

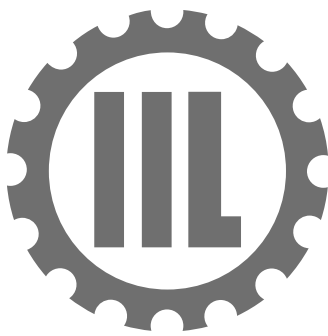
CUSTOMER FIRST



Promising Reliability, For Now and Tomorrow

Unaudited Financial Statements
for the three months ended September 30, 2021





International Industries Limited

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

CONTENTS

<i>Company Information</i>	<i>03</i>
<i>Directors' Report</i>	<i>04</i>
<i>Director's Report (Urdu)</i>	<i>05</i>
<i>Unconsolidated Condensed Statement of Financial Position</i>	<i>07</i>
<i>Unconsolidated Condensed Statement of Profit or Loss (Un-audited)</i>	<i>08</i>
<i>Unconsolidated Condensed Statement of Comprehensive Income (Un-audited)</i>	<i>09</i>
<i>Unconsolidated Condensed Statement of Changes in Equity (Un-audited)</i>	<i>10</i>
<i>Unconsolidated Condensed Statement of Cash Flows (Un-audited)</i>	<i>11</i>
<i>Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)</i>	<i>12</i>
<i>Consolidated Condensed Statement of Financial Position</i>	<i>29</i>
<i>Consolidated Condensed Statement of Profit or Loss (Un-audited)</i>	<i>30</i>
<i>Consolidated Condensed Statement of Comprehensive Income (Un-audited)</i>	<i>31</i>
<i>Consolidated Condensed Statement of Changes in Equity (Un-audited)</i>	<i>32</i>
<i>Consolidated Condensed Statement of Cash Flows (Un-audited)</i>	<i>33</i>
<i>Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)</i>	<i>34</i>

COMPANY INFORMATION

Chairman (Non-Executive)

Mr. Mustapha A. Chinoy

Independent Directors

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

Non-Executive Directors

Mrs. Saadia S. Rashid
Mr. Kamal A. Chinoy
Mr. Azam Faruque
Mr. Riyaz T. Chinoy (resigned on October 28, 2021)

Chief Executive Officer

Mr. Sohail R. Bhojani

Chief Financial Officer

Mr. Muhammad Akhtar

Company Secretary

Mr. Mohammad Irfan Bhatti

Group Chief Internal Auditor

Ms. Asema Tapal

External Auditors

M/s A.F. Ferguson & Co.

Bankers

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

Legal Advisor

K. M. S. Law Associates

National Tax Number

0710735-8

Sales Tax Registration Number

02-04-7306-001-82

Registered Office

101 Beaumont Plaza,
10 Beaumont Road,
Karachi – 75530, Pakistan
Telephone: +9221-35680045-54
UAN: +9221-111-019-019
Fax: +9221-35680373
E-mail: irfan.bhatti@iil.com.pk

Lahore Office

Chinoy House, 6 Bank Square,
Lahore - 54000, Pakistan
Telephone: +9242-37229752-55
UAN: +9242-111-019-019, Fax: +9242-37220384
E-Mail: lahore@iil.com.pk

Islamabad Office

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

Multan Office

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

Faisalabad Office

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

Peshawar Office

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

IIL Australia Pty Limited

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

IIL Americas Inc.

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

IIL Construction Solutions (Pvt.) Ltd.

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

Factories

Factory 1

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

Factory 2

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

Factory 3

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

Investor Relations Contact

Shares Registrar
CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.
Shahrah-e-Faisal, Karachi, Pakistan
Telephone: +92-0800-23275
Fax: +92-21-34326053
E-mail: info@cdcsrsl.com
Website: www.cdcsrsl.com

Corporate Website

www.iil.com.pk

Directors' Report

For the period ended September 30th, 2021

The Directors of your Company are pleased to present the financial statements for the period ended 30th September, 2021.

Unconsolidated sales revenue for the period stood at Rs. 8.9 Bn, which was 65% higher than the same period last year. Domestic sales revenue increased 47% year on year, driven by the higher international steel prices and pass-through impact of PKR depreciation. Domestic sales volumes however remained flat as commercial appetite remained subdued and institutional interest from gas companies was laclustre despite our success in securing tenders in the previous quarters. It is expected that deliveries under these tenders secured earlier in the year will commence in the coming months. Export sales performed very strongly and revenue was up 143% year on year, whereas volumetric growth was around 50% compared to the same period last year. The Company was able to capitalise on demand for specialised products from key high-value export destinations and expects this trend to continue into the next quarter as our export order books remain healthy.

Polymer segment sales revenue for the period stood at Rs. 736 Mn; 35% higher than the same period last year. Water distribution / transmission segments remained the primary drivers in the sales mix. As in steel, uncertainty due to lack of progress on tenders by gas companies will remain a bottleneck in surpassing last year's volumes in this year.

Unconsolidated Profit after Tax (PAT) for the period under review was Rs. 1.76 Bn (EPS 13.36), compared to Rs. 71 Mn (EPS 0.54) during the first quarter of last year. This includes dividend income of PKR 1,764m from our subsidiary and associate companies.

Our subsidiary, International Steel Limited (ISL) reported Net Sales Revenue of Rs. 24.5 Bn which was up 56% from Rs. 15.7 Bn over the same period last year. Profit after Tax (PAT) of Rs. 2.7 Bn (EPS 6.13) was up 377% from Rs. 559 Mn (EPS 1.29) during same comparative period.

The Group P&L for the period reported PAT of Rs. 2.651 Bn (EPS 11.48), compared to PAT of Rs. 612 Mn (EPS 2.80) for the same period last year.

Economic activity in Pakistan ticks along, albeit at a slower pace. Higher inflation numbers and the extremely sharp PKR depreciation will affect local consumers and industry. Elevated international commodity, food and energy prices are contributing to imported inflation and a burgeoning trade deficit. It may however not be possible to control these exogenous supply side shocks through domestic policy measures. International metals and polymers prices continue to remain elevated in light of general post-pandemic tightness, supply chain disruptions, sky-rocketing energy prices and capacity cuts in China. Your Company however continues to remain vigilant and will endeavour to manage emergent risks and macroeconomic headwinds proactively.

We extend our gratitude to all stakeholders for their continued support and look forward to a productive second quarter.

For and on behalf of
International Industries Limited



Sohail R. Bhojani
Chief Executive Officer



Mustapha A. Chinoy
Chairman

Karachi.
October 28, 2021

ڈائریکٹر کی رپورٹ برائے 30 ستمبر 2021

آپ کی کمپنی کے ڈائریکٹر نہایت خوشی کے ساتھ مالیاتی اسٹیٹمنٹس برائے مدت مختتمہ 30 ستمبر 2021 پیش کرتے ہیں۔

مذکورہ مدت میں غیر مجموعی سیلز 8.9 بلین روپے ہوئی جو گزشتہ سال کی اسی مدت کی سیلز سے 65% زیادہ ہے۔ ملکی سیلز کی آمدنی میں سال بہ سال 47% کا اضافہ ہوا جو بین الاقوامی اسٹیل کی زیادہ قیمتوں اور پاکستانی روپے کی قدر میں کمی کے بالواسطہ اثرات کی بناء پر حاصل ہوا۔

بہر حال ملکی سیلز کا حجم گزشتہ کے مطابق رہا کیونکہ کمرشل میں کھپت کم رہی اور گزشتہ سہ ماہی میں ٹینڈرز حاصل کرنے میں کامیابی کے باوجود گیس کمینیز کی اداراتی دلچسپی میں بھی کمی دیکھنے میں آئی۔ امید ہے کہ اس سال کے شروع میں حاصل کئے گئے ان ٹینڈرز کے تحت ڈیلیوری کا کام آنے والے مہینوں میں شروع ہو جائے گا۔ برآمدات کی سیلز بہت مضبوط رہی اور سال بہ سال آمدنی میں 143% اضافہ ہوا جب کہ گزشتہ سال کی اسی مدت کے مقابلے میں حجم میں تقریباً 50% اضافہ ریکارڈ ہوا۔ کمپنی اعلیٰ درجہ کی اہم مارکیٹس کی جانب سے مخصوص پروڈکٹس کی طلب پر سرمایہ لگانے کیلئے تیار ہے اور توقع ہے کہ اگلی سہ ماہی میں بھی یہ رجحان برقرار رہے گا کیونکہ ہماری برآمدات کی آرڈر بکس بھی ضخیم ہیں۔

مذکورہ مدت کیلئے پولیمر کے شعبہ کی سیلز کی آمدنی 736 ملین روپے ہوئی جو گزشتہ سال کی اسی مدت کی آمدنی سے 35% زیادہ ہے۔ واٹر ڈسٹری بیوٹن / ٹرانسمیشن کے شعبے سیلز مکس میں ابتدائی حصہ دار رہے۔ البتہ گیس کمینیز کے ٹینڈرز میں پیش رفت نہ ہونے کے سبب اس سال اسٹیل کی فروخت کا حجم گزشتہ سال سے زیادہ ہونے کے امکانات کم ہیں۔

زیر جائزہ مدت میں بعد از ٹیکس غیر مجموعی منافع (PAT) 1.76 بلین روپے (فی شیئر آمدنی 13.36 روپے) حاصل ہوا جب کہ گزشتہ سال کی پہلی سہ ماہی کے دوران میں 71 ملین روپے (فی شیئر آمدنی 0.54 روپے) تھا۔ اس میں ہماری ذیلی اور ایسوسی ایٹڈ کمپنیز سے حاصل ہونے والے ڈیویڈنڈ کے 1,764 ملین پاکستانی روپے بھی شامل ہیں۔

ہماری ذیلی کمپنی انٹرنیشنل اسٹیلز لمیٹڈ (ISL) نے خالص سیلز کی آمدنی 24.5 بلین روپے ریکارڈ کئے جو گزشتہ سال کی اسی مدت کی 15.7 بلین روپے کی آمدنی سے 56% زیادہ ہے۔ بعد از ٹیکس منافع (PAT)، 2.7 بلین روپے (فی شیئر آمدنی 6.13 روپے) ہوا جو گزشتہ اسی مدت کے 559 ملین روپے (فی شیئر آمدنی 1.29 روپے) سے 377% زیادہ ہے۔

گروپ P&L نے اس مدت کیلئے 2.651 بلین روپے (فی شیئر آمدنی 11.48 روپے) رپورٹ کیا ہے جو کہ گزشتہ سال کے اسی مدت میں بعد از ٹیکس منافع 612 ملین روپے (فی شیئر آمدنی 2.80 روپے) تھا۔

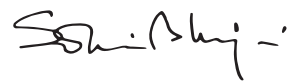
پاکستان میں معاشی سرگرمیاں جاری ہیں لیکن ان میں سست روی پائی جاتی ہے۔ افراط زر کی تعداد میں اضافے اور پاکستانی روپے کی قدر میں تیزی سے کمی سے مقامی صارفین اور صنعت پر اثر پڑے گا۔ بین الاقوامی اشیاء، خوراک اور توانائی کی قیمتوں میں اضافہ درآمد شدہ افراط زر اور بڑھتے ہوئے تجارتی خسارے کا سبب ہیں۔ تاہم ملکی پالیسی کے اقدامات کے ذریعے بیرونی سپلائی سائڈ کے دھچکوں کو کنٹرول کرنا ممکن نہیں ہوگا۔ وبا کے بعد عام سختیوں، سپلائی چین میں رکاوٹوں، آسمان کو چھوئی توانائی کی قیمتوں اور چین میں گنجائش میں کمی کے سبب بین الاقوامی میٹلز اور پولیمرس کی قیمتوں میں اضافہ جاری رہے گا۔ تاہم آپ کی کمپنی باخبر رہے گی اور فعال طور پر ہنگامی خدشات اور میکرو اکنامک کی کسی بھی سختی سے نمٹنے کیلئے تیار رہے گی۔

ہم اپنے تمام اسٹیک ہولڈرز کے مستقل تعاون پر ان کے شکر گزار ہیں اور ایک منافع بخش دوسری سہ ماہی کے منتظر ہیں۔

برائے اور منجانب
انٹرنیشنل انڈسٹریز لمیٹڈ



مصطفیٰ اے چنائے
چیرمین



سمیل آر بھوجانی
چیف ایگزیکٹو آفیسر

کراچی

28 اکتوبر 2021

UNCONSOLIDATED **FINANCIAL STATEMENTS**

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

		(Un-audited) Note September 30, 2021	(Audited) June 30, 2021
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,431,267	7,480,309
Intangible assets		1,462	1,608
Investments	6	3,372,515	3,372,515
Long-term deposits		1,653	1,653
Deferred taxation - net		307,321	277,977
		<u>11,114,218</u>	<u>11,134,062</u>
CURRENT ASSETS			
Stores and spares		236,561	221,945
Stock-in-trade	7	11,344,508	11,923,524
Trade debts		6,670,238	5,138,171
Advances, trade deposits and prepayments	8	140,571	84,477
Other receivables		1,798,152	26,974
Sales tax receivable		325,872	188,818
Cash and bank balances		100,688	73,489
		<u>20,616,590</u>	<u>17,657,398</u>
TOTAL ASSETS		<u>31,730,808</u>	<u>28,791,460</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserves		2,700,036	2,700,036
Un-appropriated profit		5,348,474	4,419,169
Capital reserve			
Revaluation surplus on property, plant and equipment		3,047,132	3,060,499
TOTAL SHAREHOLDERS' EQUITY		<u>12,414,461</u>	<u>11,498,523</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	9	2,051,162	2,072,610
Deferred income - government grant		56,234	27,185
Gas Infrastructure Development Cess	10	184,304	202,820
Staff retirement benefits		115,338	115,338
		<u>2,407,038</u>	<u>2,417,953</u>
CURRENT LIABILITIES			
Trade and other payables	11	2,815,245	3,097,257
Contract liabilities		228,193	170,745
Short-term borrowings - secured	12	11,363,939	10,181,491
Unpaid dividend		857,232	-
Unclaimed dividend		34,464	35,889
Current portion of long-term financing - secured	9	888,720	888,720
Taxation - net		557,704	447,376
Accrued mark-up		163,812	53,506
		<u>16,909,309</u>	<u>14,874,984</u>
TOTAL LIABILITIES		<u>19,316,347</u>	<u>17,292,937</u>
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		<u>31,730,808</u>	<u>28,791,460</u>

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the three months ended September 30, 2021

	Note	Three months ended	
		September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
Revenue from contracts with customers	14	8,859,021	5,393,890
Cost of sales		<u>(7,665,509)</u>	<u>(4,920,739)</u>
Gross profit		1,193,512	473,151
Selling and distribution expenses		<u>(562,115)</u>	<u>(210,206)</u>
Administrative expenses		<u>(82,353)</u>	<u>(61,168)</u>
		<u>(644,468)</u>	<u>(271,374)</u>
Operating profit		549,044	201,777
Finance cost		<u>(231,715)</u>	<u>(163,634)</u>
Other operating charges		<u>(42,228)</u>	<u>(13,479)</u>
		<u>(273,943)</u>	<u>(177,113)</u>
Other income	15	<u>1,921,534</u>	<u>122,643</u>
Profit before income tax		2,196,635	147,307
Income tax expense	16	<u>(435,045)</u>	<u>(76,462)</u>
Profit for the period		<u>1,761,590</u>	<u>70,845</u>
(Rupees)			
Earnings per share			
- basic and diluted		<u>13.36</u>	<u>0.54</u>

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



Jehangir Shah
 Director & Chairman
 Board Audit Committee



Muhammad Akhtar
 Chief Financial
 Officer



Sohail R. Bhojani
 Chief Executive
 Officer

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

For the three months ended September 30, 2021

	Three months ended	
	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
Profit for the period	1,761,590	70,845
Other comprehensive income		
Items that will not be subsequently reclassified to Statement of Profit or Loss		
Re-measurement of staff retirement benefits		
Adjustment related to opening deferred tax balance	(2,254)	-
Surplus on revaluation of land and buildings		
Adjustment related to opening deferred tax balance on buildings	13,834	-
Other comprehensive income for the period - net of tax	<u>11,580</u>	<u>-</u>
Total comprehensive income for the period	<u><u>1,773,170</u></u>	<u><u>70,845</u></u>

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the three months ended September 30, 2021

	Issued, subscribed and paid-up capital	Revenue Reserves General reserves	Un-appropriated profit	Capital Reserve Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)				
Balance as at July 1, 2020	1,318,819	2,700,036	2,554,370	2,372,304	8,945,529
Profit for the period	-	-	70,845	-	70,845
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	70,845	-	70,845
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	21,012	(21,012)	-
Balance as at September 30, 2020	1,318,819	2,700,036	2,646,227	2,351,292	9,016,374
Balance as at July 1, 2021	1,318,819	2,700,036	4,419,169	3,060,499	11,498,523
Profit for the period	-	-	1,761,590	-	1,761,590
Other comprehensive income for the period	-	-	11,580	-	11,580
Total comprehensive income for the period	-	-	1,773,170	-	1,773,170
Transaction with owners recorded directly in equity - distribution					
Dividend: - Final dividend 65% (Rs.6.50 per share) for the year ended June 30, 2021	-	-	(857,232)	-	(857,232)
	-	-	(857,232)	-	(857,232)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	13,367	(13,367)	-
Balance as at September 30, 2021	1,318,819	2,700,036	5,348,474	3,047,132	12,414,461

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the three months ended September 30, 2021

Three months ended
Note September 30, September 30,
2021 2020
(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	17	(621,518)	1,743,625
Finance cost paid		(113,259)	(139,760)
Income on bank deposits received		47	244
Staff retirement benefits paid		(11,957)	(34,000)
Payment on account of compensated absences		(5,581)	-
Income tax paid - net		(342,481)	61,228
Net cash (used in) / generated from operating activities		(1,094,749)	1,631,337

CASH FLOWS FROM INVESTING ACTIVITIES

Payment for acquisition of property, plant and equipment	5	(76,251)	(12,617)
Proceeds from disposal of property, plant and equipment		9,410	6,844
Net cash used in investing activities		(66,841)	(5,773)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long-term financing		128,671	257,760
Repayment of long-term financing		(120,905)	(55,908)
Proceeds / (repayments) of short-term borrowing - net		690,783	(1,013,662)
Dividends paid		(1,425)	(10,644)
Net cash generated from / (used in) financing activities		697,124	(822,454)
Net (decrease) / increase in cash and cash equivalents		(464,466)	803,110
Cash and cash equivalents at beginning of the period		(8,653,002)	(6,479,988)
Cash and cash equivalents at end of the period	18	(9,117,468)	(5,676,878)

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the three months ended September 30, 2021

1. STATUS AND NATURE OF BUSINESS

International Industries Limited ("the Company") was incorporated in Pakistan in 1948 and is quoted on the Pakistan Stock Exchange. The Company is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes and polymer pipes & fittings. The registered office of the Company is situated at 101, Beaumont Plaza, 10, Beaumont Road, Karachi - 75530.

The manufacturing facilities of the Company are situated as follows:

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

The sales offices of the Company are situated as follows:

- i) Chinoy House, 6 Bank Square, Lahore;
- ii) Office no.303-A, Third Floor, Evacuee Trust Complex, Sir Aga Khan Road, Sector F-51/1, Islamabad;
- iii) 1592, Second Floor, Quaid-e-Azam Shopping Centre no.1, Multan Cantt;
- iv) Office no. 1/1, Wahab Centre, Electrociti Plaza, Susan Road, Faisalabad; and
- v) Office no. 1 & 2, First Floor Hurmaz Plaza, Main University Road, Peshawar.

These unconsolidated 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 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 Financial Reporting Standard (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

- 2.1.2 These unconsolidated condensed interim financial statements does not include all the

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

For the three months ended September 30, 2021

information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2021.

2.1.3 The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2021, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the un-audited unconsolidated condensed interim financial statements for the period ended September 30, 2020.

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) that is determined based on the present value of defined benefit obligations less fair value of plan assets and land and buildings that are stated at fair value determined by an independent valuer and derivative financial instruments which are stated at fair value.

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

The significant 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 unconsolidated financial statements of the Company as at and for the year ended June 30, 2021.

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

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

For the three months ended September 30, 2021

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 judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
- 4.2 The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual unconsolidated financial statements as at and for the year ended June 30, 2021.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work- in-progress (including capital stores	Total
	----- (Rupees in '000) -----		
Cost / revalued amount			
Opening balance	11,012,706	41,020	11,053,726
Additions	-	76,251	76,251
Transfers	42,535	(42,535)	-
Disposal	(11,311)	-	(11,311)
	<u>11,043,930</u>	<u>74,736</u>	<u>11,118,666</u>
Accumulated depreciation			
Opening balance	(3,573,417)	-	(3,573,417)
Charge for the period	(124,258)	-	(124,258)
Disposal	10,276	-	10,276
	<u>(3,687,399)</u>	<u>-</u>	<u>(3,687,399)</u>
Written down value			
as at September 30, 2021 (Un-audited)	<u>7,356,531</u>	<u>74,736</u>	<u>7,431,267</u>
Written down value			
as at June 30, 2021 (Audited)	<u>7,439,289</u>	<u>41,020</u>	<u>7,480,309</u>

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

For the three months ended September 30, 2021

6. INVESTMENTS

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

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
			(Rupees in '000)
7. STOCK-IN-TRADE			
Raw materials			
- in hand	7.1	4,938,148	4,893,900
- in transit		1,384,817	1,622,101
		<u>6,322,965</u>	<u>6,516,001</u>
Work-in-process		1,742,253	1,444,729
Finished goods		3,224,485	3,908,988
By-product		19,587	11,040
Scrap material		35,218	42,766
		<u>11,344,508</u>	<u>11,923,524</u>

7.1 Raw materials amounting to Rs. 2.7 million as at September 30, 2021 (2021: Rs. 5.2 million) was held at vendor premises for the production of pipe caps.

8. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

This includes unsecured advances to suppliers amounting to Rs. 121.9 million as at September 30, 2021 (2021: Rs. 50.1 million).

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

For the three months ended September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)			
9. LONG-TERM FINANCING - secured			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)	9.2	411,267	433,085
Long-Term Finance		1,581,818	1,581,818
Payroll Refinance Scheme	9.3	389,989	454,985
		2,383,074	2,469,888
ISLAMIC			
Diminishing Musharakah		284,091	318,182
Islamic Long-Term Finance Facility (ILTFF)	9.4	118,865	118,866
Islamic Temporary Economic Refinance Facility (ITERF)	9.5	234,631	105,959
		637,587	543,007
		3,020,661	3,012,895
Less: Deferred income - government grant		(80,779)	(51,565)
Less: Current portion of long-term financing			
CONVENTIONAL			
Islamic Long-Term Finance Facility (ILTFF)		(87,272)	(87,272)
Long-Term Finance		(395,454)	(395,454)
Payroll Refinance Scheme		(259,991)	(259,991)
		(742,717)	(742,717)
ISLAMIC			
Diminishing Musharakah		(136,364)	(136,364)
Islamic Long-Term Finance Facility (ILTFF)		(9,639)	(9,639)
		(888,720)	(888,720)
		2,051,162	2,072,610
9.1	These facilities are secured by way of charge on all present and future land and buildings, plant and machinery located at plot number LX-15 & 16 and HX-7/4, Landhi Industrial Estate Karachi and Survey No.402, 405-406, Dehsharabi Landhi Town Karachi.		
9.1.2	In relation to above borrowings the Company needs to observe certain financial and non financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.		

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

For the three months ended September 30, 2021

- 9.2 This represents finance facility loan obtained from different banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects from different banks.
- 9.3 This represents long term loans obtained by the Company for financing its salaries and wages under SBP's Refinance Scheme for payment of wages and salaries, earmarked from running finance limit.
- 9.4 This represents finance facility loan obtained from an islamic bank under the SBP Islamic Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects from different banks
- 9.5 This represents long term loan obtained by the Company under the SBP's Islamic Temporary Economics Refinance Facility available to the Company from various Islamic banks at below market interest rates.

10. GAS INFRASTRUCTURE DEVELOPMENT CESS

Supreme Court of Pakistan (SCP) has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 (GIDC Act) through its judgement dated August 13, 2020. The Supreme Court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act in complete sense and the benefits allowed under section 8 (2) of the GIDC Act to the industrial sector is also available. Further payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 instalments instead of 24 instalments.

The Company has also filed a civil suit before the Honourable High Court of Sindh on the ground that the Company has not passed on the burden of the Cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing.

The Company has recorded the cess by discounting the future cash flows at using three year PKRV rate and has booked income of Rs. 52.5 million in financial year 2021 which has been recorded as other income. The unwinding of the GIDC during the period amounts to Rs.5.4 million (2021: Nil).

Despite the speaking order dated August 13, 2020 by the SCP, the Federal Government did not initiate the gas project within six months, therefore the Company has preferred a petition in the SHC for declaration of whole GIDC Act, 2015 and the demands raised by the gas companies in-operational since ab-initio.

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

For the three months ended September 30, 2021

	Note	(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
11. TRADE AND OTHER PAYABLES			
Trade creditors		224,498	196,080
Bills payable		306,079	826,378
Accrued expenses	11.1	1,355,845	1,211,273
Provision for Infrastructure Cess	11.2	697,886	663,983
Short-term compensated absences		9,000	6,750
Workers' Profit Participation Fund		28,134	7,065
Workers' Welfare Fund	11.3	140,804	127,956
Current portion of deferred income			
- government grant		24,545	24,380
Payable to provident fund		-	4,898
Others		28,454	28,494
		<u>2,815,245</u>	<u>3,097,257</u>

11.1 This includes current portion of Gas Infrastructure Development Cess payable amounting to Rs. 139.2 million (2021:Rs. 115.4 million) and also includes provision against the revision of gas tariff by Oil and Gas Regulatory Authority amounting to Rs 104.85 million (2021:99.93 million).

11.2 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, passed an interim order directing that every company subsequent to December 27, 2006 is required to clear the goods on paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above mentioned interim order amount to Rs. 814 million (2021: Rs. 780 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Company on prudent basis. Subsequently through Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh infrastructure cess. The Company has obtained stay against these and the ultimate dispute has been linked with the previous infrastructure cess case.

The case was decided on June 04,2021 by the Sindh High Court. The Sindh High Court declared first four versions of the law unconstitutional and the release of bank guarantees was ordered. However the Sindh Infrastructure Development Cess Act, 2017 was declared constitutional with retrospective effect from 1994. The Company dissatisfied with this order, preferred an appeal in the Supreme Court of Pakistan. Whereas, the SCP has granted stay against the encashment of BGs ordered by the SHC and also ordered the release of future import consignments subject to submission of BGs equivalent to 100% of applicable cess.

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

For the three months ended September 30, 2021

- 11.3 The Company filed a constitutional petition in the Sindh High Court against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014. 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.

	Note	(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
12. SHORT-TERM BORROWINGS - secured			
CONVENTIONAL			
Running finance under mark-up arrangement from banks	12.1	1,030,637	267,156
Short-term borrowing under Money Market scheme			
- Maturing after three months		41,783	-
- Maturing within three months		3,700,000	6,469,489
	12.1	3,741,783	6,469,489
Short-term borrowing under Export Refinance scheme	12.2	2,104,000	955,000
ISLAMIC			
Short-term borrowing under Money Market scheme - maturing within three months	12.3	2,503,000	1,422,000
Short-term borrowing under Running Musharakah - maturing within three months	12.4	1,984,519	567,846
Short-term borrowing under Export Refinance scheme		-	500,000
		<u>11,363,939</u>	<u>10,181,491</u>

- 12.1 These facilities for short term finance available from various commercial banks are for the purpose of meeting working capital requirement. The rates of mark-up on these finances range from 7.38% to 8.25% per annum (2021: 7.40% to 8.28%) per annum.
- 12.2 The Company has short-term running finance facility under the Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities range from 2.50% to 2.75% per annum (2021: 3.00%) per annum. These facilities matures within six months and are renewable.

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

For the three months ended September 30, 2021

- 12.3 This represents short term finance obtained under Money Market Scheme from Islamic banks. The rates of profit on these finances range from 7.43% to 7.49% (2021: 7.51% to 7.57%) per annum. These facilities matures within three months.
- 12.4 The Company has obtained facilities for short term finance under Running Musharakah. The rate of profit is 7.55% to 7.85% (2021: 7.42% to 7.99%) per annum.
- 12.5 As at September 30, 2021, the unavailed facilities from the above borrowings amounted to Rs. 6,406 million (2021: Rs.6,028 million).
- 12.6 The above facilities are secured by way of joint pari passu charge and ranking charge over all current and future moveable assets of the Company.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

	Description of the factual basis of the proceeding and relief sought	Name of the court / institution	Principal parties	Date Instituted
13.1.1	The customs authorities has charged the Company for a redemption fine of Rs. 83 million on clearance of imported raw material consignments in 2006. The Company has filed an appeal before the Sindh High Court (SHC), which has set aside the examination reports including subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities had filed an application for leave to appeal against the order of the Honourable High Court. The management anticipates that the chances of admission of such appeal are remote.	Sindh High Court	Collector of Customs / Federation of Pakistan	August 30, 2007

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

For the three months ended September 30, 2021

Description of the factual basis of the proceeding and relief sought	Name of the court / institution	Principal parties	Date Instituted
<p>13.1.2 The Company filed the suit before SHC challenging the chargeability of tax on inter corporate dividend in respect of dividend declared by its subsidiary, International Steels Limited. On October 21, 2016 SHC granted stay against which 500,000 shares of subsidiary company were pledged as a security with Nazir of the Court. In one of the litigation to which Company is not a party, Supreme Court of Pakistan (SCP) issued an order on February 21, 2018 whereby continuity of suits was made subject to depositing minimum 50% of the tax calculated by the tax authorities. A review petition has been filed against such order of SCP in which Company is not a party and the decision is awaited. In view of such developments the suit has been withdrawn and a petition has been filed before SHC, which is pending hearing. Application for release of pledged shares is in process.</p> <p>On a separate application challenging the chargeability of tax on inter corporate dividend, stay is granted by the SHC in respect of dividends declared by the subsidiary company on June 2, 2017, September 26, 2017 and January 23, 2018 against bank guarantees amounting to Rs. 76.6 million, Rs. 36.8 million and Rs. 55.1 million respectively submitted to the Nazir of the Court.</p>	<p>Sindh High Court</p>	<p>FBR / Commissioner Inland Revenue / Federation of Pakistan</p>	<p>November 1, 2016</p>
<p>13.1.3 As per section 95 of the Custom Act read with Customs Rules, 2001, the Company sold zinc wastages generated from imports under manufacturing bond at 0% duty for export during 2012-13, 2013-14 and 2014-15. All these sales were subject to sales tax payments in term of Custom Rules.</p> <p>However, on August 31, 2020, the Collector of Customs (Adjudication - II) has passed ONO no. 473, 474 and 475 against the Company and ordered for recovery of customs duty amounting to Rs. 402.72 million on zinc wastages.</p> <p>The Company filed appeals against these orders in the Customs Tribunal. However, due to non-functioning of Tribunal and considering the importance, Company preferred to file an appeal with the SHC. SHC granted stay order against the order of the Collector of Customs and issued notices for the hearing.</p>	<p>Sindh High Court</p>	<p>Collector of Customs</p>	<p>October 10, 2020</p>

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

For the three months ended September 30, 2021

13.2 Commitments

- 13.2.1 Capital expenditure commitments outstanding as at September 30, 2021 amounted to Rs. 175.2 million (2021: Rs. 177.6 million).
- 13.2.2 Commitments under Letters of Credit for raw materials and stores and spares as at September 30, 2021 amounted to Rs. 3,153 million (2021: Rs. 3,047.5 million).
- 13.2.3 Commitments under purchase contracts as at September 30, 2021 amounted to Rs. 497.1 million (2021: Rs. 99.1 million).
- 13.2.4 The facilities for opening letters of credit and guarantees from banks as at September 30, 2021 amounted to Rs. 12,700 million (2021: Rs. 11,700 million) and Rs. 2,550 million (2021: Rs. 2,550 million) respectively of which unutilised balance at period end amounted to Rs. 9,375 million (2021: Rs. 8,987 million) and Rs. 826 million (2021: Rs. 810 million) respectively.
- 13.2.5 Post-dated cheques issued in favour of Collector of Customs for imported items cleared under manufacturing bond as at September 30, 2021 amounted to Rs. 2,155.5 million (2021: 2,129.1 million).
- 13.2.6 Post-dated cheques issued in favour of Collector of Customs for differential of sales tax on imports of machinery as at September 30, 2021 amounted to Rs. 2.4 million (2021: 2.6 million).

------(Un-audited)-----
Three months ended
September 30, **September 30,**
2021 **2020**
------(Rupees in '000) -----

14. REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales of goods less returns

Local

Sales Tax

Trade discounts

7,917,621	5,442,026
(1,168,932)	(792,995)
(284,392)	(241,389)
6,464,297	4,407,642

Export

Export commission and discounts

2,409,386	995,269
(14,662)	(9,021)
2,394,724	986,248
8,859,021	5,393,890

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

For the three months ended September 30, 2021

15. OTHER INCOME

This includes dividend income from Subsidiary and Associate Companies amounting to Rs.1,764.13 million (2021: Nil).

		------(Un-audited)-----	
		Three months ended	
		September 30, 2021	September 30, 2020
		------(Rupees in '000) -----	
16.	INCOME TAX EXPENSES		
	- Current	452,809	79,948
	- Deferred	(17,764)	(3,486)
		<u>435,04</u>	<u>76,462</u>

17. CASH GENERATED FROM OPERATIONS

Profit before taxation	2,196,635	147,307
------------------------	-----------	---------

Adjustment for non-cash charges and other items

Depreciation of property, plant and equipment	124,258	132,304
Amortisation of intangible assets	146	56
Provision for staff retirement benefits	11,957	9,597
Provision for compensated absences	7,831	-
Income on bank deposits	(47)	(244)
Gain on disposal of property, plant and equipment	(8,375)	1,292
Dividend income	(1,764,129)	-
Government grant income	(8,150)	(5,123)
Unwinding of Gas Infrastructure Development Cess	5,340	-
Finance cost	226,375	163,634
Changes in working capital	17.1	1,294,802
	<u>(621,518)</u>	<u>1,743,625</u>

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

For the three months ended September 30, 2021

		(Un-audited)	
		Three months ended	
	Note	September 30, 2021	September 30, 2020
17.1 CHANGES IN WORKING CAPITAL			
(Increase) / decrease in current assets:			
Store and spares		(14,616)	1,627
Stock-in-trade		579,016	(1,062,829)
Trade debts		(1,532,067)	(553,953)
Advances, trade deposits and prepayments		(56,094)	(10,782)
Other receivables		(7,049)	13,421
Sales tax receivables		(137,054)	113,789
		<u>(1,167,864)</u>	<u>(1,498,727)</u>
(Decrease) / increase in current liabilities:			
Trade and other payables		(302,943)	2,748,713
Contract liabilities		57,448	44,816
		<u>(1,413,359)</u>	<u>1,294,802</u>
18. CASH AND CASH EQUIVALENTS			
Cash and bank balances		100,688	306,632
Running finance under mark-up arrangement from banks	12	(1,030,637)	(452,966)
Short-term borrowing under Money Market scheme maturing within three months	12	(6,203,000)	(4,617,339)
Short-term borrowing under running Musharakah maturing within three months	12	(1,984,519)	(913,205)
		<u>(9,117,468)</u>	<u>(5,676,878)</u>

19. TRANSACTIONS WITH RELATED PARTIES

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

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

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

For the three months ended September 30, 2021

19.1 Transactions with related parties

	(Un-audited)	
	Three months ended	
	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
Subsidiaries		
Sales	2,058,946	418,708
Purchases	995,321	458
Cost of shared resources	21,294	14,515
Reimbursement of expenses incurred on behalf of the Company	1,068	942
Rental income	2,947	105,960
Dividend received	1,715,389	-
Associated companies		
Sales	-	67,365
Purchases	2,592	303
Reimbursement of expenses	169	152
Insurance premium	5,605	13,534
Insurance claim	607	25,010
Dividend received	48,740	-
Dividend paid	7,967	-
Subscription	2,000	2,158
Registration and training	15	-
Key management personnel		
Remuneration	159,959	66,820
Staff retirement funds		
Contribution paid	33,070	44,391
Non-executive directors		
Directors' fee	1,650	900
Reimbursement of Chairman's expenses	890	-

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

For the three months ended September 30, 2021

20. SEGMENT REPORTING

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

20.1 Segment Revenue and Results

Segment Revenue and Results	Steel segment	Polymer segment	Investments segment	Total
	----- (Rupees in '000) -----			
For the three months ended September 30, 2021				
Revenue from contracts with customers				
Local	5,728,346	735,951	-	6,464,297
Export	2,394,724	-		2,394,724
	8,123,070	735,951	-	8,859,021
Cost of sales	(6,982,751)	(682,758)	-	(7,665,509)
Gross Profit	1,140,319	53,193	-	1,193,512
Selling and distribution expenses	(543,024)	(19,091)	-	(562,115)
Administrative expenses	(78,073)	(4,280)	-	(82,353)
	(621,097)	(23,371)	-	(644,468)
Finance cost	(212,466)	(19,249)	-	(231,715)
Other operating charges	(41,488)	(740)	-	(42,228)
	(253,954)	(19,989)	-	(273,943)
Other income	157,405	-	1,764,129	1,921,534
Profit before taxation	422,673	9,833	1,764,129	2,196,635
Income tax expenses				(435,045)
Profit after taxation				1,761,590

For the three months ended September 30, 2020

Revenue from contracts with customers				
Local	3,862,854	544,788	-	4,407,642
Export	986,248	-	-	986,248
	4,849,102	544,788	-	5,393,890
Cost of sales	(4,454,172)	(466,567)	-	(4,920,739)
Gross Profit	394,930	78,221	-	473,151
Selling and distribution expenses	(200,170)	(10,036)	-	(210,206)
Administrative expenses	(57,791)	(3,377)	-	(61,168)
	(257,961)	(13,413)	-	(271,374)
Finance cost	(153,108)	(10,526)	-	(163,634)
Other operating charges	(9,694)	(3,800)	-	(13,479)
	(162,802)	(14,326)	-	(177,113)
Other income	122,643	-	-	122,643
Profit before taxation	96,810	50,482	-	147,307
Income tax expenses				(76,462)
Profit after taxation				70,845

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

For the three months ended September 30, 2021

20.2 SEGMENT ASSETS AND LIABILITIES

	Steel segment	Polymer segment	Investments segment	Total
	----- (Rupees in '000) -----			
As at September 30, 2021 - Un-audited				
Segment assets	<u>23,334,546</u>	<u>1,761,198</u>	<u>3,372,515</u>	<u>28,468,259</u>
Segment liabilities	<u>14,447,459</u>	<u>859,723</u>	<u>-</u>	<u>15,307,182</u>
As at June 30, 2021 - Audited				
Segment assets	<u>22,387,009</u>	<u>1,778,101</u>	<u>3,372,515</u>	<u>27,537,625</u>
Segment liabilities	<u>13,621,522</u>	<u>819,573</u>		

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

	(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
Total reportable segments assets	28,468,259	27,537,625
Unallocated assets	3,262,549	1,253,835
Total assets as per Statement of financial position	<u>31,730,808</u>	<u>28,791,460</u>
Total reportable segments liabilities	15,307,182	14,441,095
Unallocated liabilities	4,009,165	2,851,842
Total liabilities as per Statement of financial position	<u>19,316,347</u>	<u>17,292,937</u>

21. General

21.1 Corresponding Figures

Comparative information has been reclassified, re-arranged or additionally incorporated in these financial statements, wherever necessary, to facilitate comparison and to confirm with presentation in the current period, having insignificant impact.

21.2 Date of authorization for issue

These unconsolidated condensed interim financial statements were authorised for issue on October 28, 2021 by the Board of Directors of the Company.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	26,324,860	26,706,486
Right-of-use assets		7,671	9,714
Intangible assets		2,490	2,493
Investment in equity accounted investee	7	1,129,861	1,132,235
Long-term deposits		1,835	1,835
		<u>27,466,716</u>	<u>27,852,763</u>
CURRENT ASSETS			
Stores and spares		992,181	898,627
Stock-in-trade	8	40,927,778	29,992,300
Trade debts		9,109,724	4,816,190
Advances, trade deposits and prepayments	9	2,431,748	2,020,014
Other receivables		1,806,966	62,376
Sales tax receivable		869,514	1,753,757
Cash and bank balances		636,460	635,590
		<u>56,774,371</u>	<u>40,178,854</u>
TOTAL ASSETS		<u><u>84,241,087</u></u>	<u><u>68,031,617</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital		1,318,819	1,318,819
Revenue reserves			
General reserve		2,991,258	2,991,258
Un-appropriated profit		12,056,829	11,365,899
Exchange translation reserve		7,711	5,863
Capital reserve			
Revaluation surplus on property, plant and equipment		4,245,555	4,267,987
TOTAL SHAREHOLDERS' EQUITY		<u>20,620,172</u>	<u>19,949,826</u>
Non-controlling interest		<u>8,058,374</u>	<u>8,247,364</u>
		<u>28,678,546</u>	<u>28,197,190</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	10	5,647,325	5,803,471
Deferred income - government grant		56,293	28,203
Gas Infrastructure Development Cess	11	828,539	911,776
Staff retirement benefits		115,338	115,338
Deferred taxation - net		1,761,924	1,753,469
Lease liabilities		-	1,929
		<u>8,409,419</u>	<u>8,614,186</u>
CURRENT LIABILITIES			
Trade and other payables	12	19,123,897	9,658,752
Contract liabilities		2,076,542	1,457,763
Short-term borrowings - secured	13	18,081,275	16,977,836
Unpaid dividend		3,902,232	-
Unclaimed dividend		34,464	35,889
Unclaimed dividend attributable to non-controlling interest		8,443	8,798
Current portion of long-term finances - secured	10	2,351,160	2,351,155
Current portion of lease liabilities		10,828	11,068
Taxation - net		1,264,558	586,746
Accrued mark-up		299,723	132,234
		<u>47,153,122</u>	<u>31,220,241</u>
TOTAL LIABILITIES		<u>55,562,541</u>	<u>39,834,427</u>
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>84,241,087</u></u>	<u><u>68,031,617</u></u>

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



Jehangir Shah
 Director & Chairman
 Board Audit Committee



Muhammad Akhtar
 Chief Financial
 Officer



Sohail R. Bhojani
 Chief Executive
 Officer

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

For the three months ended September 30, 2021

	Note	Three months ended	
		September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
Revenue from contracts with customers	15	31,923,303	21,159,160
Cost of sales		(26,456,717)	(19,268,530)
Gross profit		5,466,586	1,890,630
Selling and distribution expenses		(774,311)	(320,101)
Administrative expenses		(173,652)	(126,621)
		(947,963)	(446,721)
Operating profit		4,518,623	1,443,909
Finance cost		(407,450)	(424,207)
Other operating charges		(322,733)	(82,297)
		(730,183)	(506,504)
Other income		161,528	73,752
Share of profit in equity-accounted investee		41,529	(15,780)
Profit before income tax		3,991,498	995,377
Income tax expense	16	(1,340,977)	(382,881)
Profit for the period		2,650,520	612,496
Profit attributable to:			
- Owners of the Holding Company		1,513,602	368,777
- Non-controlling interest		1,136,918	243,719
		2,650,520	612,496
		----- (Rupees) -----	
Earnings per share - basic and diluted		11.48	2.80

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the three months ended September 30, 2021

	Three months ended	
	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
Profit for the period	2,650,520	612,496
Other comprehensive income		
Items that will not be subsequently reclassified to Consolidated Statement of Profit or Loss		
Re-measurement of staff retirement benefits		
Adjustment related to opening deferred tax balance	(2,254)	-
Surplus on revaluation of land and buildings		
Adjustment related to opening deferred tax balance on buildings	13,834	-
Items that will be subsequently reclassified to Consolidated Statement of Profit or Loss		
Foreign operations - foreign currency translation difference	1,848	344
Proportionate share of other comprehensive income of equity accounted investee	4,269	3,442
	<u>17,697</u>	<u>3,786</u>
Total comprehensive income for the period	<u>2,668,217</u>	<u>616,282</u>
Total comprehensive income attributable to:		
- Owners of the Holding Company	1,531,299	372,563
- Non-controlling interest	1,136,918	243,719
	<u>2,668,217</u>	<u>616,282</u>

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the three months ended September 30, 2021

Attributable to owners of the Holding Company

	Issued, subscribed and paid-up capital	General reserves	Revenue Reserves Un- appropriated profit / (loss)	Exchange translation reserve	Total reserves	Capital Reserve Revaluation surplus on property, plant & machinery	Total	Non- controlling interest	Total
	(Rupees in '000)								
Balance as at July 1, 2020	1,318,819	2,991,258	6,411,432	4,565	9,407,255	3,616,039	14,342,113	5,466,668	19,808,781
Profit for the period	-	-	368,777	-	368,777	-	368,777	243,719	612,496
Other comprehensive income for the period	-	-	3,442	344	3,786	-	3,786	-	3,786
Total comprehensive income for the period	-	-	372,219	344	372,563	-	372,563	243,719	616,282
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	26,549	-	26,549	(30,841)	(4,292)	4,292	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	-	-	-	(591)	(591)	-	(591)
Proportionate share / reclassification of surplus on revaluation of property, plant and equipment - NCI	-	-	-	-	-	4,292	4,292	(4,292)	-
Balance as at September 30, 2020	1,318,819	2,991,258	6,810,200	4,909	9,806,367	3,588,899	14,714,085	5,710,387	20,424,472
Balance as at July 1, 2021	1,318,819	2,991,258	11,365,899	5,863	14,363,020	4,267,987	19,949,826	8,247,364	28,197,190
Profit for the period	-	-	1,513,602	-	1,513,602	-	1,513,602	1,136,918	2,650,520
Other comprehensive income	-	-	15,849	1,848	17,697	-	17,697	-	17,697
Total comprehensive income for the period	-	-	1,529,451	1,848	1,531,299	-	1,531,299	1,136,918	2,668,217
Transactions with owners recorded directly in equity - distribution									
-Final dividend @ 65% (Rs. 6.50 per share) for the year ended June 30, 2021	-	-	(857,232)	-	(857,232)	-	(857,232)	-	(857,232)
Dividend to non-controlling interest	-	-	-	-	-	-	(3,703)	(1,329,611)	(1,329,611)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	18,144	-	18,144	(21,847)	-	3,703	-
Proportionate share of surplus on revaluation of property, plant and equipment - PCL	-	-	567	-	567	(585)	(18)	-	(18)
Balance as at September 30, 2021	1,318,819	2,991,258	12,056,829	7,711	15,055,798	4,245,555	20,620,172	8,058,374	28,678,546

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



Jehangir Shah
 Director & Chairman
 Board Audit Committee



Muhammad Akhtar
 Chief Financial
 Officer



Sohail R. Bhojani
 Chief Executive
 Officer

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

For the three months ended September 30, 2021

		Three months ended	
		September 30, 2021	September 30, 2020
Note		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			

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



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer

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

For the three months ended September 30, 2021

1. THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of International Industries Limited, (the Holding Company), its 56.33% owned subsidiary International Steels Limited (ISL), its wholly owned subsidiary IIL Construction Solutions (Private) Limited (IILCSL) and its wholly owned foreign subsidiaries IIL Australia PTY Limited (IIL Australia) and IIL Americas Inc (IIL Americas) [together referred to as "the Group" and individually as "Group entities"] and the Holding Company's 17.124% interest in equity accounted investee namely Pakistan Cables Limited (PCL).
- 1.2 International Industries Limited ("the Holding Company") was incorporated in Pakistan in 1948 and is quoted on the Pakistan Stock Exchange. The Holding Company is engaged in the business of manufacturing and marketing of galvanized steel pipes, precision steel tubes, API line pipes and polymer pipes and fittings. The registered office of the Holding Company is situated at 101, Beaumont Plaza, 10, Beaumont Road, Karachi - 75530.

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

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

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

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

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

The manufacturing facilities of ISL are situated as follows:

- i) 399-405, Rehri Road, Landhi Industrial Area, Karachi
- ii) Plot No. LE 73-79, 102-103, 112-118, 125-129, Survey No. NC 98 near Arabian Country Club, National Industrial Parks (NIP), Bin Qasim Industrial Park, Karachi

The sales offices of ISL 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
- iii) Office no.708-A, United Mall, Abdali Road, Multan

- 1.4 IIL CSL was incorporated on August 19, 2020 under the Companies Act 2017. It is engaged in the business of providing scaffolding solutions. The registered office is situated at 101, Beaumont Plaza, 10 Beaumont Road, Karachi 75530.
- 1.5 IIL Australia PTY Limited was incorporated in Australia on 02 May 2014. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes. The registered office and sales office of the foreign Subsidiary Company is situated at 101-103, Abbot Road, Hallam, Victoria 3803, Australia.
- 1.6 IIL Americas Inc., was incorporated in Canada on 08 October 2019. It is engaged in the business of distribution and marketing of galvanized steel pipes, precision steel tubes and pre-galvanized pipes. The registered office and sales office of the foreign Subsidiary Company is situated at 36 Gerigs St. Scarborough, Ontario, Canada M1L 0B9.
- 1.7 Details of equity accounted investee is given in note 7 to these consolidated condensed interim financial statements.

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

For the three months ended September 30, 2021

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

- 2.1.1 These consolidated condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements as at and for the year ended June 30, 2021.
- 2.1.2 The comparative Statement of Financial Position presented in this consolidated condensed interim financial statements have been extracted from the audited annual consolidated financial statements for the year ended June 30, 2021, whereas the comparative condensed interim Statement of Profit or Loss Account, condensed interim Statement of Comprehensive Income, condensed interim Statement of Cash Flows and condensed interim Statement of Changes in Equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended September 30, 2020.
- 2.1.3 These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of the Pakistan Stock Exchange and Section 237 of the Companies Act 2017.

2.2 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) that is determined based on the present value of defined benefit obligations less fair value of plan assets, land & buildings thereon that are stated at fair value determined by an independent valuer and derivative financial instruments which are stated at fair value.

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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 financial statements as at and for the year ended 30 June 2021.

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

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

For the three months ended September 30, 2021

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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
- 4.2 The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statement as at and for the year ended June 30, 2021.
- 4.3 The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2021.

5 Basis of consolidation

5.1 Subsidiaries

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

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

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

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

5.2 Associates

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

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

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

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

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

For the three months ended September 30, 2021

6. PROPERTY, PLANT AND EQUIPMENT

	Operating assets	Capital work-in-progress (Incl., capital spares)	Total
	----- (Rupees in '000) -----		
Cost / revalued amount			
Opening balance	37,732,607	192,013	37,924,620
Additions	-	300,344	300,344
Translate reserve	216		216
Transfers	65,358	(65,358)	-
Disposal	(215,309)	-	(215,309)
	<u>37,582,872</u>	<u>426,999</u>	<u>38,009,871</u>
Accumulated depreciation			
Opening balance	(11,218,538)	-	(11,218,538)
Charge for the period	(509,091)	-	(509,091)
Disposal	42,618	-	42,618
	<u>(11,685,011)</u>	<u>-</u>	<u>(11,685,011)</u>
Written down value as at September 30, 2021 (Un-audited)	<u>25,897,861</u>	<u>426,999</u>	<u>26,324,860</u>
Written down value as at June 30, 2021 (Audited)	<u>25,870,650</u>	<u>835,836</u>	<u>26,706,486</u>

7. INVESTMENT IN EQUITY - ACCOUNTED INVESTEE

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
		(Rupees in '000)	
Pakistan Cables Limited (PCL) - associated company	7.1	1,129,861	1,132,235

- 7.1 The Holding Company holds 17.124% (2021: 17.124%) ownership interest in PCL. The Chief Executive Officer of PCL is Mr. Fahd K. Chinoy. The Company considers it has significant influence over PCL as, in addition to its holding, the Chairman of the Board of the Company is also the Chairman of the Board of PCL. The price per share of PCL as at reporting date was Rs. 157.62 (2021: 149.50) resulting in a market value of total investment amounting to Rs. 960.29 million (2021: 910.82 million). The share of profit after acquisition is recognised based on audited financial statements as at June 30, 2021 as the latest financial statements as at September 30, 2021 were not presently available.

Market value of the investments disclosed in note 7.1 is categorised as level 1 fair value measurement in accordance with IFRS 13 "Fair Value Measurement."

8. STOCK-IN-TRADE

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
Raw material - in hand	7,783,238	7,935,726
- in transit	17,384,260	6,909,277
	<u>25,167,498</u>	<u>14,845,003</u>
Work-in-process	4,682,839	3,298,071
Finished goods - in hand	10,991,409	11,395,485
- in transit	-	313,044
By-products	45,281	28,356
Scrap material	40,751	112,341
	<u>40,927,778</u>	<u>29,992,300</u>

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

For the three months ended September 30, 2021

- 8.1 Raw material of Holding Company amounting to Rs.2.7 million as at September 30, 2021 (2021: Rs.5.2 million) was held at vendor's premises for the production of pipe caps.

9. ADVANCES, TRADE DEPOSITS AND PREPAYMENTS

These include unsecured advances to suppliers amounting to Rs. 2,246.2 million (2021: Rs. 1,888.1 million).

		(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
10.	LONG-TERM FINANCING - secured		
CONVENTIONAL			
Long-Term Finance Facility (LTFF)	10.2	1,286,204	1,389,002
Long-Term Finance		1,581,818	1,581,818
Payroll Refinance Scheme	10.3	389,989	454,985
Temporary Economics Refinance Facility (TERF)	10.4	12,189	12,189
		<u>3,270,200</u>	<u>3,437,994</u>
ISLAMIC			
Diminishing Musharakah		284,091	318,182
Islamic Long Term Finance Facility (ILTFF)	10.5	611,761	626,925
Islamic Temporary Economics Refinance Facility (ITERF)	10.6	234,631	105,959
Long-Term Finance		3,430,000	3,430,000
Payroll Refinance Scheme	17.7	257,640	300,580
		<u>4,818,123</u>	<u>4,781,646</u>
		<u>8,088,323</u>	<u>8,219,640</u>
Deferred income - government grant		(89,838)	(65,014)
Current portion of long term finances			
CONVENTIONAL			
Long-Term Finance Facility (LTFF)		(337,295)	(337,292)
Long-Term Finance		(395,454)	(395,454)
Payroll Refinance Scheme		(259,991)	(259,991)
		<u>(992,740)</u>	<u>(992,737)</u>
ISLAMIC			
Diminishing Musharakah		(136,364)	(136,364)
Long-Term Finance		(980,000)	(980,000)
Islamic Long-Term Finance Facility (ILTFF)		(70,296)	(70,294)
Payroll Refinance Scheme		(171,760)	(171,760)
		<u>(2,351,160)</u>	<u>(2,351,155)</u>
		<u>5,647,325</u>	<u>5,803,471</u>

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

For the three months ended September 30, 2021

- 10.1 The above loans are secured by way of charge on stocks and all present and future land, buildings and plant and machinery located at plot number LX-15 & 16 and HX-7/4, Landhi Industrial Estate, Karachi and Survey No.402, 405-406, Dehsharabi, Landhi Town, Karachi of the Holding Company and by way of joint pari passu charge and ranking charge over fixed assets of the ISL (such as land, building, plant and machinery etc).
- In relation to above borrowings the Holding Company and ISL 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.
- 10.2 This represents finance facility loan obtained by the Holding Company and ISL from different banks under the State Bank of Pakistan (SBP) Long Term Finance Facility for Plant and Machinery in respect of export-oriented projects from different banks.
- 10.3 This represents long term loans obtained by the Holding Company for financing its salaries and wages under SBP's Refinance Scheme for payments of wages and salaries, earmarked from running finance limit.
- 10.4 This represents finance facility loan obtained from different banks by ISL under the SBP's Temporary Economics Refinance Facility available to the Company at below-market interest rate for setting up of new industrial units.
- 10.5 This represents finance facility loan obtained by the Holding Company and ISL from Islamic banks under the SBP Islamic Long Term Finance facility for Plant and Machinery in respect of export-oriented projects.
- 10.6 This represents long term loan obtained by Holding Company under the SBP's Islamic Temporary Economics Refinance Facility available to the Company from various Islamic bank at below-market interest rates.
- 10.7 This represents salaries and wages under SBP's Refinance Scheme for Payment of Wages and Salaries obtained by ISL at concessionary rates from an Islamic bank, earmarked from running finance limit. The loan is obtained in six tranches starting from May 2020.

11. GAS INFRASTRUCTURE DEVELOPMENT CESS

Supreme Court of Pakistan (SCP) has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 (GIDC Act) through its judgement dated August 13, 2020. The Supreme Court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act in complete sense and the benefits allowed under section 8 (2) of the GIDC Act to the industrial sector is also available. Further payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 instalments instead of 24 instalments.

The Holding Company and ISL have also filed a civil suit before the Honourable High Court of Sindh on the ground that the Company has not passed on the burden of Cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing.

The Holding Company and ISL have recorded the present value of Cess by discounting the future cash flows using three year PKRV rate and has booked income of Rs. 236.1 million in financial year 2021 which has been recorded as other income. The unwinding of the GIDC during the period amounts to Rs.24.1 million (2021: Nil).

Despite the speaking order dated August 13, 2020 by the SCP, the Federal Government did not initiate the gas project within six months, therefore, during the period, the Holding Company and ISL have preferred a petition in the SHC for declaration of whole GIDC Act, 2015 and the demands raised by the gas companies have become dead and in-operational since ab-initio.

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

For the three months ended September 30, 2021

	Note	(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
12. TRADE AND OTHER PAYABLES			
Trade creditors		11,893,454	2,043,207
Bills payable		306,079	826,378
Provision for Government Levies		-	2,531
Accrued expenses	12.1	3,480,983	3,291,440
Provision for Infrastructure Cess	12.2	2,416,798	2,289,074
Short-term compensated absences		20,242	17,642
Workers' Profit Participation Fund		222,826	560,830
Workers' Welfare Fund		580,642	489,917
Current portion of deferred income - government grant		33,546	36,811
Payable to provident fund		-	4,898
Others		169,327	96,024
		<u>19,123,897</u>	<u>9,658,752</u>

12.1 These includes current portion of Gas Infrastructure Development Cess amounting to Rs. 625.9 million (2021: Rs. 518.4 million) and also includes provision against the revision of gas tariff by Oil and Gas Regulatory Authority amounting to Rs. 737.4 million (2021: 710.2 million).

12.2 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 passed an interim order directing that every company subsequent to December 27, 2006 is required to clear the goods on paying 50% of the fee amount involved and furnishing a guarantee / security for the balance amount. Bank guarantees issued as per the above mentioned interim order amount of 2,482 million (2021: 2,448 million), have been provided to the Department. However, a provision to the extent of amount utilized from the limit of guarantee has also been provided for by the Holding Company and ISL on prudent basis. Subsequently through Sindh Finance Act 2015 and 2016, the legislation has doubled the rate of Sindh Infrastructure Cess. The Holding Company and ISL had obtained stay against these and ultimate dispute has been linked with the previous infrastructure cess case.

12.3 The case was decided on June 04, 2021 by the Sindh High Court. The Sindh High Court declared first four versions of the law unconstitutional and the 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 will remain suspended till September 3, 2021. The Holding Company and ISL dissatisfied with this order, preferred an appeal in the Supreme Court of Pakistan. Whereas, the SCP has granted stay against the encashment of BGs ordered by the SHC and also ordered the release of future import consignments subject to submission of BGs equivalent to 100% of applicable cess.

The Holding Company and ISL filed a constitutional petition in the Sindh High Court against notice to the Company for payment of Sindh Workers Welfare Fund under the Sindh Workers Welfare Fund Act, 2014. Stay was obtained on the ground that the Holding Company and ISL are trans-provincial establishment operating industrial and commercial activities across Pakistan and is liable to pay Workers Welfare Fund under Federal Workers Welfare Fund Ordinance, 1971.

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

For the three months ended September 30, 2021

(Un-audited) (Audited)
September 30, June 30,
2021 2021
(Rupees in '000)

13. SHORT-TERM BORROWINGS - secured

CONVENTIONAL

Running finance under mark-up arrangement from banks	13.1	1,481,045	626,411
Short-term borrowing under Money Market Scheme			
- maturing after 3 months		41,783	-
- maturing within 3 months		3,700,000	8,319,489
	13.1	3,741,783	8,319,489
Short-term borrowing under Export Refinance Scheme	13.2	6,652,301	3,755,000

ISLAMIC

Short term borrowing under Money Market Scheme - maturing within 3 months	13.3	2,503,000	1,422,000
Short term borrowing under running Musharakah - maturing within 3 months	13.4	2,203,145	935,079
Short-term borrowing under Export Refinance Scheme	13.5	1,500,001	1,919,857
		<u>18,081,275</u>	<u>16,977,836</u>

- 13.1 The facilities for running finance available from various commercial banks are for the purposes of meeting working capital requirement. The rate of mark-up on these finances obtained by the Holding Company ranges from 7.38% to 8.25% per annum. (2021: 7.40% to 8.28% per annum). The rate of mark-up on these finance obtained ISL ranges from 7.45% to 8.25% per annum. (2021: 7.37% to 8.28% per annum).
- 13.2 The Holding Company and ISL have obtained short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The rate of mark-up on these facilities obtained by Holding Company range from 2.50 % to 2.75% (2021: 3.00%) per annum. The rate of mark-up on these facilities obtained by ISL range from 2.50 % to 3.0% per annum (2021: 2.75% 3.0%). These facilities mature within six months and are renewable.
- 13.3 The Holding Company has obtained short term running finance facility under Money Market Scheme from Islamic banks. The rate of profit on these finances range from 7.43% to 7.49% (2021: 7.51% to 7.57%). These facilities are mature within three months.
- 13.4 The Holding Company and ISL have obtained facilities for Short term finance under running musharakah. The rate of profit on these finances obtained by the Holding Company ranges from 7.55% to 7.85% (2021: 7.42% to 7.99%) per annum. The rate of profit on these finances obtained by ISL ranges from 7.55% to 7.95% (2021: 7.39% to 7.68%) per annum.
- 13.5 The Subsidiary Company ISL has availed short-term running finance facility under Islamic Export Refinance Scheme of the State Bank of Pakistan from an Islamic bank. The rate of mark-up on on this facility is 3.00% (2021: 3.00 %) per annum.
- 13.6 As at September 30, 2021, the unavailed facilities from above borrowings for the Holding Company amounted to Rs. 6,406 million (2021: 6,028 million) and for ISL amounted to 17,995 million (2021: 16,714 million).
- 13.7 The above facilities are secured by way of joint pari passu charge and ranking charge over all current and future movable assets of the Holding Company and ISL.

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

For the three months ended September 30, 2021

14. CONTINGENCIES AND COMMITMENTS

Contingencies

14.1	Description of the factual basis of the proceeding and relief sought	Name of the court / institution	Principal parties	Date instituted
Holding Company				
14.1.1	The collector of customs has charged the Holding Company for redemption fine of Rs. 83 million on clearance of imported raw material consignments in 2006. The Holding Company has filed an appeal before the Honourable Sindh High Court (SHC), which has set aside the examination reports including subsequent order produced by the custom authorities, and ordered the authorities to re-examine the matter afresh. However, the custom authorities had filed an application for leave to appeal against the order of the SHC. The management anticipates that the chances of admission of such appeal are remote.	Sindh High Court	Collector of Customs / Federation of Pakistan	August 30, 2007
14.1.2	<p>The Company filed the suit before the SHC challenging the chargeability of tax on inter corporate dividend in respect of dividend declared by its subsidiary, International Steels Limited. On 21 October 2016 Court granted stay order against which 500,000 shares of subsidiary company were pledged as a security with Nazir of the Court. In one of the litigation to which the Holding Company is not a party, SCP issued an order on 21 February 2018 whereby continuity of suits was made subject to depositing minimum 50% of the tax calculated by the tax authorities. A review petition has been filed against such order of the Supreme Court of Pakistan (SCP) in which Company is not a party and the decision is awaited. In view of such developments the suit has been withdrawn and a petition has been filed before the Court, which is pending hearing Application for release of pledged shares in process.</p> <p>On a separate application challenging the chargeability of tax on inter corporate dividend, stay order is granted by the SHC in respect of dividends declared by the subsidiary company on 02 June 2017, 26 September 2017 and 23 January 2018 against bank guarantees amounting to Rs.76.6 million, Rs.36.8 million and Rs.55.1 million respectively submitted to the Nazir of the Court.</p>	Sindh High Court	FBR / Inland Revenue Federation of Pakistan	November 1, 2016
14.1.3	<p>As per section 95 of the Custom Act read with Customs Rules, 2001, the Company sold zinc wastages generated from imports under manufacturing bond at 0% duty for export during 2012-13, 2013-14 and 2014-15. All these sales were subject to sales tax payments in term of Custom Rules.</p> <p>However, on August 31, 2020, the Collector of Customs (Adjudication - II) has passed ONO no. 473, 474 and 475 against the Company and ordered for recovery of customs duty amounting to Rs. 402.72 million on zinc wastages.</p> <p>The Company filed appeals against these orders in the Customs Tribunal. However, due to non-functioning of Tribunal and considering the importance, Company preferred to file an appeal with the SHC. SHC granted stay order against the order of the Collector of Customs and issued notices for the hearing.</p>	Sindh High Court	Collector of Customs	October 10, 2020

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

For the three months ended September 30, 2021

	Description of the factual basis of the proceeding and relief sought	Name of the court / institution	Principal parties	Date instituted
	ISL			
14.1.4	<p>A petition was filed before the SHC by ISL seeking order for the issuance of quota for concessionary import under SRO 565; release of 85,000 tons of HRC arrived at the Port in November 2019 and for future shipments.</p> <p>SHC granted release of 85,000 tons of HRC against submission of bank guarantee for the differential amount of duty & taxes amounting to Rs. 1,651 million. In a separate order SHC instructed the authorities to allow provisional quota subject to submission of bank guarantee for the difference of duty & taxes. As ordered, the Input-Output Coefficient Organisation (IOCO) is issuing quota equivalent to ordered/shipped quantity of raw material on case to case basis.</p>	Sindh High Court	Federation of Pakistan. Director IOCO / The Chief Collector (South)	November 4, 2019
14.2	Commitments			
	Holding Company and ISL			
14.2.1	Capital expenditure commitments outstanding as at September 30, 2021 amounted to Rs. 985.9 million (2021: Rs. 873.8 million).			
14.2.2	Commitments under letters of credit for raw materials and stores and spares as at September 30, 2021 amounted to Rs. 22,337 million (2021: Rs. 23,203.8 million).			
14.2.3	The facilities for opening letters of credit and guarantees from banks as at September 30, 2021 amounted to Rs. 41,590 million (2021: Rs. 32,552 million) and Rs. 8,750 million (2021: Rs. 6,777.5 million) respectively of which unutilised balance at period end amounted to Rs.18,269 million (2021 Rs.17,418 million) and Rs.1,073 million (2021 Rs.1,115 million) respectively.			
	Holding Company			
14.2.4	Commitments under purchase contracts as at September 30, 2021 amounted to Rs. 497.1 million (2021: Rs.99.1 million).			
14.2.5	Post-dated cheques issued in favour of Collector of Customs for imported item cleared under manufacturing bond as at September 30, 2021 amounted Rs.2,155.50 million (2021 Rs.2,129.10 million).			
14.2.6	Post-dated cheques issued in favour of Collector of Customs for differential of sales tax on imports of machinery as at September 30, 2021 amounted Rs.2.4 million (2021 Rs.2.6 million).			

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

For the three months ended September 30, 2021

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Three months ended	
	September 30, 2021	September 30, 2020
	(Rupees in '000)	
Sale of goods less returns		
Local	29,502,775	21,083,713
Sales Tax	(4,324,317)	(3,089,098)
Trade discounts	(509,923)	(480,549)
	<u>24,668,535</u>	<u>17,514,066</u>
Export	7,269,430	3,654,115
Export commission & discounts	(14,662)	(9,021)
	<u>7,254,768</u>	<u>3,645,094</u>
	<u><u>31,923,303</u></u>	<u><u>21,159,160</u></u>

16. INCOME TAX EXPENSE

Current	1,321,032	308,595
Deferred	19,945	74,286
	<u>1,340,977</u>	<u>382,881</u>

17 CASH GENERATED FROM OPERATIONS

Profit before taxation	3,991,498	995,377
------------------------	-----------	---------

Adjustments for :

Depreciation of property, plant and equipment	511,134	519,872
Amortisation of intangible assets	224	133
Provision for store and spares	16,346	19,374
Provision for staff retirement benefits	19,533	15,822
Provision for compensated absences	10,983	2,836
Income on bank deposits	(18,947)	(940)
Gain on disposal of property, plant and equipment	(7,365)	(621)
Share of profit from associated company	(41,529)	15,780
Government grant income	(12,541)	(6,007)
Unwinding of Gas Infrastructure Development Cess	24,007	-
Finance cost	383,443	424,207
	<u>885,287</u>	<u>990,456</u>

Changes in working capital	17.1 (4,832,431)	7,396,739
	<u>44,353</u>	<u>9,382,572</u>

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

For the three months ended September 30, 2021

		Three months ended	
		September 30, 2021	September 30, 2020
		(Rupees in '000)	
17.1. CHANGES IN WORKING CAPITAL			
(Increase) / decrease in current assets:			
Stores and spares		(93,554)	(131,244)
Stock-in-trade		(10,731,450)	6,819,625
Trade debts		(4,293,534)	(258,744)
Advances, trade deposit and prepayments		(411,734)	47,249
Other receivables		19,539	8,557
Sale tax receivables		884,243	1,458,984
		<u>(14,626,490)</u>	<u>7,944,427</u>
Increase /(decrease) in current liabilities:			
Trade and other payables		9,152,633	(592,504)
Contract liabilities		618,779	44,816
		<u>(4,855,078)</u>	<u>7,396,739</u>
18 CASH AND CASH EQUIVALENTS			
Cash and bank balances		636,460	819,751
Running finance under mark-up arrangement from banks	13	(1,481,045)	(987,407)
Short-term borrowing under Money Market scheme - maturing within three months	13	(6,203,000)	(4,617,339)
Short-term borrowing under Running Musharakah - maturing within three months	13	(2,203,145)	(913,205)
		<u>(9,250,730)</u>	<u>(5,698,200)</u>

19. TRANSACTIONS WITH RELATED PARTIES

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

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

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

For the three months ended September 30, 2021

- 19.1 Detail of transaction with related parties, other than those which have been specially disclosed elsewhere in these consolidated financial statements are as follows:

	(Un-audited)	
	Three months ended	
	September 30, 2021	September 30, 2020
	(Rupees in '000)	
Associated companies		
Sales	1,009,772	116,957
Purchases	24,489,134	2,392,449
Reimbursement of expenses	169	1,322
Insurance premium expenses	5,605	27,068
Insurance claim	607	50,020
Rent income	719	607
Dividend distribution	284,311	3,100
Dividend income	48,740	-
Registration and training	15	-
Subscription	2,000	2,158
Services	379	1,521
Key management personnel		
Remuneration	231,071	123,579
Staff retirement funds		
Contribution paid	49,271	63,279
Non-executive directors		
Directors' fees	2,950	2,800
Reimbursement of Chairman's expenses	890	646

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

For the three months ended September 30, 2021

20 SEGMENT REPORTING

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

20.1 Segment revenue and results

	Steel coils & sheets segment	Steel pipes segment	Polymer segment	Investment segment	Total
(Rupees in '000)					
For the three months ended September 30, 2021					
Revenue from contract with customers					
Local	18,204,238	5,728,346	735,951		24,668,535
Exports	5,266,154	1,988,614			7,254,768
	23,470,392	7,716,960	735,951	-	31,923,303
Cost of sales	(19,315,293)	(6,458,666)	(682,758)	-	(26,456,717)
Gross Profit	4,155,099	1,258,294	53,193	-	5,466,586
Selling and distribution expenses	(177,375)	(577,845)	(19,091)	-	(774,311)
Administrative expenses	(84,576)	(84,796)	(4,280)	-	(173,652)
	(261,951)	(662,641)	(23,371)	-	(947,963)
Finance cost	(175,697)	(212,504)	(19,249)	-	(407,450)
Other operating charges	(280,141)	(41,852)	(740)	-	(322,733)
	(455,838)	(254,356)	(19,989)	-	(730,183)
Other income	6,190	155,338	-	-	161,528
Share of profit in equity accounted investee - net of tax	-	-	-	41,529	41,529
Profit before taxation	3,443,500	496,635	9,833	41,529	3,991,498
Income tax expense					(1,340,977)
Profit after taxation					2,650,520

For the three months ended September 30, 2020

Revenue from contract with customers					
Local	13,106,424	3,862,854	544,788	-	17,514,066
Exports	2,547,783	1,097,311	-	-	3,645,094
	15,654,207	4,960,165	544,788	-	21,159,160
Cost of sales	(14,263,495)	(4,538,468)	(466,567)	-	(19,268,530)
Gross Profit	1,390,713	421,696	78,221	-	1,890,630
Selling and distribution expenses	(95,851)	(214,214)	(10,036)	-	(320,101)
Administrative expenses	(55,326)	(67,918)	(3,377)	-	(126,621)
	(151,177)	(282,131)	(13,413)	-	(446,721)
Finance cost	(260,542)	(153,139)	(10,526)	-	(424,207)
Other operating charges	(68,818)	(9,679)	(3,800)	-	(82,297)
	(329,360)	(162,818)	(14,326)	-	(506,504)
Other income	51,132	22,620	-	-	73,752
Share of profit in equity accounted investee - net of tax	-	-	-	(15,780)	(15,780)
Profit before taxation	961,308	(633)	50,482	(15,780)	995,377
Income tax expense					(382,881)
Profit after taxation					612,496

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

For the three months ended September 30, 2021

20.2 Segment assets and liabilities

Segment assets and liabilities	Steel coils & sheets	Steel pipes	Polymer	Investments	Total
	(Rupees in '000)				
As at September 30, 2021 - Un-audited					
Segment assets	55,058,282	23,307,174	1,761,198	1,129,861	81,256,515
Segment liabilities	36,522,198	14,462,673	846,481	-	51,831,352
As at June 30, 2021 - Audited					
Segment assets	36,972,972	22,387,009	1,778,101	1,132,235	62,270,317
Segment liabilities	22,427,299	13,621,522	819,573	-	36,868,394

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

	(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
Total for reportable segments assets	81,256,515	62,270,317
Unallocated assets	<u>2,984,572</u>	<u>5,761,300</u>
Total assets as per statement of financial position	<u>84,241,087</u>	<u>68,031,617</u>
Total for reportable segments liabilities	51,831,352	36,868,394
Unallocated liabilities	<u>3,731,189</u>	<u>2,966,033</u>
Total liabilities as per statement of financial position	<u>55,562,541</u>	<u>39,834,427</u>

21 General

21.1 Corresponding Figures

Corresponding figures have been reclassified for the purposes of comparison and better presentation. These reclassifications have no impact on previously reported profit or equity.

21.2 Date of authorization for issue

These consolidated condensed interim financial statements were authorised for issue on October 28, 2021 by the Board of Directors.



Jehangir Shah
Director & Chairman
Board Audit Committee



Muhammad Akhtar
Chief Financial
Officer



Sohail R. Bhojani
Chief Executive
Officer



Promising Reliability, For Now and Tomorrow

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