
Share of loss in equity accounted investee - net of tax	-	-	-	10,364	10,364
Profit / (Loss) before taxation	1,001,500	(775,656)	47,871	10,364	287,683
Taxation					(216,045)
Profit after taxation					71,638
For the nine months ended 31 March 2019					
Sales	34,966,532	20,133,029	1,356,008	-	56,455,569
Cost of sales	(31,034,498)	(17,615,204)	(1,235,731)		(49,885,433)
Gross Profit	3,932,034	2,517,825	120,277	-	6,570,136
Selling and distribution expenses	(452,375)	(676,281)	(51,484)		(1,180,140)
Administrative expenses	(197,824)	(231,773)	(16,488)		(446,085)
Impairment reversal on trade debts	-	10,717			10,717
	(650,199)	(897,336)	(67,972)	-	(1,615,507)
Financial charges	(1,009,812)	(632,775)	(50,098)		(1,692,685)
Other operating charges	(248,234)	(67,546)	(341)	-	(316,121)
	(1,258,046)	(700,321)	(50,439)	-	(2,008,806)
Other income	124,783	371,746	-	-	496,529
Share of profit in equity accounted investee - net of tax				33,541	33,541
Profit before taxation	2,148,572	1,291,914	1,866	33,541	3,475,893
Taxation					(700,202)
Profit after taxation					2,775,691

27.2 SEGMENT ASSETS & LIABILITIES

SEGMENTS	Steel Coils & Sheets	Steel Pipes	Polymer	Investments	Total
	(Rupees in '000)				
As at 31 March 2020 - Un-audited					
Segment assets	**45,418,080**	**17,343,114**	**2,165,123**	**1,111,556**	**66,037,873**
Segment liabilities	**32,237,260**	**11,423,340**	**1,311,188**	**-**	**44,971,788**
As at 30 June 2019 - Audited					
Segment assets	35,124,694	18,725,225	2,139,907	1,014,685	57,004,511
Segment liabilities	24,604,478	11,699,298	1,226,029	-	37,529,805

Reconciliation of segment assets and liabilities with total assets and liabilities in the Balance Sheet is as follows :

	31 March 2020 (Un-audited)	30 June 2019 (Audited)
	(Rupees in '000)	
Total reportable segments assets	**66,037,873**	57,004,511
Unallocated assets	**1,310,745**	5,683,702
Total assets as per Balance Sheet	**67,348,618**	62,688,213
Total reportable segments liabilities	**44,971,788**	37,529,805
Unallocated liabilities	**2,233,321**	4,532,799
Total liabilities as per Balance Sheet	**47,205,109**	42,062,604

27.3 The Group does not consider sale of electricity to KE as separate reportable segment as the power plants of the Group are installed primarily to supply power to its own manufacturing facilities and any excess electricity is sold to KE.

28 MEASUREMENT OF FAIR VALUES

A number of the accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

An independent external expert / valuer is engaged with sufficient expertise to carry out valuation of group entities non-financial assets (i.e Land and Building) and rates are obtained from financial instituition to value derivative financial instruments. Involvement of external valuers is decided upon by managements of the group entities. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability, an entity uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended 31st March 2020

	31 March 2020 (Un-audited)					
	Carrying amount			Fair value		
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets not measured at fair value	(Rupees in '000)					
Long term deposits	3,619	-	3,619	-	-	-
Trade debts - net of provision	6,235,460	-	6,235,460	-	-	-
Trade deposits	18,043	-	18,043			
Receivable from K-Electric Limited	153,033	-	153,033			
Other receivables	27,222	-	27,222	-	-	-
Cash and bank balances	487,539	-	487,539	-	-	-
Total	6,924,916	-	6,924,916	-	-	-
Financial liabilities not measured at fair value						
Long term financing	-	8,928,429	8,928,429	-	-	-
Trade and other payables		13,917,498	13,917,498			
Accrued mark-up	-	307,036	307,036	-	-	-
Short term borrowings	-	18,266,239	18,266,239	-	-	-
Contract liabilities	-	1,143,319	1,143,319	-	-	-
Unpaid dividend	-	21,962	21,962	-	-	-
Unclaimed dividend	-	28,618	28,618	-	-	-
Total	-	42,613,101	42,613,101	-	-	-

	30 June 2019 (Audited)					
	Carrying amount			Fair value		
	Amortized Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets not measured at fair value	(Rupees in '000)					
Long term deposits	3,619	-	3,619			
Trade debts - net of provision	3,521,626	-	3,521,626	-	-	-
Trade deposits	18,969	-	18,969	-	-	-
Receivable from K-Electric Limited	69,121	-	69,121	-	-	-
Other receivables	17,771	-	17,771	-	-	-
Cash and bank balances	759,543	-	759,543	-	-	-
Total	4,390,649	-	4,390,649	-	-	-
Financial liabilities not measured at fair value						
Long term financing	-	9,270,171	9,270,171	-	-	-
Trade and other payables	-	6,606,105	6,606,105	-	-	-
Accrued mark-up		448,173	448,173	-	-	-
Short term borrowings	-	19,616,349	19,616,349	-	-	-
Contract liabilities	-	1,494,346	1,494,346	-	-	-
Unpaid dividend	-	6,642	6,642	-	-	-
Unclaimed dividend	-	43,049	43,049	-	-	-
	-	-	-	-	-	-
Total	-	37,484,835	37,484,835	-	-	-

The fair value of land and building on freehold land are determined by an independent valuer based on price per square meter and current replacement cost method adjusted for depreciation factor for existing assets in use. The resulting fair value is a level 3 fair value measurement.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value:

Assets measured at fair value:	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable inputs and fair value measurement
Revalued property, plant and equipment			
- Land and Building	30 June 2019	The valuation model is based on price per square meter and current replacement cost method adjusted for depreciation factor for the existing assets in use. In determining the valuations for land and buildings, the valuer refers to current market conditions, structure, current replacement cost, sale prices of comparable land in similar location adjusted for differences in key attributes such as land size and inquires with numerous independent local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.	The fair value are subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values arising from the non-observable inputs.

Management assessed that the fair values of cash & cash equivalents, other receivable, receivables from K-Electric, trade deposits, trade receivables, short term borrowings, trade and other payables, accrued mark-up, contract liabilities and unpaid / unclaimed dividends approximate their carrying amounts largely due to short-term maturities of these instruments. For long term deposit and long term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are market rates. Fair values of investment in equity accounted investee is disclosed in note 7.1 to these financial statements.

29 GENERAL

29.1 Date of authorization for issue

These condensed interim consolidated financial statements were authorised for issue on 16 April 2020 by the Board of Directors.

Ehsan A. Malik	Muhammad Akhtar	Riyaz T. Chinoy
Director & Chairman Board Audit Committee	Chief Financial Officer	Chief Executive Officer


ONE ELEMENT
TO RULES THEM ALL
COSMO

Promising Reliability, For Now and Tomorrow

Head Office
101 Beaumont Plaza,
10 Beaumont Road,
Karachi - 75530
UAN: (92 21) 111 019 019

Lahore Office
Chinoy House,
6-Bank Square,
Lahore - 54000
UAN: (92 42) 111 019 019

Islamabad Office
Office No. 303-A, 3rd Floor,
Evacuee Trust Complex,
Sir Agha Khan Road,
Sector F-5/1, Islamabad
Tel: (92 51) 2823041-2

Faisalabad Office
Office No. 1/1 Wahab
Centre, Electrocity Plaza
Susan Road, Faisalabad
Tel: (92 41) 872 0037

Multan Office
1592, 2nd Floor
Quaid-e-Azam Shopping
Centre No.1 Multan Cantt, Multan
Tel: (92 61) 458 3332

Peshawar Office
Office No.1 & 2, First Floor,
Hurmaz Plaza
Opposite Airport Runway
Main University Road, Peshawar
Tel: (92 91) 5845068

Factory 1

LX 15-16,
Landhi Industrial Area,
Karachi - 75120
Tel: (92 21) 3508 0451-55

Factory 2

Survey # 405-406
Rehri Road, Landhi,
Karachi - 75160
Tel: (92 21) 3501 7027-28

Factory 3

22 KM, Sheikhupura Road
Lahore
Tel: (92 42) 3719 0492-3

Sales Inquiries

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