

# Progress with purpose

## Unaudited Financial Statements

For the Period ended March 31, 2025

# 2025







International Industries Limited

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

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# Company Information

## Chairman (Non-Executive)

Mr. Kamal A. Chinoy

## Independent Directors

Mr. Adnan Afridi

Mr. Asif Jooma

Mr. Haider Rashid

Mr. Jehangir Shah

Mr. Mansur Khan

## Non-Executive Directors

Mr. Mustapha A. Chinoy

Mrs. Selina Rashid Khan

## Chief Executive Officer

Mr. Yousuf H. Mirza

## Chief Financial Officer

Mr. Salman Najeeb

## Company Secretary & Head of Legal Affairs

Mr. Mohammad Irfan Bhatti

## Chief Internal Auditor

Mr. Muhammad Atif Khan

## External Auditor

M/s A.F. Ferguson & Co.

## Bankers

Allied Bank Limited

Askari Bank Limited

Bank AL Habib Limited

Bank Alfalah Limited

BankIslami Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial and Commercial Bank of China Limited

MCB Bank Limited

Meezan Bank Limited

Samba Bank Limited

Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

JS Bank Limited

The Bank of Punjab

## Legal Advisor

K. M. S. Law Associates

## National Tax Number

0710735-8

## Sales Tax Registration Number

02-04-7306-001-82

## Registered Office

101 Beaumont Plaza,

10 Beaumont Road,

Karachi – 75530, Pakistan

Telephone: +9221-35680045-54

UAN: +9221-111-019-019

E-mail: investors@iil.com.pk

## Lahore Office

Chinoy House, 6 Bank Square,

Lahore - 54000, Pakistan

Telephone: +9242-37229752-55

UAN: +9242-111-019-019

E-Mail: lahore@iil.com.pk

## Islamabad Office

Plot No. 9, Street No. 01,

Ibrahim Tower, Business Park,

Gulberg Green, Islamabad, Pakistan

## Multan Office

Office No. 708-A, The United Mall, Plot No. 74,

Abdali Road, Multan.

Telephone: +92 61-4570571

## Peshawar Office

Office No.1 & 2, 1st Floor, Hurmaz Plaza, Opp. Airport, Main

University Road, Peshawar, Pakistan

Telephone: +9291-5845068

## IIL Trading (Pvt.) Limited

101 Beaumont Plaza, 10 Beaumont Road,

Karachi – 75530, Pakistan

Website: www.iil.com.pk/csl

## Trading Office (Karachi)

Plot No. 91-C, Phase-II

Ext. 24th Commercial Street,

DHA, Karachi.

## Trading Office (Lahore)

BWB 192, Broadway Commercial,

DHA, Phase 8, Lahore.

## IIL Americas Inc.

Suite 210-5800

Ambler Drive, Mississauga

ONL4W4J4, Canada

## IIL Australia Pty Limited

101-103, Abbott Road, Hallam, Victoria 3803, Australia

Website: www.iilaustralia.com

## Factories

### Factory 1

LX 15-16, Landhi Industrial Area,

Karachi – 75120, Pakistan

Telephone: +9221-35080451-55

E-mail: factory@iil.com.pk

### Factory 2

Survey # 405 & 406, Rehri Road,

Landhi, Karachi – 75160, Pakistan

Telephone: +9221-35017026-28, 35017030

### Factory 3

22 KM, Sheikhpura Road, Lahore, Pakistan

Telephone: +9242-37190491-3

## Investor Relations Contact

Shares Registrar

CDC Share Registrar Services Limited

CDC House, 99-B, Block B, S.M.C.H.S.

Shahrah-e-Faisal, Karachi, Pakistan

Telephone: +92-0800-23275

Fax: +92-21-34326053

E-mail: info@cdcsrsl.com

Website: www.cdcsrsl.com

## Corporate Website

www.iil.com.pk



# Directors' Report

For the Period ended March 31, 2025

The Directors of your Company are pleased to present the financial statements for the nine months ending March 31, 2025.

The economy continued to demonstrate stability, largely underpinned by a downward trend in global commodity prices. The State Bank of Pakistan implemented a significant monetary policy easing, reducing the policy rate by 10% over the last eleven months. The external account demonstrated resilience, with a current account surplus and stable foreign exchange reserves. Investor confidence was strengthened following the successful conclusion of the International Monetary Fund (IMF) program's first half review, culminating in the upgrade of Pakistan's sovereign credit rating from CCC+ to B- by the Fitch rating agency.

Despite these positive developments, the economy faced headwinds with 1.5% contraction in the large-scale manufacturing (LSM) sector, which accounts for approximately 70% of the industrial output.

The international steel market experienced continued volatility, largely attributable to the imposition of a 25% tariff on all steel imports by the United States and subsequent retaliatory measures, which exacerbated market instability, resulting in international price fluctuations that impacted the domestic steel industry in Pakistan.

The persistent circumvention of sales tax exemptions granted to the Federally Administered Tribal Areas (FATA) and Provincially Administered Tribal Areas (PATA) region since 2018 has continued to negatively impact the domestic manufacturing sector. Whilst the government has implemented some administrative measures to curb this misuse, the impact of the intervention has thus far been limited. The Company remains actively engaged with governmental bodies to address this issue so as to alleviate the cumulative damage inflicted upon the domestic industry.

Amidst this challenging operating environment, the Company remained focused on strengthening its market position through strategic initiatives aimed at improving its market share, operational efficiencies, working capital optimization, and disciplined financial management. The Company reported a profit after tax of PKR 807 million for the nine-month period, compared to PKR 1,330 million in the same period last year. This variance is primarily attributable to the quantum of dividend income received from the subsidiary. Consequently, the Earnings Per Share (EPS) for the period stood at PKR 6.12, compared to PKR 10.09 in the same period last year.

The Company's primary subsidiary, International Steels Limited (ISL), recorded a YTD profit after tax of PKR 951 million, a significant decrease from the PKR 3,058 million reported in the equivalent period last year. This translated to an EPS of PKR 2.19 for ISL, compared to PKR 7.03 in the prior year's corresponding period.

Looking ahead, the Company remains steadfast in its commitment to enhancing customer value, driving operational excellence and optimizing working capital management to sustain long-term stakeholder value.

For & on behalf of  
International Industries Limited



Kamal A. Chinoy  
Chairman

Karachi: April 25, 2025

## ڈائریکٹرز کی رپورٹ

برائے مدت ختمہ 31 مارچ 2025

کمپنی کے اہم ذیلی ادارے انٹرنیشنل اسٹیلولیمیٹڈ (ISL) نے مذکورہ مدت میں منافع بعد از ٹیکس 951 ملین پاکستانی روپے حاصل کیا جو گزشتہ سال کی اسی مدت کے 3,058 ملین روپے سے نمایاں طور پر کم ہے۔ اس کے مطابق ISL کیلئے فی شیئر آمدنی 2.19 روپے رہی جب کہ گزشتہ سال کی اسی مدت میں 7.03 روپے فی شیئر تھی۔

مستقبل پر نظر ڈالیں تو کمپنی آپریشن کی مہارت اور بہترین جاری سرمایہ کے ساتھ اپنے صارفین کیلئے اقدار میں اضافے کے عزم پر کاربند ہے جو طویل مدت تک اسٹیک ہولڈر کی ویلیو کو برقرار رکھے۔

برائے اور منجانب  
انٹرنیشنل اسٹیلولیمیٹڈ

کمال اے چنائے  
چیرمین

کراچی: 25 اپریل، 2025

## ڈائریکٹرز کی رپورٹ

برائے مدت ختمہ 31 مارچ 2025

آپ کی کمپنی کے ڈائریکٹرز مالیاتی اسٹیٹمنٹس برائے نو ماہ ختمہ 31 مارچ 2025 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معیشت میں مسلسل استحکام کی کیفیت نظر آرہی ہے جس کا بڑا سبب عالمی اشیاء کی قیمتوں میں کمی کا رجحان ہے۔ اسٹیٹ بینک آف پاکستان نے گزشتہ گیارہ ماہ میں پالیسی ریٹ میں 10% تک کمی کر کے نمایاں طور پر باسہولت مانیٹری پالیسی نافذ کی ہے۔ بیرونی اکاؤنٹس میں بھی بہتری کا مظاہرہ ہوا ہے اور کرنٹ اکاؤنٹ سرپلس ہونے کے ساتھ زرمبادلہ کے ذخائر کی صورتحال بھی مستحکم ہے۔ عالمی مالیاتی فنڈ (IMF) کے پروگرام کے پہلے نصف جائزے کے کامیاب نتیجے کے بعد سرمایہ کاروں کے اعتماد میں بھی اضافہ ہوا ہے، اور فچ ریٹنگ ایجنسی نے پاکستان کی خود مختار کریڈٹ ریٹنگ کو CCC+ سے B- کر دیا ہے۔

اس مثبت پیش رفت کے باوجود، معیشت کو مشکل حالات کا سامنا ہے، جیسے بڑے پیمانے کی مینوفیکچرنگ (LSM) کے شعبہ میں 1.5% کمی واقع ہوئی ہے، جو صنعتی آؤٹ پٹ کے تقریباً 70% کے برابر ہے بین الاقوامی اسٹیل مارکیٹ مسلسل طیران پذیری کا شکار ہے جس کی سب سے بڑی وجہ یونائیٹڈ اسٹیٹس کی جانب سے اسٹیل کی تمام درآمدات پر 25% ٹیرف کا نفاذ اور اس کے بعد اس کے رد عمل کے اقدامات، جن سے مارکیٹ کے عدم استحکام میں اضافہ ہوا اور اس کے نتیجے میں بین الاقوامی قیمتوں میں اتار چڑھاؤ سے پاکستان میں ملکی اسٹیل کی صنعت پر اثر پڑا ہے۔

وفاق کے زیر انتظام قبائلی علاقوں (FATA) اور صوبوں کے زیر انتظام قبائلی علاقوں (PATA) کو 2018 سے دیئے گئے سیلز ٹیکس سے استثنیٰ کے مسلسل جاری رہنے سے ملکی مینوفیکچرنگ کے شعبہ پر منفی اثرات مرتب کئے ہیں۔ اگرچہ اس کے غلط استعمال کے تدارک کیلئے حکومت کی جانب سے انتظامی اقدامات کئے گئے جس کے بہت محدود اثرات سامنے آئے ہیں۔ کمپنی اس مسئلے کے حل کے لئے فعال طور پر حکومتی اداروں کے ساتھ مصروف عمل ہے تاکہ ملکی صنعت کو اجتماعی طور پر ہونے والے نقصانات کو کم سے کم کیا جاسکے۔

کاروبار کو درپیش خطرات کے باوجود کمپنی نے اپنی مارکیٹ پوزیشن کو مضبوط رکھنے پر توجہ مرکوز رکھنے کے سلسلے میں اپنی حکمت عملی کے تحت مختلف اقدامات اٹھائے جن میں مارکیٹ شیئر میں بہتری لانا، آپریشنل استعداد میں اضافہ، جاری سرمایہ کی اصلاحات اور منظم مالیاتی منجمنٹ شامل ہیں۔ کمپنی کا گزشتہ نو ماہ میں 807 ملین پاکستانی روپے کا بعد از ٹیکس منافع حاصل ہوا جو گزشتہ سال کی اسی مدت میں 1,330 ملین روپے تھا۔ اس تبدیلی کی بنیادی وجہ ذیلی ادارے کی جانب سے حاصل ہونے والے منافع منقسمہ کی کمی تھی۔ اس لحاظ سے مذکورہ مدت میں فی شیئر آمدنی (EPS) 6.12 روپے رہی جب کہ گزشتہ سال کی اسی مدت میں 10.09 روپے تھی۔



# UNCONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

# Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2025

	Note	(Un-audited) March 31, 2025	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	12,094,347	12,246,466
Intangible assets		782	1,584
Investments	6	3,448,380	3,372,515
Long-term deposits		7,450	4,358
Deferred taxation - net		127,302	35,496
		<b>15,678,261</b>	<b>15,660,419</b>
<b>CURRENT ASSETS</b>			
Stores and spares		168,397	195,318
Stock-in-trade	7	8,374,832	9,897,354
Trade debts		4,784,027	4,998,267
Advances, trade deposits and prepayments		92,453	59,027
Other receivables		69,135	38,370
Sales tax receivable		-	404,182
Cash and bank balances		930,880	384,717
		<b>14,419,724</b>	<b>15,977,235</b>
<b>TOTAL ASSETS</b>		<b>30,097,985</b>	<b>31,637,654</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		2,700,036	2,700,036
Unappropriated profit		7,838,453	7,440,635
Capital reserve			
Revaluation surplus on property, plant and equipment		6,916,116	6,968,184
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>18,773,424</b>	<b>18,427,674</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured	8	2,598,652	3,276,359
Deferred income - government grant		23,645	30,035
Staff retirement benefits		36,218	73,664
		<b>2,658,515</b>	<b>3,380,058</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	5,761,868	2,678,911
Contract liabilities		410,562	566,883
Short-term borrowings - secured	10	1,529,798	5,086,048
Unclaimed dividend		39,205	41,275
Current portion of long-term financing - secured	8	127,565	615,103
Taxation - net		692,383	576,614
Sales tax payable		17,031	-
Accrued mark-up		87,634	265,088
		<b>8,666,046</b>	<b>9,829,922</b>
<b>TOTAL LIABILITIES</b>		<b>11,324,561</b>	<b>13,209,980</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	11	<b>30,097,985</b>	<b>31,637,654</b>

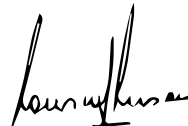
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



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



**Salman Najeeb**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer

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

For the Period ended March 31, 2025

	Note	Nine months ended		Three months ended	
		March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)
----- (Rupees in '000) -----					
Revenue from contracts with customers	12	18,655,380	22,601,779	6,803,535	6,000,878
Cost of sales		(16,356,635)	(19,388,897)	(5,706,375)	(5,327,443)
<b>Gross profit</b>		<b>2,298,745</b>	3,212,882	<b>1,097,160</b>	673,435
Selling and distribution expenses		(955,047)	(1,013,793)	(315,590)	(372,148)
Administrative expenses		(301,780)	(290,417)	(99,982)	(89,856)
Reversal / (charge) of loss allowance on trade debts		6,189	(47,813)	(8,915)	1,497
		(1,250,638)	(1,352,023)	(424,487)	(460,507)
<b>Operating profit</b>		<b>1,048,107</b>	1,860,859	<b>672,673</b>	212,928
Finance cost		(451,423)	(1,122,165)	(104,342)	(293,474)
Other operating (expense) / income		(54,400)	(65,150)	(44,702)	(2,464)
		(505,823)	(1,187,315)	(149,044)	(295,938)
Other income/ (expense) - net	13	747,972	1,250,545	56,536	667,803
<b>Profit before levies and income tax</b>		<b>1,290,256</b>	1,924,089	<b>580,165</b>	584,793
Levies	14	(20,551)	(37,988)	(5,397)	(12,765)
<b>Profit before tax</b>		<b>1,269,705</b>	1,886,101	<b>574,768</b>	572,028
Income tax expense	15	(462,368)	(555,929)	(154,914)	(106,807)
<b>Profit after tax for the period</b>		<b>807,337</b>	1,330,172	<b>419,854</b>	465,221
<b>Earnings per share</b>					
<b>- basic and diluted (Rupees)</b>		<b>6.12</b>	10.09	<b>3.18</b>	3.53

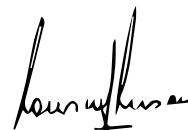
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Jehangir Shah  
Director & Chairman  
Board Audit Committee



Salman Najeeb  
Chief Financial  
Officer



Yousuf H. Mirza  
Chief Executive  
Officer



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

For the Period ended March 31, 2025

	Nine months ended		Three months ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Rupees in '000)			
Profit after tax for the period	807,337	1,330,172	419,854	465,221
<b>Other comprehensive income / (loss)</b>				
Items that will not be subsequently reclassified to unconsolidated condensed interim statement of profit or loss				
Remeasurement of staff retirement benefits				
- Adjustment related to opening deferred tax balance	-	775	-	(1,036)
Surplus on revaluation of land and buildings				
- Adjustment related to opening deferred tax balance	-	(8,744)	-	10,871
<b>Other comprehensive (loss) / income for the period - net of tax</b>	-	(7,969)	-	9,835
<b>Total comprehensive income for the period</b>	<b>807,337</b>	<b>1,322,203</b>	<b>419,854</b>	<b>475,056</b>


The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



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



**Salman Najeeb**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer

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

For the Period ended March 31, 2025

	Issued, subscribed and paid-up capital	Revenue Reserves General reserve	Unappropriated profit	Capital Reserve Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)				
<b>Balance as at July 1, 2023</b>	<b>1,318,819</b>	<b>2,700,036</b>	<b>6,322,088</b>	<b>4,908,327</b>	<b>15,249,270</b>
Profit after tax for the period	-	-	1,330,172	-	1,330,172
Other comprehensive income / (loss) for the period	-	-	775	(8,744)	(7,969)
Total comprehensive income / (loss) for the period	-	-	1,330,947	(8,744)	1,322,203
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	66,171	(66,171)	-
<b>Transactions with owners recorded directly in equity - distributions</b>					
Dividend:					
- Final dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	-	(263,764)
- Interim dividend at 20% (i.e. Rs. 2.00 per share) for the year ended June 30, 2024	-	-	(263,764)	-	(263,764)
<b>Balance as at March 31, 2024</b>	<b>1,318,819</b>	<b>2,700,036</b>	<b>7,191,678</b>	<b>4,833,412</b>	<b>16,043,945</b>
<b>Balance as at July 1, 2024</b>	<b>1,318,819</b>	<b>2,700,036</b>	<b>7,440,635</b>	<b>6,968,184</b>	<b>18,427,674</b>
Profit after tax for the period	-	-	807,337	-	807,337
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	807,337	-	807,337
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	52,068	(52,068)	-
<b>Transactions with owners recorded directly in equity - distributions</b>					
Dividend:					
- Final dividend at 35% (i.e. Rs. 3.50 per share) for the year ended June 30, 2024	-	-	(461,587)	-	(461,587)
<b>Balance as at March 31, 2025</b>	<b>1,318,819</b>	<b>2,700,036</b>	<b>7,838,453</b>	<b>6,916,116</b>	<b>18,773,424</b>

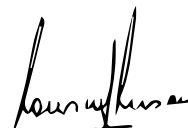
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



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



**Salman Najeeb**  
 Chief Financial  
 Officer



**Yousuf H. Mirza**  
 Chief Executive  
 Officer

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

For the Period ended March 31, 2025

		Nine months ended	
	Note	March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	16	<b>6,472,857</b>	6,728,467
Finance cost paid		<b>(622,155)</b>	(1,344,327)
Income on bank deposits received		<b>20,463</b>	14,738
Staff retirement benefits paid		<b>(82,505)</b>	(42,000)
Payment on account of compensated absences		<b>(24,596)</b>	(10,060)
Income tax and levies paid		<b>(458,956)</b>	(521,820)
Increase in long-term deposit		<b>(3,092)</b>	-
Net cash generated from operating activities		<b>5,302,015</b>	4,824,998
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for acquisition of property, plant and equipment		<b>(294,876)</b>	(495,414)
Investment in associate		<b>(75,865)</b>	-
Proceeds from disposal of property, plant and equipment		<b>72,090</b>	25,590
Dividend received		<b>735,167</b>	1,225,278
Net cash generated from investing activities		<b>436,516</b>	755,454
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term financing		<b>(1,172,461)</b>	(558,697)
Proceeds from short-term borrowings - net		<b>(1,713,658)</b>	54,595
Dividend paid		<b>(463,657)</b>	(535,446)
Net cash used in financing activities		<b>(3,349,777)</b>	(1,039,548)
Net increase in cash and cash equivalents		<b>2,388,755</b>	4,540,904
Cash and cash equivalents at beginning of the period		<b>(1,624,775)</b>	(4,424,408)
Cash and cash equivalents at end of the period	17	<b>763,980</b>	116,496


The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



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



**Salman Najeeb**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer



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

For the Period ended March 31, 2025

## 1. STATUS AND NATURE OF BUSINESS

International Industries Limited ("the Company") was incorporated in Pakistan on March 1, 1948 under the Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The Company is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, structural hollow sections, stainless steel tubes, polymer pipes & fittings. The Company also offers customized construction solution services. The registered office of the Company is situated at 101-107 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

The manufacturing facilities of the Company are situated as follows:

- i) LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi;
- ii) Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi; and
- iii) 22 KM Sheikhpura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhpura.

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

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Office no. 708-A, United Mall, Abdali Road, Multan;
- iii) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
- iv) Plot no. 9, Street No. 01 Ibrahim Tower, Business Park, Gulberg Green, Islamabad; and
- v) Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

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

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

For the Period ended March 31, 2025

**2.1.3** The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the un-audited unconsolidated condensed interim financial statements for the period ended March 31, 2024.

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

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

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

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

## **3.2 Restatement**

The Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" via circular No. 07/2024 dated May 15, 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these condensed interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was already applied in the financial statements of the Company for the year ended June 30, 2024. Accordingly the figures of prior period condensed interim financial statement for the period ended March 31, 2024 have been restated. There has been no effect on the condensed interim statement of financial position, condensed interim statement of changes in equity, the condensed interim statement of cash flows and earnings per share as a result of this change.

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

For the Period ended March 31, 2025

The impact of the restatement is as under:

	For the nine months ended March 31, 2025			For the nine months ended March 31, 2024		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating the effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating the effects of change in accounting policy
	----- (Rupees in '000) -----					
Profit before income tax	1,290,256	(20,551)	1,269,705	1,924,089	(37,988)	1,886,101
Levies	-	(20,551)	(20,551)	-	(37,988)	(37,988)
Income tax - net	(482,919)	20,551	(462,368)	(593,917)	37,988	(555,929)

## 3.3 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial reporting.

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

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

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

**4.1** The preparation of unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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



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

For the Period ended March 31, 2025

## 5. PROPERTY, PLANT AND EQUIPMENT

	Note	Operating assets	Capital work-in-progress (including capital stores and spares)	Total
		----- (Rupees in '000) -----		
<b>Cost / revalued amount</b>				
Balance at beginning of the period		16,275,174	91,565	16,366,739
Additions		-	334,876	334,876
Transfers	5.1	305,668	(305,668)	-
Disposals	5.1	(104,019)	-	(104,019)
		<u>16,476,823</u>	<u>120,773</u>	<u>16,597,596</u>
<b>Accumulated depreciation</b>				
Balance at beginning of the period		(4,120,273)	-	(4,120,273)
Charge for the period		(469,058)	-	(469,058)
Disposals	5.1	86,082	-	86,082
		<u>(4,503,249)</u>	<u>-</u>	<u>(4,503,249)</u>
<b>Written down value as at March 31, 2025 (Un-audited)</b>		<u>11,973,574</u>	<u>120,773</u>	<u>12,094,347</u>
Written down value as at June 30, 2024 (Audited)		<u>12,154,901</u>	<u>91,565</u>	<u>12,246,466</u>

### 5.1 Additions and disposals of operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- (Rupees in '000) -----			
Freehold land	44,388	-	-	-
Building on freehold land	29,801	-	-	-
Building on leasehold land	4,040	744	-	-
Plant and machinery	156,284	87,767	9,411	9,061
Furniture, fixtures and office equipment	20,065	13,491	813	47
Vehicles	51,090	67,115	7,713	8,417
	<u>305,668</u>	<u>169,117</u>	<u>17,937</u>	<u>17,525</u>

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

For the Period ended March 31, 2025

## 6. INVESTMENTS

(Un-audited) March 31, 2025 (Number of shares)	(Audited) June 30, 2024		(Un-audited) March 31, 2025 ----- (Rupees in '000) -----	(Audited) June 30, 2024
<b>Quoted Companies</b>				
<b>245,055,543</b>	245,055,543	International Steels Limited (ISL) - subsidiary company, at cost	<b>2,450,555</b>	2,450,555
<b>9,325,438</b>	8,477,671	Pakistan Cables Limited (PCL) - associated company, at cost note 6.1	<b>817,553</b>	817,553
<b>Un-quoted Companies</b>				
<b>150,000</b>	150,000	IIL Americas Inc. (IIL Americas) - subsidiary company, at cost	<b>17,966</b>	17,966
<b>100,000</b>	100,000	IIL Australia Pty. Limited (IIL Australia) - subsidiary company, at cost	<b>9,168</b>	9,168
<b>7,727,270</b>	7,727,270	IIL Trading (Private) Limited (Formerly IIL Construction Solutions (Private) Limited) - subsidiary company, at cost	<b>77,273</b>	77,273
<b>4,845,000</b>	-	Chinoy Engineering & Construction (Private) Limited - associated company, at cost note 6.2	<b>48,450</b>	-
<b>90,000</b>	-	INIL Europe Limited. (IIL Europe) - subsidiary company, at cost	<b>27,415</b>	-
			<b>3,448,380</b>	3,372,515

**6.1** During the period, Pakistan Cables Limited has approved bonus shares in the ratio of 10 shares for every 100 ordinary shares held equivalent to 10% in the Annual General Meeting for the year ended June 30, 2024. Accordingly, 847,767 shares have been issued to the Company.

**6.2** The Board of Directors in their meeting held on July 18, 2024 approved to make investment in Chinoy Engineering & Construction (Private) Limited (CECL) to the extent of 17% of its share capital. The said decision was approved by the members of the Company in an Extraordinary General Meeting held on August 13, 2024. Based on the members approval, the Company made investment in CECL on September 20, 2024, amounting to Rs. 48.45 million. The remaining shareholding of CECL is owned by International Steels Limited (17%), Pakistan Cables Limited (17%) and ASCG Engineering (49%).

The Company has significant influence over CECL as it holds 17% directly and further 17% indirectly through ISL (subsidiary). CECL is incorporated in Pakistan and the company engages in the business of construction industry, encompassing a range of activities including design , construction, demolition and infrastructure development.

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

For the Period ended March 31, 2025

	Note	(Un-audited) March 31, 2025 ----- (Rupees in '000) -----	(Audited) June 30, 2024
<b>7. STOCK-IN-TRADE</b>			
Raw material - in hand	7.1	2,010,602	4,533,554
- in transit		3,096,462	670,681
		<u>5,107,064</u>	<u>5,204,235</u>
Work-in-process		856,184	996,717
Finished goods		2,316,515	3,446,490
By-products		63,336	34,404
Scrap material		31,733	215,508
		<u>8,374,832</u>	<u>9,897,354</u>

- 7.1** Raw material amounting to Rs. 3.1 million as at March 31, 2025 (June 30, 2024 Rs. 1.7 million) was held at a vendor's premises for the production of pipe caps.

	Note	(Un-audited) March 31, 2025 (Rupees in '000)	(Audited) June 30, 2024
<b>8. LONG-TERM FINANCING - secured</b>			
<b>CONVENTIONAL</b>			
Long-Term Finance Facility (LTFF)	8.2	307,083	387,410
Long-Term Finance		-	145,455
		<u>307,083</u>	<u>532,865</u>
<b>ISLAMIC</b>			
Diminishing Musharakah		2,100,000	3,011,364
Islamic Long-Term Finance Facility (ILTFF)	8.3	72,083	84,331
Islamic Temporary Economic Refinance Facility (ITERF)	8.4	208,236	226,858
Islamic Finance Facility for Renewable Energy (IFRE)	8.5	71,111	75,556
		<u>2,451,430</u>	<u>3,398,109</u>
		<u>2,758,513</u>	<u>3,930,974</u>
Less: Deferred income - government grant		(32,296)	(39,512)
Less: Current portion of long-term financing:			

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

For the Period ended March 31, 2025

	(Un-audited) March 31, 2025 ----- (Rupees in '000) -----	(Audited) June 30, 2024
<b>CONVENTIONAL</b>		
Long-Term Finance Facility (LTFF)	(78,361)	(108,406)
Long-Term Finance	-	(145,455)
	(78,361)	(253,861)
<b>ISLAMIC</b>		
Diminishing Musharakah	-	(311,364)
Islamic Long-Term Finance Facility (ILTFF)	(14,859)	(14,859)
Islamic Temporary Economic Refinance Facility (ITERF)	(25,456)	(26,130)
Islamic Finance Facility for Renewable Energy (IFRE)	(8,889)	(8,889)
	(49,204)	(361,242)
	(127,565)	(615,103)
	<b>2,598,652</b>	<b>3,276,359</b>

- 8.1** These facilities are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX 15 - 16, HX-7/4 and LX-2, LX 14/13, LX 14/14 Landhi Industrial Estate, Karachi and Survey number 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi.
- 8.1.1** In relation to the above borrowings, the Company needs to observe certain financial and non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.
- 8.2** This represents finance facility loan obtained from various banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 8.3** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Long Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 8.4** This represents long-term loans obtained by the Company under SBP's Islamic Temporary Economic Refinance Facility available from various Islamic banks at below-market interest rates.
- 8.5** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for solar power project.

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

For the Period ended March 31, 2025

	Note	(Un-audited) March 31, 2025	(Audited) June 30, 2024
		----- (Rupees in '000) -----	
<b>9. TRADE AND OTHER PAYABLES</b>			
Trade creditors		<b>521,257</b>	94,452
Bills payable		<b>2,880,673</b>	148,027
Accrued expenses	9.1	<b>830,818</b>	1,070,464
Provision for Infrastructure Cess	9.2	<b>1,392,462</b>	1,260,670
Short-term compensated absences		<b>4,500</b>	8,928
Workers' Profit Participation Fund		<b>30,240</b>	240
Workers' Welfare Fund	9.3	<b>83,850</b>	85,109
Current portion of deferred income			
- government grant		<b>8,651</b>	9,477
Others		<b>9,417</b>	1,544
		<b>5,761,868</b>	2,678,911

**9.1** These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 359.04 million (June 30, 2024: Rs. 357.09 million)

This also includes a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 86.65 million (June 30, 2024: Rs. 86.65 million). On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 01, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. The Company preferred an appeal against the said order before the divisional bench.

On March 28, 2024 the divisional bench of the SHC upheld the order of the single judge and ordered for encashment of securities deposited. The Company is considering an appeal before the Supreme Court against the said order, however, as advised by the legal advisor, the differential has been deposited with the SSGC under protest.

**9.2** This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC), passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 1,495 million (June 30, 2024: Rs. 1,337 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has increase the rate of Infrastructure Cess to 1.25%. The Company had obtained a stay against this and the ultimate dispute had been linked with the previous Infrastructure Cess case.

The case was decided on June 4, 2021 by the SHC whereby the SHC declared the first four versions of the law unconstitutional and a release of bank guarantees was ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 3, 2021. The Company was not in agreement with the above orders and filed an appeal before the Supreme Court of Pakistan (SCP).



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

For the Period ended March 31, 2025

On September 1, 2021, the SCP granted a stay order against the operation of the order of SHC dated June 4, 2021, that the bank guarantees already submitted by the Company in pursuant to the order of the SHC is valid and enforceable. The SHC further ordered that imports should be released on submission of fresh bank guarantees equivalent to the duty under the Act.

From July 01, 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

- 9.3** The Company filed a constitutional petition with the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 despite the fact that the Company is making the payments of Workers Welfare Fund to the Federal Government. A stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971. The Company remains optimistic about a favourable outcome, particularly in view of a recent decision in an identical constitutional petition (No. D-2689 of 2017), wherein the Honourable Court held that a trans-provincial entity is liable to pay WWF to the Federal Government under the Federal Workers Welfare Fund Ordinance, 1971.

	Note	(Un-audited) March 31, 2025	(Audited) June 30, 2024
<b>10. SHORT-TERM BORROWINGS - secured</b>			
<b>CONVENTIONAL</b>			
Running finance under mark-up arrangement from banks	10.1	<b>121,916</b>	489,808
Short-term borrowing under Money Market Scheme maturing within three months	10.1	-	300,000
Short-term borrowing under Export Refinance Scheme	10.2	<b>700,000</b>	1,300,000
Short-term borrowing under Export Finance Scheme	10.3	<b>662,898</b>	552,601
Short-term borrowing under FE-25 Import		-	1,223,955
<b>ISLAMIC</b>			
Short-term borrowing under Money Market Scheme maturing within three months		-	1,000,000
Short-term borrowing under Running Musharakah maturing within three months	10.4	<b>44,984</b>	219,684
		<b>1,529,798</b>	5,086,048

- 10.1** These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these facilities range from 12.19% to 21.33% (June 30, 2024: 20.24% to 22.52%) per annum.

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

For the Period ended March 31, 2025

- 10.2** The Company has obtained short-term finance under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 9.00% to 16.50% (June 30, 2024: 17.50%) per annum. These facilities mature within six months and are renewable.
- 10.3** The Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 2.00% to 3.00% (June 30, 2024: 2.00% to 2.50%) per annum.
- 10.4** The Company has obtained facilities for short-term finance under Running Musharakah. The rates of profit on these facilities range from 12.24% to 21.03% (June 30, 2024: 20.30% to 22.29%) per annum.
- 10.5** As at March 31, 2025, the unavailed facilities from the above borrowings amounted to Rs. 14,485 million (June 30, 2024: Rs. 12,938 million).
- 10.6** The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future moveable assets of the Company.

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

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

- 11.1.1** In relation to the case of the sale of zinc wastages generated from imports under manufacturing bond, the customs authorities imposed a duty of Rs.403 Mn for the period 2013 to 2015. The Appellate Tribunal heard the case and upheld the order of the Collector of Customs (Adjudication - II). Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the Sindh High Court (SHC). The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.

### 11.2 Commitments

- 11.2.1** Capital expenditure commitments outstanding as at March 31, 2025 amounted to Rs. 6.78 million (June 30, 2024: Rs. 6.86 million).
- 11.2.2** Commitments under letters of credit for raw materials and stores and spares as at March 31, 2025 amounted to Rs. 1,780.69 million (June 30, 2024: Rs. 885.06 million).
- 11.2.3** Commitments under purchase contracts as at March 31, 2025 amounted to Rs. 335.87 million (June 30, 2024: Rs. 17.53 million).
- 11.2.4** The facilities for opening letters of credit and guarantees from banks as at March 31, 2025 amounted to Rs. 14,700 million (June 30, 2024: Rs. 15,200 million) and Rs. 3,800 million (June 30, 2024: Rs. 3,800 million) respectively, of which the unutilised balance at period-end amounted to Rs. 12,913 million (June 30, 2024: Rs. 14,308 million) and Rs. 476 million (June 30, 2024: Rs. 313 million) respectively.
- 11.2.5** The Company has issued a performance guarantee to Reko Diq Mining Company Ltd (RDMC) to ensure that CECL performs its obligations under the contract with RDMC, with joint and several liability with subsidiary company, International Steels Limited and associated company, Pakistan Cables Limited.

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

For the Period ended March 31, 2025

(Un-audited)				
Nine months ended		Three months ended		
March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
----- (Rupees in '000) -----				
<b>12. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
Sale of goods less returns				
Local	21,721,169	24,403,874	8,152,014	6,457,923
Sales tax	(3,018,253)	(3,747,695)	(1,130,413)	(1,151,881)
Trade discounts	(2,102,613)	(1,853,243)	(757,729)	(581,678)
	<b>16,600,303</b>	<b>18,802,936</b>	<b>6,263,872</b>	<b>4,724,364</b>
Export	2,058,532	3,816,075	540,438	1,278,617
Export commission	(3,455)	(17,232)	(775)	(2,103)
	<b>2,055,077</b>	<b>3,798,843</b>	<b>539,663</b>	<b>1,276,514</b>
	<b>18,655,380</b>	<b>22,601,779</b>	<b>6,803,535</b>	<b>6,000,878</b>

## 13. OTHER INCOME / (EXPENSE) - NET

This includes dividend income from subsidiary company amounting to Rs. 735.20 million (March 31, 2024: Rs. 1,225.30 million).

(Un-audited)			
Nine months ended		Three months ended	
March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Restated)		(Restated)
----- (Rupees in '000) -----			

## 14. LEVIES

Minimum Tax / Final Tax u/s 154	20,551	37,988	5,397	12,765
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## 15. INCOME TAX EXPENSE

Current	549,047	692,287	186,332	138,978
Prior	5,126	11,861	-	-
Deferred	(91,805)	(148,219)	(31,418)	(32,171)
	<b>462,368</b>	<b>555,929</b>	<b>154,914</b>	<b>106,807</b>

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

For the Period ended March 31, 2025

		(Un-audited)	
		Nine months ended	
	Note	March 31, 2025	March 31, 2024
----- (Rupees in '000) -----			
<b>16. CASH GENERATED FROM OPERATIONS</b>			
Profit before levies and income tax		<b>1,290,256</b>	1,924,089
<b>Add/(less): Adjustment for non-cash charges and other items</b>			
Depreciation of property, plant and equipment		<b>469,058</b>	463,706
Amortisation of intangible assets		<b>803</b>	1,058
(Reversal) / charge of loss allowance on trade debts		<b>(6,189)</b>	47,813
Provision for staff retirement benefits		<b>45,059</b>	54,000
Provision for compensated absences		<b>20,168</b>	11,054
Provision for stores and spares		<b>22,985</b>	29,711
Income on bank deposits		<b>(20,463)</b>	(14,738)
Gain on disposal of property, plant and equipment		<b>(54,153)</b>	(17,126)
Loss on remeasurement of Gas Infrastructure Development Cess		-	(35)
Unwinding of Gas Infrastructure Development Cess		<b>1,811</b>	12,080
Dividend income		<b>(735,167)</b>	(1,225,278)
Government grant income		<b>(4,911)</b>	(7,922)
Finance cost		<b>449,612</b>	1,110,085
		<b>1,478,869</b>	2,388,497
Changes in working capital	16.1	<b>4,993,987</b>	4,339,970
		<b>6,472,857</b>	6,728,467
<b>16.1 Working capital changes</b>			
Decrease /(increase) in current assets:			
Stores and spares		<b>3,936</b>	(4,307)
Stock-in-trade		<b>1,522,522</b>	2,948,507
Trade debts		<b>180,429</b>	742,370
Advances, trade deposits and prepayments		<b>(33,426)</b>	10,153
Other receivables		<b>(30,765)</b>	4,448
Sales tax receivable		<b>404,182</b>	672,749
		<b>2,046,878</b>	4,373,920
(Decrease) / increase in current liabilities:			
Trade and other payables		<b>3,086,400</b>	222,065
Contract liabilities		<b>(156,321)</b>	(341,956)
Sales tax payable		<b>17,031</b>	85,941
		<b>2,947,109</b>	(33,950)
		<b>4,993,987</b>	4,339,970

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

For the Period ended March 31, 2025

		(Un-audited)	
		Nine months ended	
Note		March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
<b>17.</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and bank balances	<b>930,880</b>	975,229
	Running finance under mark-up arrangement from banks	10 <b>(121,916)</b>	(296,539)
	Short-term borrowing under Running Musharakah maturing within three months	10 <b>(44,984)</b>	(562,194)
		<b>763,980</b>	116,496

## 18. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the subsidiary companies, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to follow a policy whereby all transactions with related parties are entered into at commercial terms at rate agreed under a contract / arrangement / agreement. The contributions to the defined contribution plan (Provident Fund) are made as per the terms of employment and contributions to the defined benefit plan (Gratuity Fund) are made on the basis of latest actuarial advice. Remuneration of key management personnel are in accordance with their terms of engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than under terms of their employment / entitlement.



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

For the Period ended March 31, 2025

		(Un-audited)	
		Nine months ended	Three months ended
		March 31, 2025	March 31, 2024
		March 31, 2025	March 31, 2024
		(Rupees in '000)	
<b>18.1 Transactions with related parties</b>			
<b>Subsidiary companies</b>			
Sales	1,405,557	2,176,112	506,945
Purchases	1,593,829	2,266,430	1,042,752
Cost of shared resources	23,985	138,576	-
Reimbursement of expenses	121,234	103,515	35,103
Rental income	10,290	9,573	3,430
Dividend received	735,167	1,225,278	-
<b>Associated companies</b>			
Sales	29,114	96,036	25,918
Purchases	17,902	8,904	9,158
Reimbursement of expenses	19,695	2,452	892
Dividend paid	2,218	2,534	-
Subscription	2,500	2,500	-
Registration and training	2,459	2,944	1,604
<b>Key management personnel</b>			
Remuneration and allowances	309,081	270,851	82,233
<b>Staff retirement funds</b>			
Contribution paid	150,175	88,690	35,097
<b>Non-executive directors</b>			
Meeting fee	7,600	5,900	2,400

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

For the Period ended March 31, 2025

## 19. SEGMENT REPORTING

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

### 19.1 Segment revenue and results

**For the nine months ended  
March 31, 2025**

Revenue from contracts with customers

Local	11,804,704	4,795,599	-	16,600,303
Exports	2,055,077	-	-	2,055,077

	13,859,781	4,795,599	-	18,655,380
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Cost of sales	(13,019,270)	(3,337,365)	-	(16,356,635)
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<b>Gross profit</b>	840,511	1,458,234	-	2,298,745
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Selling and distribution expenses	(827,121)	(127,926)	-	(955,047)
Administrative expenses	(224,204)	(77,576)	-	(301,780)
(Charge) / reversal of loss allowance on trade debts	(25,197)	31,386	-	6,189
	(1,076,522)	(174,116)	-	(1,250,638)

Finance cost	(335,379)	(116,044)	-	(451,423)
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Other operating income / (expense)	27,365	(81,765)	-	(54,400)
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	(308,014)	(197,809)	-	(505,823)
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Other income	12,805	-	735,167	747,972
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<b>(Loss) / profit before levies and income tax</b>	<b>(531,219)</b>	<b>1,086,309</b>	<b>735,167</b>	<b>1,290,256</b>
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Levies				(20,551)
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Income tax expense				(462,368)
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<b>Profit after tax for the period</b>				<b>807,337</b>
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**For the nine months ended  
March 31, 2024**

Revenue from contracts with customers

Local	15,151,292	3,651,645	-	18,802,936
Exports	3,798,843	-	-	3,798,843

	18,950,135	3,651,645	-	22,601,779
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Cost of sales	(16,941,590)	(2,447,307)	-	(19,388,897)
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<b>Gross profit</b>	2,008,545	1,204,338	-	3,212,882
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Selling and distribution expenses	(921,810)	(91,983)	-	(1,013,793)
Administrative expenses	(268,376)	(22,041)	-	(290,417)
Charge of loss allowance on trade debts	(9,828)	(37,985)	-	(47,813)
	(1,200,014)	(152,009)	-	(1,352,023)

Finance cost	(940,864)	(181,301)	-	(1,122,165)
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Other operating expense	(4,178)	(60,972)	-	(65,150)
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	(945,042)	(242,273)	-	(1,187,315)
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Other income	25,267	-	1,225,278	1,250,545
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<b>(Loss) / profit before levies and income tax</b>	<b>(111,244)</b>	<b>810,056</b>	<b>1,225,278</b>	<b>1,924,089</b>
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Levies				(37,988)
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Income tax expense				(555,929)
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<b>Profit after tax for the period</b>				<b>1,330,172</b>
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# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the Period ended March 31, 2025

## 19.2 Segment assets and liabilities

	Steel segment	Polymer segment	Investments segment	Total
	----- (Rupees in '000) -----			
<b>As at March 31, 2025 - Un-audited</b>				
Segment assets	<u>21,934,318</u>	<u>3,991,968</u>	<u>3,448,380</u>	<u>29,374,666</u>
Segment liabilities	<u>7,620,034</u>	<u>568,402</u>	<u>-</u>	<u>8,188,437</u>
<b>As at June 30, 2024 - Audited</b>				
Segment assets	<u>23,716,798</u>	<u>3,270,430</u>	<u>3,372,515</u>	<u>30,359,743</u>
Segment liabilities	<u>9,774,363</u>	<u>317,109</u>	<u>-</u>	<u>10,091,472</u>

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


	(Un-audited) March 31, 2025	(Audited) June 30, 2024
	----- (Rupees in '000) -----	
Total for reportable segments assets	<u>29,374,666</u>	<u>30,359,743</u>
Unallocated assets	<u>723,318</u>	<u>1,277,911</u>
<b>Total assets as per Unconsolidated Statement of Financial Position</b>	<u><u>30,097,985</u></u>	<u><u>31,637,654</u></u>
Total for reportable segments liabilities	<u>8,188,437</u>	<u>10,091,472</u>
Unallocated liabilities	<u>3,136,124</u>	<u>3,118,508</u>
<b>Total liabilities as per Unconsolidated Statement of Financial Position</b>	<u><u>11,324,561</u></u>	<u><u>13,209,980</u></u>

## 20. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on April 25, 2025 have declared an interim cash dividend of Rs. NIL (March 31, 2024: Rs. NIL) per share for the year ending June 30, 2025 amounting to Rs. NIL (March 31, 2024: Rs. NIL).

## 21. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue on April 25, 2025 by the Board of Directors of the Company.

  
Jehangir Shah  
Director & Chairman  
Board Audit Committee

  
Salman Najeeb  
Chief Financial  
Officer

  
Yousuf H. Mirza  
Chief Executive  
Officer

# CONSOLIDATED **CONDENSED INTERIM FINANCIAL STATEMENTS**

# Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2025

	Note	(Un-audited) March 31, 2025	(Audited) June 30, 2024
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	31,312,290	32,253,795
Right-of-use assets		22,567	13,049
Intangible assets		468,779	410,437
Investment in equity accounted investee	6	2,020,274	1,909,524
Long-term deposits		7,746	6,477
		<b>33,831,656</b>	<b>34,593,282</b>
<b>CURRENT ASSETS</b>			
Stores and spares	7	1,110,141	1,097,458
Stock-in-trade		29,542,132	28,975,670
Trade debts		3,028,206	4,612,850
Advances, trade deposits and prepayments		468,297	215,406
Other receivables		131,688	72,453
Sales tax receivable		929,435	976,338
Taxation - net		9,579	-
Cash and bank balances		3,744,066	4,123,574
		<b>38,963,544</b>	<b>40,073,749</b>
<b>TOTAL ASSETS</b>		<b>72,795,200</b>	<b>74,667,031</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		3,278,085	3,222,432
Unappropriated profit		16,111,558	16,049,218
Exchange translation reserves		80,960	80,657
Capital reserve			
Revaluation surplus on property, plant and equipment		8,985,774	9,061,218
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>29,775,196</b>	<b>29,732,344</b>
Non-controlling interest		9,994,323	10,130,169
		<b>39,769,519</b>	<b>39,862,513</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured	8	3,321,665	4,121,675
Deferred income - government grant		99,380	128,279
Staff retirement benefits		36,218	18,142
Deferred taxation - net		1,713,786	2,048,859
Lease liabilities		17,059	4,415
		<b>5,188,108</b>	<b>6,321,371</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	19,430,059	15,514,957
Contract liabilities		1,834,987	2,467,336
Short-term borrowings - secured	10	6,010,680	8,646,336
Unclaimed dividend		39,205	41,275
Unpaid dividend attributable to non-controlling interest (NCI)		-	430
Unclaimed dividend attributable to non-controlling interest (NCI)		2,958	7,079
Current portion of long-term financing - secured	8	342,562	960,047
Current portion of lease liabilities		9,994	11,299
Taxation - net		-	430,854
Accrued mark-up		167,128	403,534
		<b>27,837,573</b>	<b>28,483,147</b>
<b>TOTAL LIABILITIES</b>		<b>33,025,681</b>	<b>34,804,518</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	11	<b>72,795,200</b>	<b>74,667,031</b>

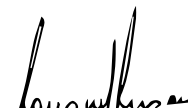
The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



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



**Salman Najeeb**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer



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

For the Period ended March 31, 2025

		Nine months ended		Three months ended	
	Note	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
----- (Rupees in '000) -----					
Revenue from contracts with customers	12	63,337,818	79,571,534	19,633,708	25,233,627
Cost of sales		(57,304,173)	(69,038,567)	(17,425,586)	(22,532,233)
<b>Gross profit</b>		<b>6,033,645</b>	<b>10,532,967</b>	<b>2,208,122</b>	<b>2,701,394</b>
Selling and distribution expenses		(2,237,272)	(2,901,716)	(596,972)	(1,219,129)
Administrative expenses		(687,681)	(692,419)	(232,149)	(212,925)
Reversal / (charge) of loss allowance on trade debts		12,739	(46,136)	(2,162)	2,919
		(2,912,214)	(3,640,271)	(831,283)	(1,429,135)
<b>Operating profit</b>		<b>3,121,431</b>	<b>6,892,696</b>	<b>1,376,839</b>	<b>1,272,259</b>
Finance cost		(1,145,825)	(1,684,094)	(238,300)	(481,251)
Other operating charges		(561,319)	(519,139)	(465,700)	(57,929)
		(1,707,144)	(2,203,233)	(704,000)	(539,180)
Other income / (loss)		558,920	227,538	441,027	122,055
Share of profit in equity accounted investee		49,185	72,063	81,813	13,982
<b>Profit before levies and income tax</b>		<b>2,022,392</b>	<b>4,989,064</b>	<b>1,195,680</b>	<b>869,116</b>
Levies	13	(88,682)	(178,681)	(23,943)	(60,472)
<b>Profit before income tax</b>		<b>1,933,710</b>	<b>4,810,383</b>	<b>1,171,736</b>	<b>808,644</b>
Income tax expense	14	(957,890)	(1,741,026)	(427,639)	(213,733)
<b>Profit after tax for the period</b>		<b>975,820</b>	<b>3,069,357</b>	<b>744,097</b>	<b>594,911</b>
<b>Profit attributable to:</b>					
- Owners of the Holding Company		541,833	1,701,696	542,818	282,340
- Non-controlling interest (NCI)		433,987	1,367,661	201,278	312,571
		<b>975,820</b>	<b>3,069,357</b>	<b>744,097</b>	<b>594,911</b>
----- (Rupees) -----					
<b>Earnings per share - basic and diluted</b>		<b>4.11</b>	<b>12.90</b>	<b>4.12</b>	<b>2.14</b>

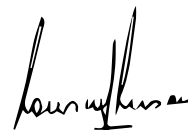
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**Jehangir Shah**  
**Director & Chairman**  
**Board Audit Committee**



**Salman Najeeb**  
**Chief Financial**  
**Officer**



**Yousuf H. Mirza**  
**Chief Executive**  
**Officer**

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

For the Period ended March 31, 2025

	Nine months ended		Three months ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Rupees in '000)			
Profit after tax for the period	975,820	3,069,357	744,097	594,911
Other comprehensive income				
Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss				
Remeasurements of staff retirement benefits				
- Adjustment related to opening deferred tax balance	-	775	-	(1,036)
Surplus on revaluation of land and buildings				
- Adjustment related to opening deferred tax balance on buildings	-	(52,509)	-	11,047
Proportionate share of surplus on revaluation of land and buildings of equity accounted investee	9,448	(23,360)	-	-
Related deferred tax for the period	(2,362)	5,840	-	-
	7,086	(17,520)	-	-
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss				
Foreign operations - foreign currency translation difference	303	(7,941)	2,217	(11,448)
Proportionate share of other comprehensive income of equity accounted investee	(39,861)	4,755	4,465	6,995
Other comprehensive (loss) / income for the period	(32,472)	(72,440)	6,682	5,558
Total comprehensive income for the period	943,348	2,996,917	750,779	600,469
Total comprehensive income attributable to:				
- Owners of the Holding Company	509,361	1,629,256	549,501	287,898
- Non-controlling interest (NCI)	433,987	1,367,661	201,278	312,571
	943,348	2,996,917	750,779	600,469


The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



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



**Salman Najeeb**  
Chief Financial  
Officer



**Yousuf H. Mirza**  
Chief Executive  
Officer

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

For the Period ended March 31, 2025

	Attributable to owners of the Holding Company								Non-controlling interest	Total equity
	Issued, subscribed and paid-up capital	Revenue reserves			Capital reserve			Total		
		General reserve	Unappropriated profit	Total revenue reserves	Revaluation surplus on property, plant and equipment	Exchange translation reserves	Total capital reserves			
	(Rupees in '000)									
Balance as at July 1, 2023	1,318,819	3,112,325	14,275,645	17,387,970	7,068,935	83,445	7,152,380	25,859,169	9,406,738	35,265,907
Profit after tax for the period	-	-	1,701,696	1,701,696	-	-	-	1,701,696	1,367,661	3,069,357
Other comprehensive income / (loss) for the period	-	-	11,370	11,370	(75,869)	(7,941)	(83,810)	(72,440)	-	(72,440)
Total comprehensive income / (loss) for the period	-	-	1,713,066	1,713,066	(75,869)	(7,941)	(83,810)	1,629,256	1,367,661	2,996,917
Proportionate share of transfer to general reserves of equity accounted investee	-	110,107	(110,107)	-	-	-	-	-	-	-
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	98,026	98,026	(98,026)	-	(98,026)	-	-	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	2,964	2,964	(2,258)	-	(2,258)	706	-	706
Transactions with owners recorded directly in equity										
Distributions to owners of Holding Company										
- Final dividend @ 20% (Rs. 2.00 per share) for the year ended June 30, 2023	-	-	(263,764)	(263,764)	-	-	-	(263,764)	-	(263,764)
- Interim dividend @ 20% (Rs. 2.00 per share) for the year ended June 30, 2024	-	-	(263,764)	(263,764)	-	-	-	(263,764)	-	(263,764)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(949,722)	(949,722)
Balance as at March 31, 2024	1,318,819	3,112,325	15,562,173	18,674,498	6,892,782	75,504	6,968,286	26,961,603	9,824,677	36,786,280
Balance as at July 1, 2024	1,318,819	3,222,432	16,049,218	19,271,650	9,061,218	80,657	9,141,875	29,732,344	10,130,169	39,862,513
Profit after tax for the period	-	-	541,833	541,833	-	-	-	541,833	433,987	975,820
Other comprehensive income / (loss) for the period	-	-	(42,223)	(42,223)	9,448	303	9,751	(32,472)	-	(32,472)
Total comprehensive income for the period	-	-	499,610	499,610	9,448	303	9,751	509,361	433,987	943,348
Proportionate share of transfer to general reserves of equity accounted investee	-	55,653	(55,653)	-	-	-	-	-	-	-
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	83,923	83,923	(83,923)	-	(83,923)	-	-	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	(3,953)	(3,953)	(969)	-	(969)	(4,922)	-	(4,922)
Transactions with owners recorded directly in equity										
Distributions to owners of Holding Company										
- Final dividend @ 35% (Rs. 3.50 per share) for the year ended June 30, 2024	-	-	(461,587)	(461,587)	-	-	-	(461,587)	-	(461,587)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(569,833)	(569,833)
Balance as at March 31, 2025	1,318,819	3,278,085	16,111,558	19,389,643	8,985,774	80,960	9,066,734	29,775,196	9,994,323	39,769,519

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

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

*Salvatore*

**Salman Najeeb**  
Chief Financial  
Officer

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**Yousuf H. Mirza**  
**Chief Executive**  
**Officer**

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

For the Period ended March 31, 2025

Note	Nine months ended	
	March 31, 2025	March 31, 2024
	----- (Rupees in '000) -----	

## CASH FLOWS FROM OPERATING ACTIVITIES

<b>Cash generated from operations</b>	15	<b>8,841,657</b>	15,652,519
Finance cost paid		(1,349,486)	(1,938,065)
Income on bank deposits received		299,984	289,765
Staff retirement benefits paid		(83,763)	(70,842)
Payment on account of compensated absences		(41,367)	(17,735)
Income tax and levies paid - net		(1,824,440)	(2,835,774)
Increase in long-term deposit		(3,161)	-
<b>Net cash generated from operating activities</b>		<b>5,839,423</b>	11,079,868

## CASH FLOWS FROM INVESTING ACTIVITIES

Payment for acquisition of property, plant and equipment	(1,055,922)	(1,744,115)
Payment for investment in associate company	(124,315)	-
Payment for acquisition of intangible assets	(60,334)	(90,738)
Proceeds from disposal of property, plant and equipment	148,509	83,346
Investments in Term Deposit Receipt	250,000	-
<b>Net cash used in investing activities</b>	<b>(842,062)</b>	(1,751,507)

## CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long-term financing	(1,420,318)	(960,845)
Proceeds / (repayments) from short-term borrowings - net	(1,025,737)	161,035
Lease rentals paid	6,341	(10,472)
Dividends paid to non-controlling interest	(570,263)	(950,697)
Dividends paid to shareholders of the Holding Company	(463,657)	(535,016)
<b>Net cash used in financing activities</b>	<b>(3,473,635)</b>	(2,295,995)
<b>Net increase in cash and cash equivalents</b>	<b>1,523,726</b>	7,032,366
Cash and cash equivalents at beginning of the period	1,380,081	(3,133,006)
Effects of exchange rate changes in cash and cash equivalents	(41,523)	(32,575)
<b>Cash and cash equivalents at end of the period</b>	<b>2,862,284</b>	3,866,785

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The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Jehangir Shah  
Director & Chairman  
Board Audit Committee



Salman Najeeb  
Chief Financial  
Officer



Yousuf H. Mirza  
Chief Executive  
Officer

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

For the Period ended March 31, 2025

## 1. THE GROUP AND ITS OPERATIONS

**1.1** The Group consists of International Industries Limited (the Holding Company), its 56.33% owned subsidiary International Steels Limited (ISL), its wholly owned subsidiary IIL Trading (Private) Limited (formerly IIL Construction Solutions (Pvt.) Limited) and its wholly owned foreign subsidiaries IIL Australia Pty. Limited (IIL Australia), IIL Americas Inc. (IIL Americas) and INIL Europe (IIL Europe) [together referred to as "the Group" and individually as "Group entities"] and the Holding Company's 17.12% and 17.00% interest in an equity accounted investees namely Pakistan Cables Limited (PCL) and Chinoy Engineering & Construction (Private) Limited (CECL) respectively.

**1.2** The Holding Company was incorporated in Pakistan in 1948 under the Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. It is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes, structural hollow sections, stainless steel tubes, polymer pipes & fittings. The Company also offers customised construction solution services. The registered office of the Holding Company is situated at 101-107 1st Floor, Beaumont Plaza, 10 Beaumont Road, Karachi - 75530.

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

- i) LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi;
- ii) Survey no. 402, 405 - 406, 95, Rehri Road, Landhi Town, Karachi; and
- iii) 22 KM Sheikhpura Road, Mouza Khanpur Nabipur, Tehsil Ferozpur, District Sheikhpura.

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

- i) Chinoy House, 2nd and 3rd Floor, Bank Square, Lahore;
- ii) Office no. 708-A, United Mall, Abdali Road, Multan;
- iii) Office no. 1 & 2, 1st Floor, Hurmaz Plaza, Main University Road, Peshawar;
- iv) Plot no. 9, Street No. 01 Ibrahim Tower, Business Park, Gulberg Green, Islamabad; and
- v) Plot no. NEIR - 61, Khasra no. 3303 - 3308, Hadbast Mouza Naulakha, GT Road, Lahore.

**1.3** International Steels Limited (ISL) was incorporated on September 03, 2007 as a public unlisted company limited by shares under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is domiciled in the province of Sindh. Subsequent to the sale of shares by the Holding Company to general public under an Initial Public Offer, ISL was listed on the Pakistan Stock Exchange on June 1, 2011. The primary activity of the Company is the business of manufacturing of cold rolled, galvanized and colour coated steel coils and sheets. ISL commenced commercial operations on January 1, 2011. The registered office of ISL is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi - 75530. The Holding Company has 56.33% ownership interest in ISL.

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

- i) 399-405, Rehri Road, Landhi Industrial Area, Karachi; and
- ii) Plot no. LE 73-79, 102-103, 112-118, 125-129, Survey no. NC 98, National Industrial Parks (NIP), Bin Qasim Industrial Zone, Karachi.

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

For the Period ended March 31, 2025

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

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

- 1.4** IIL Trading (Pvt) Ltd. [Formerly IIL Construction Solutions (Private) Limited] (the Company) was incorporated in Pakistan on August 19, 2020 under the Companies Act, 2017. The Company is engaged in trading business, carrying out distribution and marketing of construction materials, power / hand tools, construction chemicals and other accessories and materials. Its registered office is situated at 101 Beaumont Plaza, 10 Beaumont Road, Karachi 75530.

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

- i) Plot no. 91-C, 24th Commercial Street, Phase II Ext. Rd, DHA, Karachi.
- ii) BWB 192, Broadway Commercial, DHA Phase 8, Lahore.
- iii) Plot no. 9, Street no. 01, Ibrahim Tower, Business Park, Gulberg Green Islamabad.

- 1.5** IIL Australia was incorporated in Australia on May 2, 2014. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes, pre-galvanized pipes, stainless steel tubes and galvanized steel sheets and coils. Its registered office and sales office is situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia.

- 1.6** IIL Americas was incorporated in Canada on October 8, 2019. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes. Its registered office and sales office is situated at Suite 210, 5800 Ambler Drive Mississauga, ON L4W 4J4, Canada.

- 1.7** INIL Europe Limited (the Company) was incorporated on January 10th, 2025. The address of its registered office and principal place of business is Ground Floor, 71 Baggot Street Lower, Dublin 2, D02P593, Ireland.

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

## **2. BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

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

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

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



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

For the Period ended March 31, 2025

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

**2.1.2** The comparative Consolidated Condensed Interim Statement of Financial Position presented in these consolidated condensed interim financial statements have been extracted from the audited annual consolidated financial statements for the year ended June 30, 2024, whereas the comparative Consolidated Condensed Interim Statement of Profit or Loss, Consolidated Condensed Interim Statement of Comprehensive Income, Consolidated Condensed Interim Statement of Cash Flows and Consolidated Condensed Interim Statement of Changes in Equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended March 31, 2024.

## **2.2 Basis of measurement**

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for the Group entities' liabilities under defined benefit plan (Gratuity Fund) which is determined based on the present value of defined benefit obligations less fair value of plan assets determined by an independent actuary and land and buildings at revalued amounts assessed by an independent valuer which are stated at fair value.

## **2.3 Functional and presentation currency**

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

## **2.4 Basis of consolidation**

### **2.4.1 Subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision-making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated condensed interim financial statements include the Holding Company and all companies which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

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

For the Period ended March 31, 2025

The interim financial statements of the Subsidiaries have been consolidated on a line-by-line basis. Inter-company transactions, balances, income and expenses on transactions between Group entities are eliminated. Unrealised profits and losses are also eliminated. Accounting policies of the Subsidiaries are consistent with the policies adopted by the Group.

## 2.4.2 Transactions and non-controlling interests

Where the ownership of a subsidiary is less than hundred percent and therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income for the period, even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of a subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

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

## 3.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Group's financial reporting.

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

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

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

**4.1** The preparation of consolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

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

For the Period ended March 31, 2025

## 5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work- in-progress (including capital spares)	Total
	----- (Rupees in '000) -----		
<b>Cost / revalued amount</b>			
Balance at beginning of the period	44,863,930	1,733,973	46,597,903
Additions	42,661	1,007,552	1,050,213
Translation reserve	(87)	-	(87)
Adjustments / transfers - net	869,016	(823,220)	45,796
Disposals	(206,904)	-	(206,904)
	<u>45,568,616</u>	<u>1,918,305</u>	<u>47,486,921</u>
<b>Accumulated depreciation</b>			
Balance at beginning of the period	(14,344,108)	-	(14,344,108)
Charge for the period	(1,981,746)	-	(1,981,746)
Disposals	151,223	-	151,223
	<u>(16,174,631)</u>	<u>-</u>	<u>(16,174,631)</u>
<b>Written down value as at March 31, 2025 (Un-audited)</b>	<u><u>29,393,985</u></u>	<u><u>1,918,305</u></u>	<u><u>31,312,290</u></u>
Written down value as at June 30, 2024 (Audited)	<u><u>30,519,822</u></u>	<u><u>1,733,973</u></u>	<u><u>32,253,795</u></u>
		(Un-audited) March 31, 2025	(Audited) June 30, 2024
	Note		
	----- (Rupees in '000) -----		

## 6. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Pakistan Cables Limited (PCL)			
- associated company	6.1	<u><u>1,834,376</u></u>	<u><u>1,909,524</u></u>
Chinoy Engineering & Construction (Pvt.) Limited	6.2	<u><u>185,898</u></u>	<u><u>-</u></u>
- associated company			

- 6.1** The Holding Company holds a 17.124% (June 30, 2024: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the companies have common directorships. The price per share of PCL as at reporting date was Rs. 175.38 (June 30, 2024: Rs. 155.17) resulting in a market value of total investment amounting to Rs. 1,635 million (June 30, 2024: Rs. 1,182 million). The share of profit and other comprehensive income for the period is recognised based on the financial statements of PCL as at December 31, 2024 as the latest financial statements as at March 31, 2025 were presently not available.

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

For the Period ended March 31, 2025

**6.2** The Holding Company holds a 17% (June 30, 2024: NIL) ownership interest in CECL. The Chief Executive Officer of CECL is Mr. Hamid Rashid. The Holding Company considers it has significant influence over PCL as, in addition to its holding, the companies have common directorships. The Holding Company has made investment in CECL amounting to Rs. 48.45 million. The remaining shareholding of CECL is owned by International Steels Limited (17%), Pakistan Cables Limited (17%) and ASCG Engineering (49%). The share of profit and other comprehensive income for the period is recognised based on the financial statements of CECL as at December 31, 2024 as the latest financial statements as at March 31, 2025 were presently not available.

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

<b>7. STOCK-IN-TRADE</b>			<b>(Un-audited)</b> <b>March 31,</b> <b>2025</b>	<b>(Audited)</b> <b>June 30,</b> <b>2024</b>
	Note		----- (Rupees in '000) -----	
Raw material - in hand	7.1	<b>9,714,459</b>	8,352,320	
- in transit		<b>9,761,555</b>	5,588,819	
		<b>19,476,014</b>	13,941,139	
Work-in-process		<b>3,610,442</b>	2,557,557	
Finished goods - in hand		<b>5,782,031</b>	11,659,195	
- in transit		<b>550,891</b>	532,703	
By-products		<b>66,094</b>	37,378	
Scrap material		<b>56,660</b>	247,698	
		<b>29,542,132</b>	28,975,670	

**7.1** Raw material of the Holding Company amounting to Rs. 3.1 million as at March 31, 2025 (June 30, 2024: Rs. 1.7 million) was held at a vendor's premises for the production of pipe caps.

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

For the Period ended March 31, 2025

	Note	(Un-audited) March 31, 2025 ----- (Rupees in '000) -----	(Audited) June 30, 2024
<b>8. LONG-TERM FINANCING - secured</b>			
<b>CONVENTIONAL</b>			
Long-Term Finance Facility (LTFF)	8.2	515,759	793,095
Long-Term Finance		-	145,455
Renewable Energy Financing Facility (REFF)		150,000	150,000
Temporary Economic Refinance Facility (TERF)	8.3	400,565	431,377
		<u>1,066,324</u>	<u>1,519,927</u>
<b>ISLAMIC</b>			
Diminishing Musharakah		2,100,000	3,011,364
Islamic Long-Term Finance Facility (ILTFF)	8.4	355,961	413,701
Islamic Temporary Economic Refinance Facility (ITERF)	8.5	208,236	226,858
Islamic Finance Facility for Renewabale Energy (IFRE)	8.6	71,111	75,556
		<u>2,735,308</u>	<u>3,727,479</u>
		<u>3,801,632</u>	<u>5,247,406</u>
Less: Deferred income - government grant		(137,405)	(165,684)
Less: Current portion of long-term financing:			
<b>CONVENTIONAL</b>			
Long-Term Finance Facility (LTFF)		(139,672)	(327,789)
Long-Term Finance		-	(145,455)
Renewable Energy Financing Facility (REFF)		(28,125)	-
Temporary Economic Refinance Facility (TERF)		(61,625)	(61,625)
		<u>(229,422)</u>	<u>(534,869)</u>
<b>ISLAMIC</b>			
Diminishing Musharakah		-	(311,364)
Islamic Long-Term Finance Facility (ILTFF)		(78,795)	(78,795)
Islamic Temporary Economic Refinance Facility (ITERF)		(25,456)	(26,130)
Islamic Finance Facility for Renewabale Energy (IFRE)		(8,889)	(8,889)
		<u>(342,562)</u>	<u>(960,047)</u>
		<u>3,321,665</u>	<u>4,121,675</u>

**8.1** The above loans are secured by way of a charge on stocks and all present and future land, buildings and plant and machinery located at Plot Number LX 15 - 16, HX-7/4, LX-2, LX 14/13, LX 14/14, Landhi Industrial Area, Karachi and Survey number 402, 405 - 406, 95 Rehri Road, Landhi Town, Karachi of the Holding Company and by way of joint pari passu charge and ranking charge over the fixed assets of ISL (such as land, building, plant and machinery etc.).

**8.1.1** In relation to the above borrowings, the Holding Company and ISL need to observe certain financial and non-financial covenants as specified in the agreements with various lenders which are complied with as of the reporting date.

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

For the Period ended March 31, 2025

- 8.2** This represents finance facility loans obtained by the Holding Company and ISL from various banks under the State Bank of Pakistan's (SBP) Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 8.3** This represents finance facility loans obtained from various banks by ISL under SBP's Temporary Economic Refinance Facility available at below-market interest rates for setting up new industrial units.
- 8.4** This represents finance facility loans obtained by the Holding Company and ISL from Islamic banks under SBP's Islamic Long-Term Finance Facility for plant and machinery in respect of export-oriented projects.
- 8.5** This represents long-term loans obtained by the Holding Company under the SBP's Islamic Temporary Economic Refinance Facility available to the Holding Company from various Islamic banks at below-market interest rates.
- 8.6** This represents finance facility loan obtained from an Islamic bank under SBP's Islamic Finance Facility for Renewable Energy for solar power project.

	Note	(Un-audited) March 31, 2025	(Audited) June 30, 2024
<b>9. TRADE AND OTHER PAYABLES</b>		<b>----- (Rupees in '000) -----</b>	
Trade creditors		<b>7,165,876</b>	5,722,042
Bills payable		<b>2,880,673</b>	148,027
Accrued expenses	9.1	<b>2,982,651</b>	3,812,873
Provision for Infrastructure Cess	9.2	<b>5,896,993</b>	5,114,316
Provision for government levies		<b>5,971</b>	4,717
Short-term compensated absences		<b>13,302</b>	27,751
Workers' Profit Participation Fund		<b>111,791</b>	252,582
Workers' Welfare Fund	9.3	<b>262,920</b>	326,500
Current portion of deferred income - government grant		<b>38,025</b>	37,405
Others		<b>71,857</b>	68,744
		<b><u>19,430,059</u></b>	<b><u>15,514,957</u></b>

- 9.1** These include the current portion of Gas Infrastructure Development Cess amounting to Rs. 1,614.1 million (June 30, 2024: Rs. 1,605.34 million)

This also includes a provision against the revision of gas tariff by the Oil and Gas Regulatory Authority amounting to Rs. 631.61 million (June 30, 2024: Rs. 631.61 million). On February 18, 2023 the Sindh High Court validated the increase in gas tariff w.e.f. October 23, 2020 instead of September 1, 2020 and encashment of cheques submitted to the Nazir against the differential of tariff. The Holding Company and ISL preferred an appeal against the said order before the divisional bench.

On March 28, 2024 the divisional bench of the SHC upheld the order of the single judge and ordered for encashment of securities deposited. The Company is considering an appeal before the Supreme Court against the said order, however, as advised by the legal advisor, the differential has been deposited with the SSGC under protest.

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

For the Period ended March 31, 2025

- 9.2** This represents a provision against the amount guaranteed to Excise and Taxation Department. The Sindh Finance Act, 1994 prescribed an infrastructure fee at the rate of 1% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The Sindh High Court (SHC) passed an interim order directing that every company subsequent to December 27, 2006, is required to clear the goods by paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above-mentioned interim order amounting to Rs. 5,978 million (June 30, 2024: Rs. 5,370 million) have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Holding Company and ISL on the basis of prudence. Subsequently, through the Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh Infrastructure Cess. The Holding Company and ISL had obtained a stay against this and the ultimate dispute has been linked with the previous infrastructure cess case.

The case was decided on June 4, 2021 by the SHC whereby the court declared the first four versions of the law unconstitutional and a release of bank guarantees was ordered. However, the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The operation of the order remained suspended till September 3, 2021. The Holding Company and ISL were not in agreement with the above orders and filed an appeal before the Supreme Court of Pakistan (SCP).

On September 1, 2021, the SCP granted a stay order against the operation of the order of SHC dated June 4, 2021, that the bank guarantees already submitted by the Holding Company and ISL in pursuant to the order of the SHC are valid and enforceable. The Court further ordered that imports should be released on submission of fresh bank guarantees equivalent to the duty under the Act.

From July 01, 2024, the rate has been further increased to 1.85% through Sindh Finance Act, 2024.

- 9.3** The Holding Company filed a constitutional petition with the SHC against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 despite the fact that the Company is making the payments of Workers Welfare Fund to the Federal Government. A stay was obtained on the ground that the Company is a trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971. The Company remains optimistic about a favourable outcome, particularly in view of a recent decision in an identical constitutional petition (No. D-2689 of 2017), wherein the Honourable Court held that a trans-provincial entity is liable to pay WWF to the Federal Government under the Federal Workers Welfare Fund Ordinance, 1971



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

For the Period ended March 31, 2025

	Note	(Un-audited) March 31, 2025	(Audited) June 30, 2024
<b>10. SHORT-TERM BORROWINGS - secured</b>		<b>----- (Rupees in '000) -----</b>	
<b>CONVENTIONAL</b>			
Running finance under mark-up arrangement from banks	10.1	<b>130,848</b>	489,808
Short-term borrowing under Money Market Scheme maturing within three months	10.1	-	300,000
Short-term borrowing under Export Refinance Scheme	10.2	<b>4,650,000</b>	4,650,000
Short-term borrowing under Export Finance Scheme	10.3	<b>662,898</b>	662,889
Short-term borrowing under FE-25 import		-	1,223,955
<b>ISLAMIC</b>			
Short-term borrowing under Money Market Scheme maturing within three months		-	1,000,000
Short-term borrowing under Running Musharakah maturing within three months	10.4	<b>266,934</b>	219,684
Short-term borrowing under Export Refinance Scheme		<b>300,000</b>	100,000
		<b><u>6,010,680</u></b>	<b><u>8,646,336</u></b>

- 10.1** These facilities for short-term finance available from various commercial banks are for the purpose of meeting working capital requirements. The rates of mark-up on these finances obtained by the Holding Company range from 12.19% to 21.33% (June 30, 2024: 20.24% to 22.52%) per annum. The rates of mark-up on these finances obtained by ISL is 12.19% to 12.63% (June 30, 2024: 22.09% to 22.52%) per annum.
- 10.2** The Holding Company and ISL have obtained short-term running finance facilities under the Export Refinance Scheme of the SBP from commercial banks. The rate of mark-up on these facilities obtained by Holding Company range from 9.00% to 16.50% (June 30, 2024: 17.50%) per annum. The rates of mark-up on these facilities obtained by ISL range from 8.75% to 9.00% (June 30, 2024: 17.25% to 17.50%) per annum. These facilities mature within six months and are renewable.
- 10.3** The Holding Company has obtained short-term finance under Export Finance Scheme (Post Discount) of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 2.00% to 3.00% (June 30, 2024: 2.00% to 2.50%) per annum. These facilities mature within six months.
- 10.4** The Holding Company and ISL have obtained facilities for short-term finance under Running Musharakah. The rates of profit on these finances obtained by the Holding Company range from 12.24% to 21.03% (June 30, 2024: 20.30% to 22.29%) per annum. The rates of profit on these finances obtained by ISL range from 12.11% to 12.67% (June 30, 2024: 21.99% to 22.43%) per annum.
- 10.5** As at March 31, 2025, the unavailed facilities from above borrowings for the Holding Company amounted to Rs. 14,485 million (June 30, 2024: Rs. 12,938 million) and for ISL amounted to Rs. 22,375 million (June 30, 2024: Rs. 23,289 million).

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

For the Period ended March 31, 2025

- 10.6** The above facilities are secured by way of a joint pari passu charge and ranking charge over all current and future movable assets of the Holding Company and ISL.

## **11. CONTINGENCIES AND COMMITMENTS**

### **11.1 Contingencies**

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

#### **Holding Company**

- 11.1.1** In relation to the case of the sale of zinc wastages generated from imports under manufacturing bond, the customs authorities imposed a duty of Rs.403 Mn for the period 2013 to 2015. The Appellate Tribunal heard the case and upheld the order of the Collector of Customs (Adjudication - II). Being aggrieved by the decision of the Appellate Tribunal, the Company preferred a reference to the Sindh High Court (SHC). The SHC, at the hearing on September 9, 2022 adjourned the matter for a later date.

### **11.2 Commitments**

#### **Holding Company and ISL**

- 11.2.1** Capital expenditure commitments outstanding as at March 31, 2025 amounted to Rs. 6.78 (June 30, 2024: Rs. 6.86 million).
- 11.2.2** Commitments under letters of credit for raw materials and stores and spares as at March 31, 2025 amounted to Rs. 7,910.69 million (June 30, 2024: Rs. 12,991.20 million).
- 11.2.3** Facilities for opening letters of credit and guarantees from banks as at March 31, 2025 amounted to Rs. 55,200 million (June 30, 2024: Rs. 55,700 million) and Rs. 13,984 million (June 30, 2024: Rs. 13,984 million) respectively, of which the unutilised balance at period-end amounted to Rs. 47,283 million (June 30, 2024: Rs. 42,702 million) and Rs. 1,502 million (June 30, 2024: Rs. 1,903 million) respectively.

#### **Holding Company**

- 11.2.4** Commitments under purchase contracts as at March 31, 2025 amounted to Rs. 335.87 million (June 30, 2024: Rs. 17.53 million).

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

For the Period ended March 31, 2025

(Un-audited)				
	Nine months ended		Three months ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
(Rupees in '000)				
<b>12. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
Sale of goods less returns				
Local	66,972,729	75,313,910	22,159,889	22,614,319
Sales tax	(9,608,852)	(11,545,087)	(3,117,803)	(3,627,996)
Trade discounts	(2,831,808)	(3,019,211)	(1,181,779)	(1,016,162)
	<b>54,532,069</b>	<b>60,749,612</b>	<b>17,860,307</b>	<b>17,970,161</b>
Export	9,279,982	18,839,154	1,904,402	7,265,569
Export commission & discounts	(474,233)	(17,232)	(131,001)	(2,103)
	<b>8,805,749</b>	<b>18,821,922</b>	<b>1,773,401</b>	<b>7,263,466</b>
	<b>63,337,818</b>	<b>79,571,534</b>	<b>19,633,708</b>	<b>25,233,627</b>
<b>13. LEVIES</b>				
Minimum Tax / Final Tax u/s 154	88,682	178,681	23,943	60,472
<b>14. INCOME TAX EXPENSE</b>				
Current	1,290,211	1,947,709	429,488	250,939
Prior	5,126	12,475	-	40,415
Deferred	(337,447)	(219,158)	(1,849)	(77,621)
	<b>957,890</b>	<b>1,741,026</b>	<b>427,639</b>	<b>213,733</b>

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

For the Period ended March 31, 2025

		----- (Un-audited) -----	
		Nine months ended	
		March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
15.	CASH GENERATED FROM OPERATIONS	Note	
	Profit before income tax		2,022,392 4,989,064
	Add / (less): adjustments for non-cash charges and other items		
	Depreciation of property, plant and equipment		2,000,109 1,923,054
	Depreciation of right-of-use assets		8,098 8,098
	Amortisation of intangible assets		803 1,058
	(Reversal) / charge of loss allowance on trade debts		(12,739) 46,136
	Provision for obsolescence against stores and spares		40,139 90,645
	Provision for staff retirement benefits		70,396 82,842
	Provision for compensated absences		26,918 17,756
	Income on bank deposits		(299,984) (289,765)
	Gain on disposal of property, plant and equipment		(92,828) (21,851)
	Loss on remeasurement of Gas Infrastructure Development Cess		- (6,193)
	Share of profit from associated company		(49,185) (72,063)
	Government grant income		(19,132) (29,752)
	Unwinding of Gas Infrastructure Development Cess		8,614 53,532
	Finance cost		1,137,211 1,626,008
			4,840,812 8,418,569
	Changes in working capital	15.1	4,000,844 7,233,950
			8,841,656 15,652,519
15.1	Changes in working capital		
	(Increase) / decrease in current assets:		
	Stores and spares		(52,822) (14,880)
	Stock-in-trade		(566,462) 2,544,371
	Trade debts		1,597,383 349,547
	Advances, trade deposits and prepayments		(252,891) (41,278)
	Other receivables		(59,235) (28,031)
	Sale tax receivable		46,903 1,156,198
			712,876 3,965,927
	(Decrease) / increase in current liabilities:		
	Trade and other payables		3,920,317 3,151,173
	Sales tax payable		- 584,421
	Contract liabilities		(632,349) (467,571)
			4,000,844 7,233,950

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

For the Period ended March 31, 2025

----- (Un-audited) -----	
Nine months ended	
March 31, 2025	March 31, 2024
----- (Rupees in '000) -----	

## 16. CASH AND CASH EQUIVALENTS

Cash and bank balances	3,260,066	4,835,806
Running finance under mark-up arrangement from banks	(130,848)	(296,539)
Short-term borrowing under Money Market scheme maturing within three months	-	(110,288)
Short-term borrowing under Running Musharakah maturing within three months	(266,934)	(562,194)
	<u>2,862,284</u>	<u>3,866,785</u>

## 17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the associated undertakings, directors of the group entities, key management employees and staff retirement funds. The group entities continue to follow a policy whereby all transactions with related parties are entered into at commercial terms and conditions. The contributions to the defined contribution plan (Provident Fund) of the group entities, wherever applicable, are made as per the terms of employment and contributions to the group entities defined benefit plan (Gratuity Fund), wherever applicable, are in accordance with the latest actuarial advice. Remuneration to key management personnel is in accordance with their terms of employment and the policies of respective group entities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group entities. The Group entities consider their Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be their key management personnel. There are no transaction with key management personnel other than their terms of employment / entitlement.

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

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

For the Period ended March 31, 2025

	(Un-audited)			
	Nine months ended		Three months ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Rupees in '000)			
<b>Associated companies</b>				
Sales	<u>961,388</u>	<u>4,435,017</u>	<u>745,163</u>	<u>1,713,878</u>
Purchases	<u>27,012,012</u>	<u>29,691,829</u>	<u>8,731,168</u>	<u>5,465,573</u>
Reimbursement of expenses	<u>32,298</u>	<u>15,226</u>	<u>370</u>	<u>4,144</u>
Rent income	<u>2,385</u>	<u>2,186</u>	<u>795</u>	<u>728</u>
Dividend paid	<u>120,651</u>	<u>199,922</u>	<u>-</u>	<u>99,961</u>
Registration and training	<u>2,459</u>	<u>2,944</u>	<u>1,604</u>	<u>1,477</u>
Subscription	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
Services / Donations	<u>9,825</u>	<u>2,104</u>	<u>3,826</u>	<u>1,382</u>
<b>Key management personnel</b>				
Remuneration and allowances	<u>648,251</u>	<u>593,289</u>	<u>189,063</u>	<u>178,157</u>
<b>Staff retirement funds</b>				
Contribution paid	<u>206,019</u>	<u>149,134</u>	<u>52,968</u>	<u>63,155</u>
<b>Non-executive directors</b>				
Directors' fee	<u>12,300</u>	<u>11,200</u>	<u>3,400</u>	<u>3,900</u>

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

For the Period ended March 31, 2025

## 18. SEGMENT REPORTING

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

	Steel coils & sheets	Steel pipes	Polymer pipes	Investment	Total
	(Rupees in '000)				
<b>18.1 Segment revenue and results</b>					
<b>For the nine months ended March 31, 2025</b>					
Revenue from contracts with customers					
Local	38,083,688	11,652,782	4,795,599	-	54,532,069
Exports	5,946,512	2,859,237	-	-	8,805,749
	44,030,200	14,512,019	4,795,599	-	63,337,818
Cost of sales	(40,462,089)	(13,504,719)	(3,337,365)	-	(57,304,173)
Gross profit	3,568,111	1,007,300	1,458,234	-	6,033,645
Selling and distribution expenses	(1,032,635)	(1,076,711)	(127,926)	-	(2,237,272)
Administrative expenses	(345,386)	(264,719)	(77,576)	-	(687,681)
(Charge) / reversal of loss allowance on trade debts	-	(18,647)	31,386	-	12,739
	(1,378,021)	(1,360,077)	(174,116)	-	(2,912,214)
Finance cost	(691,986)	(337,795)	(116,044)	-	(1,145,825)
Other operating charges	(506,598)	27,044	(81,765)	-	(561,319)
	(1,198,584)	(310,751)	(197,809)	-	(1,707,144)
Other income	519,455	39,465	-	-	558,920
Share of profit in equity accounted investee	-	-	-	49,185	49,185
Profit / (loss) before levies and income tax	1,510,961	(624,063)	1,086,309	49,185	2,022,392
Levies					(88,682)
Income tax expense					(957,890)
Profit after tax for the period					975,820
<b>For the nine months ended March 31, 2024</b>					
Revenue from contracts with customers					
Local	41,945,855	15,152,112	3,651,645	-	60,749,612
Exports	13,654,785	5,167,137	-	-	18,821,922
	55,600,640	20,319,249	3,651,645	-	79,571,534
Cost of sales	(48,254,132)	(18,337,128)	(2,447,307)	-	(69,038,567)
Gross profit	7,346,508	1,982,121	1,204,338	-	10,532,967
Selling and distribution expenses	(1,705,967)	(1,103,766)	(91,983)	-	(2,901,716)
Administrative expenses	(341,925)	(328,453)	(22,041)	-	(692,419)
Charge of loss allowance on trade debts	-	(8,151)	(37,985)	-	(46,136)
	(2,047,892)	(1,440,370)	(152,009)	-	(3,640,271)
Finance cost	(555,594)	(947,199)	(181,301)	-	(1,684,094)
Other operating charges	(453,989)	(4,178)	(60,972)	-	(519,139)
	(1,009,583)	(951,377)	(242,273)	-	(2,203,233)
Other income	188,287	39,251	-	-	227,538
Share of profit in equity accounted investee	-	-	-	72,063	72,063
Profit / (loss) before levies and income tax	4,477,320	(370,375)	810,056	72,063	4,989,064
Levies					(178,681)
Income tax expense					(1,741,026)
Profit after tax for the period					3,069,357



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

For the Period ended March 31, 2025

	Steel coils & sheets	Steel pipes	Polymer pipes	Investments	Total
	(Rupees in '000)				
<b>18.2 Segment assets and liabilities</b>					
<b>As at March 31, 2025 - Un-audited</b>					
Segment assets	<u>44,907,142</u>	<u>22,010,247</u>	<u>3,991,968</u>	<u>2,020,273</u>	<u>72,929,630</u>
Segment liabilities	<u>22,062,536</u>	<u>7,818,904</u>	<u>568,402</u>	<u>-</u>	<u>30,449,842</u>
<b>As at June 30, 2024 - Audited</b>					
Segment assets	<u>44,092,433</u>	<u>24,152,231</u>	<u>3,270,430</u>	<u>1,909,524</u>	<u>73,424,617</u>
Segment liabilities	<u>20,892,214</u>	<u>10,239,207</u>	<u>317,109</u>	<u>-</u>	<u>31,448,530</u>

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

	(Un-audited) March 31, 2025	(Audited) June 30, 2024
	(Rupees in '000)	
Total for reportable segments assets	72,929,630	73,424,617
Unallocated assets	(134,430)	1,242,414
<b>Total assets as per Consolidated Condensed Interim Statement of Financial Position</b>	<u>72,795,200</u>	<u>74,667,031</u>
Total for reportable segments liabilities	30,449,842	31,448,530
Unallocated liabilities	2,575,839	3,355,988
<b>Total liabilities as per Consolidated Condensed Interim Statement of Financial Position</b>	<u>33,025,681</u>	<u>34,804,518</u>

## 19. CORRESPONDING FIGURES

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

## 20. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Holding Company, in their meeting held on April 25, 2025, has declared an interim cash dividend of Rs. NIL (March 31, 2024: Rs. NIL) per share for the year ending June 30, 2025 amounting to Rs. NIL (March 31, 2024: Rs. NIL).

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

For the Period ended March 31, 2025

The Board of Directors of ISL in their meeting held on April 23, 2025 has declared an interim cash dividend of Rs. NIL (March 31, 2024: Rs. NIL) per share for the year ending June 30, 2025 amounting to Rs. NIL (March 31, 2024: Rs. NIL).

### 21. DATE OF AUTHORIZATION FOR ISSUE

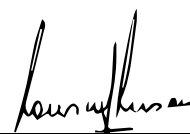
These consolidated condensed interim financial statements were approved and authorised for issue on April 25, 2025 by the Board of Directors of the Holding Company.



Jehangir Shah  
Director & Chairman  
Board Audit Committee



Salman Najeel  
Chief Financial  
Officer



Yousuf H. Mirza  
Chief Executive  
Officer



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